

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")

30th June 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) research and development	(130)	(745)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	-	-
(d) leased assets	-	-
(e) staff costs	(825)	(3,355)
(f) administration and corporate costs	(553)	(1,767)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	5	19
1.5 Interest and other costs of finance paid	-	(49)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	2,357
1.8 Other (provide details if material)	2	6
1.9 Net cash from / (used in) operating activities	(1,501)	(3,534)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(2)	(8)
	(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)	(8)
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	500	4,660
3.6	Repayment of borrowings	-	(1,880)
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	500	2,705

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 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	1,258	1,092
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,501)	(3,534)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(2)	(8)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	500	2,705
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	255	255

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	255	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)	255	1,144

6.	Payments to directors of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to these parties included in item 1.2	140
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	

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		
8.	Financing facilities available Add notes as necessary for an understanding of the position	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1	Loan facilities	4,380	3,780
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 \$1.88 million were made during March 2019.			
In the March quarter \$780k was re-drawn and in the June quarter a further \$500k was re-drawn. The balance of \$600k remains available for redraw as agreed between the parties.			
In February 2019 Regeneus Directors provided \$2.5 million unsecured loan funding on an 'arms length basis' for a term of 12 months maturing on the 2 nd March 2020. This amount is fully drawn,			
9.	Estimated cash outflows for next quarter	\$A'000	
9.1	Research and development	(80)	
9.2	Product manufacturing and operating costs	-	
9.3	Advertising and marketing	-	
9.4	Leased assets	-	
9.5	Staff costs	(600)	
9.6	Administration and corporate costs	(550)	
9.7	Other – Business re-organisation costs	(900)	
9.8	Total estimated cash outflows	(2,130)	
In Q1 2020 additional funding will be secured. This will present the opportunity to restructure the company in line with its 'Revised Strategy Focus' (announced 22 July 2019). This will require costs be incurred to structure a leaner organisation that will have an underlying cash run rate of approximately \$200k to \$250k per month. These costs will be incurred progressively throughout the current quarter.			

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: 31 July 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.