

11 April 2019

ASX Ltd
20 Bridge Street
Sydney
NSW 2000

Regeneus Ltd (ASX: RGS) – Quarterly results for the period ended 31 March 2019

The Company's Appendix 4C – Quarterly Cash Flows Statement is attached.

The financial highlights for the quarterly reporting period include:

- Cash as at 31 March 2019 of \$1.3 million (31 December 2018 \$1.1 million)
- Additional undrawn Loan Facilities of \$1.1 million
- New related party debt raised in the quarter of \$2.5 million
- Net operating cash outflow for the quarter of \$1.3 million was 20% lower than prior quarters

The Company's cash position is \$1.3 million as at 31 March with a further loan facility available of \$1.1 million. During the quarter the Directors provided \$2.5m loan to extend the funding runway, providing access to sufficient cash for the current quarter and into the new financial year.

Sources of funding for the Company over the next 18 months include: loan arrangements such as extension to current loan facilities; milestone payments and anticipated clinical licensing opportunities for Progenza; shareholder loan repayments relating to the funding of employee options exercised as part of the IPO in 2013; ongoing R&D Tax Incentives including forward funding arrangements where necessary; capital raisings and existing options exercised. These sources of cash are expected to provide sufficient funding to support the Company's R&D, clinical trials and operating activities for FY'19 and into FY'20.

About Regeneus Limited

Regeneus Ltd (ASX:RGS) is a Sydney-based clinical-stage regenerative medicine company using stem cell technologies to develop a portfolio of novel cell-based therapies to address significant unmet medical needs in the human health markets with a focus on osteoarthritis and other musculoskeletal disorders, neuropathic pain and dermatology.

<http://www.regeneus.com.au>

Contact for further information:

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Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

Regeneus Ltd

ABN

13 127 035 358

Quarter ended ("current quarter")

31st March 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) research and development	(153)	(615)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	-	-
(d) leased assets	-	-
(e) staff costs	(881)	(2,531)
(f) administration and corporate costs	(249)	(1,214)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	3	14
1.5 Interest and other costs of finance paid	(4)	(49)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	2,357
1.8 Other (provide details if material)	-	4
1.9 Net cash from / (used in) operating activities	(1,284)	(2,034)

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Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(2)	(5)
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.2 Proceeds from disposal of:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	(2)	(5)
3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	-
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from shareholder loan	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	-
3.5 Proceeds from borrowings	2,500	3,380
3.6 Repayment of borrowings	(1,100)	(1,100)
3.7 Transaction costs related to loans and borrowings	-	(75)
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	1,400	2,205

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of quarter/year to date	1,144	1,092
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,284)	(2,034)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(2)	(5)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,400	2,205
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	1,258	1,258

5. Reconciliation of cash and cash equivalents at end of quarter (per consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	1,258	1,144
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,258	1,144

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000

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7.	Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1	Aggregate amount of payments to these parties included in item 1.2	-
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3	Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

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8.	Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1	Loan facilities	4,380	3,280
8.2	Credit standby arrangements	-	-
8.3	Other (please specify)	-	-
8.4	Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

In June 2018 Regeneus entered into an R&D loan facility with Paddington St Finance Pty Ltd. The facility forwarded funded, via a loan, \$1.88 million. Initially, the repayment date for this loan was on receipt of the FY18 R&D Tax Incentive. The payment terms of the loan to Paddington St Finance Pty Ltd were renegotiated to the earlier of receipt of the next AGC Inc. milestone payment under the manufacturing licence; the receipt of the FY19 R&D Tax Incentive; and 30 September 2019. Net repayments of \$1.1 million were made during March 2019 and remain available for redraw as and when required by Regeneus up to the end of the June quarter.

In February 2019 Regeneus Directors provided \$2.5 million unsecured loan funding on an 'arms length basis' for a term of 12 months.

9.	Estimated cash outflows for next quarter	\$A'000
9.1	Research and development	(270)
9.2	Product manufacturing and operating costs	-
9.3	Advertising and marketing	-
9.4	Leased assets	-
9.5	Staff costs	(1,050)
9.6	Administration and corporate costs	(310)
9.7	Other	-
9.8	Total estimated cash outflows	(1,630)

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10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity		
10.2 Place of incorporation or registration		
10.3 Consideration for acquisition or disposal		
10.4 Total net assets		
10.5 Nature of business		

Notes to be read in conjunction with this report

N/A

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:
 (Director)

Date: 11 April 2019

Print name: Leo Lee

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

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