

ASX Announcement

31 October 2023

Quarterly Cashflow Report & Business Update – Period ending 30 September 2023

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 2023 (the quarter).

Strategic transaction

Regeneus has signed a non-binding indicative offer letter to merge with Cambium Medical Technologies, LLC (CMT). CMT is a United States-based, clinical-stage regenerative medicine company developing a Phase 3-ready biologic therapeutic, Elate Ocular®, to treat dry eye disease. Please refer to the ASX announcement on 28 April 2023 for more details about the proposed transaction. The negotiation of binding merger documentation is ongoing. Subject to agreement on binding merger documentation and shareholder approval, Regeneus is targeting to complete the merger transaction with Cambium Medical Technologies in December 2023.

Settlement of Paddington St Finance loan facility

Regeneus has reached an agreement to settle the \$2.0 million outstanding loan and interest payable to Paddington St Finance in exchange for the transfer from Regeneus to Paddington St Finance of 700,000 shares in Sangui Bio Pty Ltd (**Sangui Bio**) and payment of \$400,000 in cash. Further details are available in the 28 February 2023 ASX announcement.

The Company engaged RSM Australia to prepare an Independent Expert Report (IER) concerning this transaction. The IER is included in the Notice of Meeting and the resolution for this transaction is included in the upcoming AGM 2023 for shareholders to approve on 30 November 2023.

Financial update

Regeneus had \$138k in cash as of 30 September 2023. During the quarter, the Company received a \$487k Research & Development Tax Incentive rebate. The Company used the fund to repay the \$347k loan from Radium Capital. Additionally, Regeneus continued its endeavours in relation to the disposal of non-core assets, primarily donor material in excess of its needs to raise additional non-dilutive funding. These endeavours are ongoing.

Aggregate payments to related parties of \$63k include:

- Payments to Mr. Karolis Rosickas consulting CEO role

-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 for more information.

Authorisation & Additional information

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

Investor Contact

Helen Leung, Corporate Secretary
1300 995 098 helen.leung@regeneus.com

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")
30th September 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (.....months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) research and development	(13)	(13)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	-	-
(d) leased assets	-	-
(e) staff costs (including Directors)	(63)	(63)
(f) administration and corporate costs	(219)	(219)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(10)	(10)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	487	487
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	182	182
1.2 (a) Research and development costs in relation to the production of Progenza and Sygenus technologies		
2. Cash flows from investing activities		
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	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (.....months) \$A'000
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)	-	-
2.6	Net cash from / (used in) investing activities	-	-

3.	Cash flows from financing activities		
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	-	-
3.6	Repayment of borrowings	(347)	(347)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	(347)	(347)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	303	303
4.2	Net cash from / (used in) operating activities (item 1.9 above)	182	182
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(347)	(347)

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (.....months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	138	138

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	138	303
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)	138	303

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	63
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 \$63k includes
- payments to Mr. Karolis Rosickas consulting CEO role

7. Financing facilities <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>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	1,600	1,600
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	1,600	1,600
7.5 Unused financing facilities available at quarter end		-
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. The loan interest rate is 1.0% per month and the arrangement fee is 3.0% of the amount drawn.</p> <p>On 28 February 2023 Regeneus Ltd and Paddington St Finance Pty Ltd agreed to settle the outstanding loan principal and accrued interest amount in exchange for the transfer from Regeneus Ltd to Paddington St Finance Pty Ltd of 700,000 shares in Sangui Bio Pty Ltd and payment of \$400,000 in cash. The \$400,000 cash payment occurred in the quarter ended 31 March 2023. The transfer of Sangui Bio Pty Ltd shares is subject to the required shareholder approval during the Annual General Meeting on 30 November 2023.</p>	

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9) (net of receipt)	182
8.2 Cash and cash equivalents at quarter end (item 4.6)	138
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	138
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	N/A
<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:

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.

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:31 Oct 2023.....

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.