

## ASX Announcement

28 October 2022

### **Quarterly Cashflow Report & Business Update – Period ending 30 September 2022**

**Regeneus Ltd (ASX: RGS) (Regeneus or the Company)**, a clinical-stage regenerative medicine company, today released its quarterly cash flow report and business update for the period ending 30 September 2022 (the quarter).

The Company is focused on bringing its stem cell technology platform Progenza™ to market in Japan through its partnership with Kyocera Corporation (Kyocera). Regeneus also progressed the development of Sygenus for pain management and dermatological conditions.

With cash balance of A\$129k and an undrawn credit facility of A\$2.5M, Regeneus starts FY23 well positioned to continue the development of Progenza™ with a focus on commercialization.

#### **Global search for additional partners for commercialisation of Progenza™**

The Company is searching for strategic partners to co-develop Progenza™ for knee osteoarthritis around the globe. Strategic partnering processes in the United States, China, and South Korea are ongoing and certain licensing discussions have reached advanced stages.

#### **Partnership with Kyocera Corporation**

The Company continues providing technical guidance and the partnership is on track with preparations for local Master Cell Bank (MCB) and investigational drug manufacturing. The Company is working towards earning the next milestone payment of US\$ 3.0M from Kyocera as they move closer to the commencement of the pivotal Phase 2 trial and the commercialisation of Progenza™ in Japan.

#### **Department of Defence animal study update**

Regeneus has successfully completed a Sygenus preclinical study in the post operation pain (POP) model with MD Biosciences in Israel and is now discussing the next steps with the Australian Department of Defence.

#### **Strategic transactions**

The Company continues to explore various M&A options globally to extract operational, manufacturing and clinical development synergies. The Company has been in M&A discussions with US and Japanese pharmaceutical and biotechnology companies. Multiple mutual due diligence processes are ongoing.

## Financial update

Regeneus closed the quarter with a cash balance of A\$129k and an undrawn credit facility of A\$2.5M. The Company remains in a highly capital efficient position with a monthly burn rate of A\$150k, operating on a going concern basis.

Aggregate payments to related parties of \$162k includes

- payments of Directors fees,
- payments to Mr. Karolis Rosickas consulting CEO role,
- rent paid to a company associated with one of the directors, and
- \$42k interest paid to a company associated with one of the directors.

**-ENDS-**

## About Regeneus

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. The regenerative therapies seek to address unmet medical needs in human health markets, focusing on osteoarthritis, neuropathic pain, and various skin conditions, with its platform technologies Progenza™ and Sygenus. Visit [www.regeneus.com.au](http://www.regeneus.com.au) for more information.

### Authorisation & Additional information

This announcement was authorised by the Board of Directors of Regeneus Ltd

### Investor and Media Contact

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## Appendix 4C

### Quarterly cash flow report for entities subject to Listing Rule 4.7B

**Name of entity**

Regeneus Ltd

**ABN**

13 127 035 358

**Quarter ended ("current quarter")**
30<sup>th</sup> September 22

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (.....months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	93	93
1.2 Payments for		
(a) research and development	(136)	(136)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	-	-
(d) leased assets	(6)	(6)
(e) staff costs (including Directors)	(231)	(231)
(f) administration and corporate costs	(129)	(129)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(42)	(42)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(451)</b>	<b>(451)</b>
1.2 (a) Research and development costs in relation to the production of Progenza and Sygenus technologies		
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (.....months) \$A'000</b>
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (Loan repayment from shareholders)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>-</b>	<b>-</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	500	500
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	(15)	(15)
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>485</b>	<b>485</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	95	95
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(451)	(451)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (.....months) \$A'000</b>
4.4	Net cash from / (used in) financing activities (item 3.10 above)	485	485
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>129</b>	<b>129</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	129	95
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>129</b>	<b>95</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	162
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

*Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.*

6.1 Aggregate payments to related parties of \$162k includes

- payments of Directors fees,
- payments to Mr. Karolis Rosickas consulting CEO role,
- rent paid to a company associated with one of the directors and
- \$42k interest paid to a company associated with one of the directors

7. <b>Financing facilities</b> <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1 Loan facilities	4,000	1,500
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
<b>7.4 Total financing facilities</b>	<b>4,000</b>	<b>1,500</b>
<b>7.5 Unused financing facilities available at quarter end</b>		<b>2,500</b>
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
<p>Regeneus Ltd entered into a loan facility agreement with Paddington St Finance Pty Ltd on 25 February 2022.</p> <p>The maximum loan value of the facility is the lesser of (i) A\$4 million; or (ii) US\$3 million, with an interest rate of 1% per month and a 3% arrangement fee.</p> <p>The secured loan will be repaid on or before the earlier of: (a) 30 September 2023; and (b) the date on which Regeneus receives the milestone payment of US\$3 million under the agreement Kyocera.</p>		

8. <b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9) (net of receipt)	(451)
8.2 Cash and cash equivalents at quarter end (item 4.6)	129
8.3 Unused finance facilities available at quarter end (item 7.5)	2,250
8.4 Total available funding (item 8.2 + item 8.3)	2,629
<b>8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	<b>5.8</b>
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer:	
8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer:	
8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer:	
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

## 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.

Date: .....27 October 2022.....

Authorised by: .....By the Board.....  
(Name of body or officer authorising release – see note 4)

## Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.