

31 October 2016

ASX Ltd  
20 Bridge Street  
Sydney  
NSW 2000

**Regeneus Ltd (ASX: RGS) – Quarterly results for the period ended 30 September 2016**

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

The financial highlights for the quarterly reporting period include:

- Cash inflow for the quarter was \$1.0 million.
- In September the company received the R&D Tax Incentive for 2016 Financial year of \$2.73 million (FY'15 \$3.42 million).
- Excluding the R&D Tax Incentive the quarterly operating cash out flow was \$1.71 million (Q1 FY'16 \$1.56 million). The outflow is in line with target of \$1.70 million per quarter.
- On July 1 2016, the Company entered into an R&D tax incentive funding arrangement. During the quarter the company drew down \$1.25 million under this facility. This amount was repaid in September upon receipt of the Federal Governments tax incentive. The facility has now been terminated.

On 17 October, the company announced it was on track to complete its first significant manufacturing and development collaboration with a Japanese partner for its Progenza stem cell technology in Japan. The company is confident of completing and announcing the collaboration shortly.

The Company anticipates that the current funds in conjunction with the funds from such a collaboration arrangement as well as other funding options including the R&D incentive, will support the company in its research and development, clinical trials and operating activities for FY'17 and much of FY'18.

# Appendix 4C

## Quarterly report for entities admitted on the basis of commitments

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

Name of entity

Regeneus Ltd

ABN

13 127 035 358

Quarter ended ("current quarter")

30<sup>th</sup> September 2016

### Consolidated statement of cash flows

	Current quarter \$A'000	Year to date ( 3 months) \$A'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from customers	349	349
1.2 Payments for		
(a) staff costs	(827)	(827)
(b) advertising and marketing	(3)	(3)
(c) research and development	(534)	(534)
(d) leased assets	-	-
(e) other working capital	(688)	(688)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	-	-
	1	1
1.5 Interest and other costs of finance paid	(11)	(11)
1.6 Income taxes (paid) received	2,732	2,732
1.7 Other (provide details if material)	-	-
<b>Net operating cash flows</b>	<b>1,019</b>	<b>1,019</b>

	Current quarter \$A'000	Year to date (3 months) \$A'000
1.8 Net operating cash flows (carried forward)	1,019	1,019
<b>Cash flows related to investing activities</b>		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	-	-
(b) equity investments	(1)	(1)
(c) intellectual property	-	-
(d) physical non-current assets	(19)	(19)
(e) other non-current assets	-	-
1.10 Proceeds from disposal of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	10	10
(e) other non-current assets	-	-
1.11 Loans to other entities	-	-
1.12 Loans repaid by other entities	-	-
1.13 Other (provide details if material)	-	-
<b>Net investing cash flows</b>	(10)	(10)
<b>1.14 Total operating and investing cash flows</b>	1,009	1,009
<b>Cash flows related to financing activities</b>		
1.15 Proceeds from issues of shares, options, etc.	-	-
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	1,250	1,250
1.18 Repayment of borrowings	(1,250)	(1,250)
1.19 Dividends paid	-	-
1.20 Other (provide details if material)	-	-
<b>Net financing cash flows</b>	-	-
<b>Net increase (decrease) in cash held</b>	1,009	1,009
1.21 Cash at beginning of quarter/year to date	529	529
1.22 Exchange rate adjustments to item 1.20	-	-
<b>1.23 Cash at end of quarter</b>	1,538	1,538

+ See chapter 19 for defined terms.

**Payments to directors of the entity and associates of the directors**

**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	167
1.25	Aggregate amount of loans to the parties included in item 1.11	

1.26 Explanation necessary for an understanding of the transactions

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

**Financing facilities available**

*Add notes as necessary for an understanding of the position.*

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

+ See chapter 19 for defined terms.

### Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
4.1 Cash on hand and at bank	324	529
4.2 Deposits at call	1,214	-
4.3 Bank overdraft		
4.4 Other (provide details)		
<b>Total: cash at end of quarter (item 1.23)</b>	<b>1,538</b>	<b>529</b>

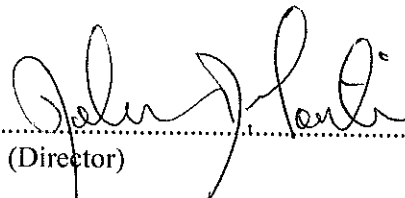
### Acquisitions and disposals of business entities

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1 Name of entity		
5.2 Place of incorporation or registration		
5.3 Consideration for acquisition or disposal		
5.4 Total net assets		
5.5 Nature of business		

### Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:



(Director)

Date: 31<sup>st</sup> October 2016

Print name: John Martin

**Notes for the Current Quarter and YTD, to be read in conjunction with this report.**

**Current Quarter / Year to Date**

**Item 1.6 – Income taxes received**

In September the Company received the R&D incentive payment of \$2.7 million for the 2016 financial Year (FY'15 - \$3.4 million). The company continues to incur R&D expenditure and will be applying for an R&D incentive payment for the current financial year.

**Item 1.17 - Proceeds from borrowing**

On July 1 2016, the Company entered into an R&D funding arrangement. This facility forward funds, via a loan, the Federal Government's research and development tax incentive for 2016. The company drew down \$1.25 million under this facility. This amount was repaid in September (Item 1.18) upon receipt of the tax incentive of \$2.7 million.

**General Notes**

- The quarterly cash inflow was \$1.0 million. Excluding the R&D tax incentive of \$2.7 million (2015 - \$3.4 million) the outflow for the first quarter of financial year 2017 was in line with forecast of \$1.7 million (Qtr 1 FY 2016 - \$1.6 million).