

**ASX Announcement**  
29 January 2021

## Quarterly Cashflow report – Period ending 31 December 2020

### Highlights:

- Receipt of second milestone payment from Kyocera Corporation for A\$5.6M as part of Progenza™ OA licence and collaboration deal.
- Appointment of experienced executive and healthcare entrepreneur, Karolis Rosickas, as Regeneus CEO. Preceding Regeneus CEO, Leo Lee, remains on the Board as a Non-Executive Director.
- Notice of Acceptance received for use of biomarkers to monitor disease progression for stem cell therapy in Australia.
- New Sygenus patent to be granted in Canada for the treatment of acne until 2032.

**Regeneus Ltd (ASX: RGS) (Regeneus or the Company)**, a clinical-stage regenerative medicine company, today released its quarterly cash flow report and review of operational activities for the period ending 31 December 2020 (the quarter).

### Operational highlights

During the quarter, Regeneus received a second milestone payment from Japanese manufacturer Kyocera Corporation (Kyocera, TYO:6971) of A\$5.6M, following the delivery of the initial Progenza™ OA data package and pursuant with the terms of the licence and collaboration agreement.

As the partnership continues to progress, a third milestone payment from Kyocera will be triggered by the completion of the Progenza™ OA technology transfer, with subsequent milestone payments expected thereafter under the agreement.

The company announced the appointment of Karolis Rosickas, who commenced his role as the Chief Executive Officer of Regeneus on 2 November 2020. Mr. Rosickas brings to Regeneus over 15 years' business experience in healthcare, technology and finance in Asia and Europe, including being the co-founder of SingCell, a stem cell contract development and manufacturing organisation in Singapore.

Regeneus continues to benefit from the strategic guidance of its preceding Chief Executive Officer, Leo Lee, who remains on the Regeneus Board as a Non-Executive Director.

A key priority for Regeneus is to expand its patent portfolio, as the Company explores new indications in neuropathic pain, inflammatory disease and skin conditions for its lead stem cell technology platforms Progenza™ and Sygenus,

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In line with this strategy the company is pleased to advise two new additions to its patent portfolio:

On 1 October 2020, Regeneus received a Notice of Acceptance for an Australian patent application covering the use of biomarkers to monitor disease progression for stem cell therapy. Unlike Regeneus' other patents, which are directly related to its technology platforms (Progenza™ and Sygenus), this patent allows the Company to monitor inflammatory conditions. Regeneus already holds the corresponding patent in Japan.

On 7 October 2020, the Company was granted a new patent in Canada for its other lead technology platform, Sygenus, covering the topical treatment of acne using adipose tissue-derived secretions. This patent supports the diverse opportunity for Sygenus as Secretome-only technology platform, and expands its potential to address globally prevalent skin conditions, such as acne.

Key Sygenus patents now cover all key target markets, including the United States, Japan, Europe, Australia, and Canada.

### Financial update

The Company's cash balance as at 31 December 2020 was A\$4.095M, with net operating cash inflow for the quarter at A\$6.37M, including the A\$5.6M milestone payment received from Kyocera as part of the Progenza™ OA deal. Net operating cash outflow for the quarter was A\$2.66M, attributed to R&D activities, staff costs and corporate costs.

### Outlook

Regeneus Chief Executive Officer Karolis Rosickas said the Company remains focused on progressing its partnership with Kyocera to bring Progenza™ OA to market in Japan.

"I am very pleased with the progress of the Kyocera agreement, which has provided additional non-dilutive funding via our second milestone payment, and further milestone payments expected. We have a positive working relationship and both parties are working at full speed to bring the product to market as soon as possible.

"Furthermore, as we build out our patent portfolio, we continue to add value to the company's assets, while prioritising indications that will advance the pipeline of opportunity for our unique stem cell technology.

"I look forward to sharing the Company's plans and strategic direction for 2021 with our shareholders in due course," said Mr. Rosickas.

**-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 neuropathic pain, including osteoarthritis 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

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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")**
31<sup>st</sup> December 2020

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date ( 6 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	6,360	7,659
1.2 Payments for		
(a) research and development	(100)	(171)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	-	-
(d) leased assets	(2)	(3)
(e) staff costs (including Directors)	(736)	(1,674)
(f) administration and corporate costs	(1,550)	(1,884)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(273)	(273)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	13	567
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>3,712</b>	<b>4,221</b>

- 1.1 Receipts from Customers is the non-refundable milestone payment received from Kyocera Corporation of Japan
- 1.2 Staff costs includes past due Directors fees and a bonus to Leo Lee refer note 6
- 1.7 Government grants and tax includes the R&D incentive for the 2020 financial year of \$676k less tax owed of \$147k and the COVID-19 cash boost of \$37.5k.

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date ( 6 months) \$A'000</b>
<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(8)	(8)
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
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 (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(8)</b>	<b>(8)</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 (including proceeds from shareholder loan)	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(1,100)	(1,100)
3.7	Transaction costs related to loans and borrowings	-	-
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>(1,100)</b>	<b>(1,100)</b>

3.6 Repayment of borrowings relates to \$1.1 final principal repayment to Leo Lee for loan facilities

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date ( 6 months) \$A'000</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	1,491	982
4.2	Net cash from / (used in) operating activities (item 1.9 above)	3,712	4,221
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(8)	(8)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(1,100)	(1,100)
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>4,095</b>	<b>4,095</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	4,095	1,491
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>4,095</b>	<b>1,491</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	220
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 \$220k includes 3 months payments of non-executive Directors fees and 1 months payment to Mr. Karolis Rosickas (Consulting CEO)

**7. Financing facilities**

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.

	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 <b>Total financing facilities</b>	-	-

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.

As per announcement on the 30<sup>th</sup> October the loan facility of \$4.0 million provided by Paddington St Finance and Leo Lee have been cancelled, following a final principal repayment of \$1.1m

<b>8. 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)	3,712
8.2 Cash and cash equivalents at quarter end (Item 4.6)	4,095
8.3 Unused finance facilities available at quarter end (Item 7.5)	-
8.4 Total available funding (Item 8.2 + Item 8.3)	4,095
8.5 <b>Estimated quarters of funding available (Item 8.4 divided by Item 8.1)</b>	N/A

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.

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

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: N/A

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: N/A

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: 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.

Date: ..29 January 2021.....

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.

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