EDISON

Regeneus

FY17 results

Preparing for a clinical licence deal in Japan

Pharma & biotech

Regeneus is aiming to sign one or more clinical development licence deals for Progenza in the current financial year. It is well placed to achieve this goal, having already granted AGC an exclusive licence to manufacture Progenza for Japan, reported promising signs of efficacy from the successful Phase I trial of Progenza in knee osteoarthritis and been granted a Progenza patent in Japan. Regeneus reported an A$3.3m profit in FY17, thanks to the US$5.5m upfront payment and US$1m milestone from the AGC licence deal; further milestone payments are likely to keep it in the black in FY18. Other potential catalysts for FY18 include results from the ACTIVATE Phase I cancer vaccine trial and the CryoShot Canine pre-pivotal trial. Our valuation is virtually unchanged at A$146m or A$0.70/share.

Year end	Revenue (A$m)	PBT* (A$m)	EPS* (A$)	DPS (A$)	P/E (x)	Yield (%)
06/16	1.7	(3.6)	(0.02)	0.00	N/A	N/A
06/17	10.0	3.3	0.02	0.00	N/A	N/A
06/18e	7.8	1.9	0.01	0.00	N/A	N/A
06/19e	1.2	(4.4)	(0.02)	0.00	N/A	N/A

Note: *PBT and EPS are normalised, excluding exceptionals and share-based payments.

Successful Phase I arthritis trial supportive of a deal

The Phase I trial of Progenza in knee osteoarthritis (OA) met its primary safety endpoint and produced promising signs of efficacy, including clinically meaningful reductions in pain for the majority of patients and improvement in knee cartilage volume. Once AGC has commenced GMP manufacture of Progenza, we expect the next step to be a Phase II efficacy trial in patients with knee OA in Japan, which could support an application for conditional market approval in that country. The Regeneus Japan JV with AGC is in discussions with potential partners for the clinical development of Progenza for OA and other indications in Japan. Regeneus is also in discussions with potential partners to develop Progenza outside Japan.

High regenerative medicine deal values in Japan

We have seen several high-value regenerative medicine deals in Japan in the past 18 months, encouraged by its fast-track regulatory approval pathway. The most relevant example is the January 2015 licence deal between Kolon Life Science and Mitsubishi Tanabe Pharma for the Japanese rights to a cell and gene therapy for knee OA. That deal was worth US$24m upfront, plus US$410m in development, regulatory and sales milestones and a double-digit sales royalty.

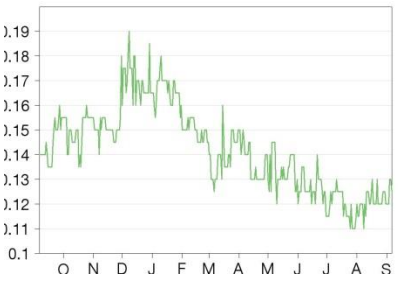
Valuation: Adjusted to A$146m, A$0.70 per share

Our valuation increases slightly to A$146m (vs A$145m) or A$0.70/share (unchanged) due to the roll forward of the DCF model, partly offset by changed milestone timing and minor changes to near-term sales forecasts. A deal with a partner for the clinical development and commercialisation of Progenza in Japan is the main near-term valuation driver for the company. If the Regeneus Japan JV was to sign a deal with comparable financial terms to the Kolon/Mitsubishi deal (with half of milestone payments for sales and regulatory milestones) this would increase our valuation to around A$194m or A$0.93 per share.

7 September 2017

Price	**A$0.13**
Market cap	**A$26m**
	US$0.79/A$
Net cash (A$m) at 30 June 2017	4.1
Shares in issue	208.9m
Free float	67%
Code	RGS
Primary exchange	ASX
Secondary exchange	N/A

Share price performance



%	1m	3m	12m
Abs	4.2	(7.4)	(10.7)
Rel (local)	4.5	(8.1)	(14.5)
52-week high/low		A$0.2	A$0.1

Business description

Regeneus is an Australia-based, clinical-stage regenerative medicine company developing innovative cell-based therapies for the human and animal health markets. It is focused on osteoarthritis and other musculoskeletal disorders, oncology and dermatology diseases.

Next events

JV sublicenses clinical development partner in Japan	TBA
ACTIVATE Phase I cancer vaccine trial results	H1 CY18
CryoShot pre-pivotal trial results	H1 CY18

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Seeking a partner for Progenza clinical studies

In December 2016 Regeneus entered a strategic collaboration and licensing agreement with AGC of Japan, granting AGC exclusive rights to manufacture its Progenza allogeneic mesenchymal stem cell (MSC) product in Japan. Regeneus and AGC have established a 50:50 JV, Regeneus Japan, which holds the rights to develop and commercialise Progenza in Japan. Regeneus received US$5.5m upfront and a US$1m milestone in June following the successful completion of the STEP Phase I study of Progenza in patients with knee osteoarthritis (OA). Regeneus could earn two further payments of US$5m each if it achieves certain development milestones. Regeneus has guided that it expects to earn the first US$5m milestone in FY18; we model the second milestone being achieved in FY21.

The Regeneus Japan JV is seeking clinical development partners to progress the development of Progenza for OA and other indications in Japan. The positive safety data, early indications of efficacy and recently-granted Japanese patent should all aid the Regeneus Japan JV as it negotiates with potential partners to progress the clinical development of Progenza for OA and other indications in Japan. Japan is a most attractive market for regenerative medicines because of laws that took effect in November 2014, which allow for expedited conditional approval of regenerative medicine products on the basis of safety and early evidence that is predictive of efficacy.

The technology to manufacture Progenza is being transferred to AGC, which will undertake GMP manufacture of Progenza for clinical trials and commercial sales in Japan. We assume that the technology transfer and validation of Progenza manufacture by AGC would be completed in H1 CY19, which would allow a Phase II efficacy trial in Japan in patients with knee osteoarthritis to commence in 2019.

Regeneus is investigating the potential to develop Progenza beyond the initial indication of osteoarthritis. As part of this programme, it has formed a research collaboration with Macquarie University and the University of Adelaide funded by an Australian Research Council Linkage Grant to investigate the use of Progenza to treat chronic pain.

Regeneus could potentially license different indications to different clinical partners in Japan and other markets. The fact that AGC would manufacture the Progenza cells for each of the clinical partners makes licensing multiple clinical partners in Japan easier to implement.

Regeneus retains 100% of the rights to Progenza outside Japan. It is in separate discussions with potential partners to develop Progenza for OA and other indications in territories outside Japan

Recent regenerative medicine licence deals in Japan

There have been a number of recent deals involving regenerative medicines in Japan, which show that these products can attract significant valuations.

In November 2016, Kolon Life Science (Kolon) of Korea entered into a licensing agreement with Mitsubishi Tanabe Pharma (Mitsubishi) for the Japanese rights to Invossa, a cell-mediated gene therapy for degenerative osteoarthritis. Terms included US$24m upfront, plus US$410m in development, regulatory and sales milestones and a double-digit sales royalty. Mitsubishi Tanabe will proceed with Japanese clinical trials and regulatory filings. Invossa contains cultured non-transformed chondrocytes mixed with chondrocytes transformed to express transforming growth factor beta 1 (TGF-β1). While Kolon had completed a positive Phase III in 156 patients with knee arthritis in Korea at the time of the deal, and has subsequently been approved in Korea, as a gene

therapy it may not be eligible for conditional approval and may need to complete further trials in Japan.

In January 2016 Athersys partnered with Healios to exclusively develop and commercialise its MultiStem cell therapy for ischemic stroke, plus up to two other indications, in Japan. The deal included US$15m upfront and up to US$225m in milestones plus double-digit royalties.

In July 2016 Takeda licensed from Tigenix the ex-US global right to Cx601, a suspension of allogeneic adipose-derived stem cells injected intralesionally for the treatment of complex perianal fistulas in patients with Crohn's disease. Terms included €25m upfront, up to €355m in milestones and double-digit royalties on sales.

In February 2016 Astellas Pharma completed the US$379m acquisition of regenerative medicine company, Ocata Therapeutics, which is developing cell-based therapies for eye diseases including age-related macular degeneration (AMD).

Assessing a potential Japan licensing scenario

The Kolon/Mitsubishi deal for the Invossa knee osteoarthritis product gives a useful guide to the payments that Regeneus Japan could potentially achieve for a licence deal in Japan, in our view. On the one hand, Invossa was more advanced than Progenza, having already completed a successful Phase III trial in Korea, while on the other hand the Progenza platform could potentially address a much wider range of indications than Invossa (which is based on cartilage-producing chondrocytes).

We have evaluated a scenario in which the Regeneus Japan JV licenses Japanese rights to develop and commercialise Progenza in all indications to a single partner in a deal with comparable terms to the Kolon/Mitsubishi deal. In this scenario we assume a US$24m upfront payment, US$205m in clinical and regulatory milestones, and a high 20% royalty rate instead of sales-based milestone payments (we assume half of the payments included in the Kolon/Mitsubishi deal would be for sales-based milestones).

If this scenario came to pass we would expect to increase our valuation to around A$194m or A$0.93 per share, up from A$146m or A$0.70 per share. This includes Regeneus's half share of the risk-adjusted upfront and milestone payments, as well as the benefit from increasing our probability of success for knee OA in Japan from 35% to 40%. We note that a licence deal that included rights for Progenza outside Japan would likely increase the probability of success in those additional territories as well.

Progenza patents strengthen hand in licensing discussions

Regeneus was awarded a key Japanese patent in May providing commercial rights through to 2032 for the composition, manufacture and use of Progenza for the treatment of a wide range of inflammatory conditions, including OA. Corresponding patents have been granted in Australia and New Zealand, and applications are being assessed in other key territories including the US and Europe. Regeneus now has 56 patents or patent applications across 14 patent families. This strong IP protection for its pipeline strengthens Regeneus's position in its discussions with potential licensing partners.

CryoShot pre-pivotal study key to vet pharma option

CryoShot is an allogeneic (off-the-shelf) product containing MSCs derived from the fat tissue of donor animals and expanded in cell culture. A pre-pivotal trial of CryoShot in 80 dogs at the University of Pennsylvania is currently over 50% complete, and is expected to report results in H2FY18. In November 2015 Regeneus entered a collaboration with a major animal pharma company, which has an option to exclusively license global rights to the CryoShot Canine

technology at the completion of the pre-pivotal study. Under the terms of the licence, Regeneus will receive an upfront fee, milestone payments and a royalty on sales. The results of the study will be used to finalise the design of a pivotal US FDA trial, which would be funded by the partner.

Sygenus topical secretions technology

Regeneus has developed products for topical treatment of inflammatory skin conditions such as acne and wound healing. The products harness the anti-inflammatory properties of the secretions released by MSCs during cell culture.

Preclinical studies are testing the pain modulation and wound healing effects of MSC secretions. It is also studying secretions in a gel formulation in acne. Regeneus is in discussions with potential partners regarding development and commercialisation of the secretions technology for topical applications in therapeutic and cosmetic markets. During the past year patents were granted in the US, Europe and China covering the use of the Sygenus secretions technology for the topical treatment of acne.

At this stage we have not yet included any products based on the Sygenus technology in our valuation model.

Human cancer vaccine Phase I to report in FY18

The RGSH4K human therapeutic cancer vaccine uses a chemical modification of the patient's own tumour proteins to couple them to the bacterial adjuvant streptavidin to make them more immunogenic. This relatively simple manufacturing process would be expected to translate to a low cost of manufacture for a personalised cancer vaccine.

The Phase I ACTIVATE trial is a single-centre, open-label, dose-escalating study of the safety and preliminary efficacy of the vaccine. The trial will recruit 21 patients with a range of advanced cancers and will test varying levels of the streptavidin immunostimulant to identify a biologically active dose. Patients have been recruited in all three dose levels without any unexpected safety concerns. The study is expected to be completed in FY18.

RGSH4K/checkpoint inhibitor combinations being explored

Regeneus has commenced preclinical studies for RGSH4K in combination with an anti-PD1 immune checkpoint inhibitor (ICI). ICI drugs have markedly improved the treatment prospects for a number of cancers by "taking the brakes off" the immune response. Responses to the approved ICIs are frequently long-lasting, but response rates to single-agent ICI therapy are relatively low, typically in the range of 10-35%.

The marketed ICI drugs are shown in Exhibit 1. The cancer immunotherapy space is developing rapidly; for example, Merck's Keytruda is being trialled in over 360 clinical studies as a monotherapy or in combination in at least 22 different cancers. ICI drugs are forecast to generate combined sales of US$34bn by 2022, according to Thomson Reuters.

Exhibit 1: Marketed immune checkpoint inhibitor drugs

Drug name and manufacturer	Class
Opdivo (nivolumab) BMS	anti-PD1
Keytruda (pembrolizumab) Merck	anti-PD1
Tecentriq (atezolizumab) Roche	anti-PD-L1
Bavencio (avelumab) Merck KGaA and Pfizer	anti-PD-L1
Imfinzi (durvalumab) Pfizer and AstraZeneca	anti-PD-L1
Yervoy (ipilimumab) BMS	anti-CTLA-4

Source: Edison Investment Research

We see potential for the RGSH4K vaccine to improve response rates to ICI immunotherapies by stimulating an initial immune response that can be made more powerful by the ICI drug, which

strengthens the ability of the "primed" T lymphocytes and other white blood cells to attack the tumour. We await the outcome of the ICI combination studies with interest because, based on the mechanisms of action, we would expect the combination of the RGSH4K vaccine with an ICI drug to be more effective than either therapy on its own.

We currently base our valuation of the RGSH4K human cancer vaccine on an indicative peak sales estimate of US$500m. There are no comparators for RGSH4K in the market – for reference we note that a niche monotherapy, Provenge, a therapeutic prostate cancer vaccine launched in 2011, achieved sales of US$303m in 2016. While RGSK4K is potentially applicable to a wide range of cancer types, at this stage we do not know which cancers will be targeted for initial regulatory approval. When we have more information about the efficacy of the vaccine and/or the cancers that will be targeted for initial approval we are likely to revise our peak sales estimate.

Kvax lymphoma study ongoing

Regeneus is developing a cancer vaccine for dogs based on the same technology as RGSHK4. This therapy, known as Kvax, is currently being tested in a randomised trial in dogs with lymphoma being conducted in Sydney. In a previous US-based study in 13 dogs with osteosarcoma, the principal investigator concluded that Kvax was well tolerated and appears to confer improved progression free interval and overall survival compared to a historical control group.

Kvax does not require specific regulatory approval to be sold in the US. Therefore it could be launched commercially in that country once sufficient efficacy data are available to support marketing efforts.

Upcoming catalysts in FY18

The most important potential catalysts in FY18 are the ongoing discussions with potential clinical development partners for Progenza in Japan. Securing a clinical partner for one or more indications would provide further validation of the commercial potential of Progenza, as well as providing additional non-dilutive funding.

Anticipated milestones in FY18 include:

- JV Regeneus Japan Inc sublicense of Progenza clinical development and commercialisation rights in Japan;
- Report on results of the ACTIVATE Phase I clinical trial;
- Report on the results from the CryoShot Canine pre-pivotal osteoarthritis trial; and
- Report on preclinical trials for MSC secretions technology.

Valuation

Our valuation of Regeneus is virtually unchanged at A$146m (vs A$145m), or A$0.70/share (unchanged). Following the reporting of FY17 results we have updated the end FY17 cash balance, made some minor changes to forecast R&D expenditures and rolled forward the DCF model.

With the winding down of CryoShot pre-launch field trials in Australia and the expectation of a global licence deal with a vet pharma partner, we now assume that there will only be minimal CryoShot revenue in Australia ahead of anticipated global launch in 2021, and assume that the same royalty arrangement will apply in Australia as in other markets. We have consolidated the CryoShot valuation into a single line in Exhibits 2 and 3 to reflect the expectation of a global licence agreement for this product.

We have also adjusted our forecasts for the timing of future AGC milestone payments to reflect company guidance that the US$10m of outstanding potential milestones comprises two potential payments of US$5m each. We forecast AGC milestone payments of US$5m each will become receivable in FY18 and FY21, risked at 90% and 35%, respectively (previously spread over FY18-22, weighted towards the near term).

Our sum-of-the-parts DCF valuation model is summarised in Exhibit 2, with key assumptions shown in Exhibit 3.

Exhibit 2: Regeneus valuation model

Product	Setting	Region	Status	Launch	NPV (A$m)	Peak sales (A$m)	Probability of success	Economic interest	rNPV (A$m)	rNPV per share (A$)
Progenza	Human – OA	Japan	Phase II ready	2022	121.3	504	35%	Royalty (10%)	40.3	0.19
Progenza	Human – OA	Australia/ EU/US	Phase I complete	2026	309.3	1,558	20%	Royalty (20%)	56.0	0.27
Human cancer vaccine	Solid tumours	WW	Phase I	2024	101.0	500	15%	13% net royalties	14.3	0.07
CryoShot	Animal – OA	Australia/ EU/US	Pre-pivotal studies	2021	50.2	112	30%	Royalty (20%)	14.7	0.07
Kvax canine vaccine	Dog cancer	WW	Marketing studies	2019	24.3	100	40%	Royalty (20%)	9.6	0.05
AGC milestones		Japan			10.2		30-90%		6.9	0.03
Portfolio total					616.2				141.7	0.68
End FY17 net cash (at 30 June 2017)									4.1	0.02
Overall valuation									**145.9**	**0.70**

Source: Edison Investment Research

Our valuation model applies a standard 12.5% discount rate and includes net cash of A$4.1m at end June 2017. We assume that product sales reach peak market share six years after launch, grow in line with the market for the next four years (five years for Progenza in Japan) and then decline at 10% per year. For simplicity, we do not include upfront and milestone payments from any potential future licensing deals that have not yet been signed and instead assume that the full value of the product will be paid as a royalty. We note that there is a risk adjustment applied to each programme, appropriate to the status of development. Risk adjustments would unwind as programmes advance through clinical studies, gain regulatory approvals and secure commercial partners, etc.

Exhibit 3: Regeneus valuation assumptions

Product	Setting	Region	Status	Key assumptions
Progenza	Human – OA	Japan	Phase I	Prevalence ~18% of >55 yrs; 10% suitable candidates for treatment; 10% Progenza peak market share (2028; 6 yrs to peak); A$5,000 per treatment; 50:50 JV with AGC for Japan.
Progenza	Human – OA	Australia/EU/US	Phase I	Prevalence ~10% of >55 yrs in all regions; 10% suitable candidates for treatment; 10% peak market share (2031; 6 yrs to peak); A$5,000 per treatment (A$3,750 in EU).
Human cancer vaccine	Solid tumours	WW	Phase I	A$500m peak sales indicative potential (non-cancer specific); 13% net royalty rate after 4-7% pay-away to Northern Sydney Local Health District (NSLHD).
CryoShot	Animal – OA	Australia/EU/US	Pre-pivotal studies	~145,000 small animal vet practitioners across US, EU and Australia; peak penetration in 2026, with 5% use CryoShot (3% in EU), 75x per year (50x in UE), at A$250 per dose; 30% probability with studies/partners to complete
Kvax canine vaccine	Dog cancer	WW	Marketing studies	~540/100,000 annual incidence of dog cancers; ~860,000 cancers US/EU/Japan/Aus; assume 10% get drug/vaccine treatment; 25% peak Kvax penetration of treated dogs by 2024 (=21,600 Kvax treatments); A$2,000 per treatment course; 40% probability with studies/partners to complete.
AGC milestones		Japan		US$10m total milestones still outstanding (2 milestones of US$5m each); assume become payable in FY18 and FY21, risked at 30-90%.

Source: Edison Investment Research

Sensitivities

With regard to Progenza, RGSH4K, CryoShot and Kvax – the key long-term valuation drivers – we have assumed timely clinical and commercial progress in multiple regions, which should be achievable, but any delays/setbacks would have a negative impact on our valuation. Signing up

AGC as a manufacturing partner for Progenza in Japan has provided significant validation of the commercial value of the company's technology; this should make it easier to sign clinical development partners, which represents near-term potential upside.

Progenza could potentially be developed for a range of disease indications. At present we include only the single osteoarthritis indication in our valuation model, so progress in developing additional indications or licensing deals that include additional indications for Progenza represent potential sources of upside to our valuation.

If the Regeneus Japan JV signs a clinical development partner in Japan with comparable terms to the Kolon Mitsubishi deal, this would increase our valuation to around A$194m or A$0.93 per share, up from A$146m or A$0.70 per share.

We currently base our valuation of the RGSH4K human cancer vaccine on an indicative peak sales estimate of US$500m, as we currently have limited information about potential efficacy and do not know which cancers will be targeted for initial regulatory approval. When we have more information about the efficacy of the vaccine and/or the cancers that will be targeted for initial approval we are likely to revise our peak sales estimate.

Financials

Regeneus reported a profit of A$3.3m in FY17, which was in line with our expectations after adjusting for the A$1.3m of one-off costs associated with the AGC licence deal. Revenue of A$10.0m included A$8.9m (US$6.5m) from AGC. CryoShot sales fell from A$517k in FY16 to $54k in FY17 as pre-launch field trials in Australia wound down.

We have made modest revisions to our financial forecasts, including reducing forecast R&D spend in FY18 by A$0.5m to A$4.9m and consolidating the post-FY18 AGC milestones to a single US$5m milestone in FY21, risked to 35%.

The A$4.1m cash balance at 30 June 2017 and the A$2.6m R&D rebate received on 29 August, combined with A$1.25m of loans to shareholders that are repayable in June 2018 (provided at time of IPO in 2013 to fund exercise of employee options) would fund operations to Q418 at the projected burn rate of A$0.65m/month. The company expects additional licensing and milestone payments to extend the funding runway beyond the end of FY18, including a US$5m AGC milestone that it expects to earn in FY18. Upfront payments from any future licensing deals would extend the funding runway further.

In our forecasts, which assume receipt of the US$5m milestone payment from AGC in FY18, we project the funding runway to extend beyond the end of FY19.

Note that we now include payments under the Australian Government's R&D incentive scheme in the calculation of EBITDA in the P&L accounts in Exhibit 4, treating the payments in a similar fashion to other government grants.

Exhibit 4: Financial summary

A$'000s	2015	2016	2017	2018e	2019e
Year end 30 June	AASB	AASB	AASB	AASB	AASB
PROFIT & LOSS					
Sales, royalties, milestones					
Revenue	1,900	1,735	9,994	7,787	1,177
Cost of Sales	(915)	(292)	(55)	(18)	(17)
Gross Profit	985	1,444	9,939	7,769	1,161
R&D expenses	(4,945)	(4,309)	(4,456)	(4,902)	(4,412)
SG&A expenses	(6,250)	(3,578)	(3,570)	(3,693)	(3,526)
R&D tax incentive	3,418	2,732	2,608	2,696	2,426
EBITDA	(6,387)	(3,360)	4,856	2,056	(4,161)
Operating Profit (before GW and except.)	(6,773)	(3,696)	4,527	1,873	(4,349)
Intangible Amortisation	(19)	(15)	(5)	(3)	(1)
Exceptionals	0	0	0	0	0
Other	0	15	(1,309)	0	0
Operating Profit	(6,792)	(3,696)	3,212	1,870	(4,351)
Net Interest	186	122	58	(16)	(16)
Profit Before Tax (norm)	(6,588)	(3,559)	3,276	1,857	(4,366)
Profit Before Tax (IFRS)	(6,607)	(3,574)	3,271	1,854	(4,367)
Tax benefit	0	0	0	0	0
Profit After Tax (norm)	(6,588)	(3,559)	3,276	1,857	(4,366)
Profit After Tax (IFRS)	(6,607)	(3,574)	3,271	1,854	(4,367)
Average Number of Shares Outstanding (m)	208.9	208.9	208.9	208.9	209.9
EPS - normalised (A$)	(0.03)	(0.02)	0.02	0.01	(0.02)
EPS - IFRS (A$)	(0.03)	(0.02)	0.02	0.01	(0.02)
Dividend per share (A$)	0.00	0.00	0.00	0.00	0.00
BALANCE SHEET					
Fixed Assets	2,451	2,432	904	943	985
Intangible Assets	26	11	6	27	48
Tangible Assets	892	802	610	627	649
Investments	1,533	1,619	288	288	288
Current Assets	7,128	3,503	8,261	10,122	5,762
Stocks	99	30	22	8	8
Debtors	67	22	88	88	88
Cash	3,013	529	4,135	7,150	3,060
Other	3,950	2,922	4,016	2,876	2,606
Current Liabilities	(1,260)	(1,006)	(876)	(876)	(876)
Creditors	(781)	(906)	(743)	(743)	(743)
Short term borrowings	0	0	0	0	0
Other	(478)	(99)	(133)	(133)	(133)
Long Term Liabilities	(48)	(144)	(189)	(189)	(189)
Long term borrowings	0	0	0	0	0
Other long term liabilities	(48)	(144)	(189)	(189)	(189)
Net Assets	8,272	4,785	8,100	10,000	5,682
CASH FLOW					
Operating Cash Flow	(5,923)	(2,254)	3,588	3,240	(3,858)
Net Interest	0	0	0	0	0
Tax	0	0	0	0	0
Capex	(208)	(250)	(150)	(225)	(232)
Acquisitions/disposals	8	19	(78)	0	0
Financing	6,168	0	0	0	0
Dividends	0	0	0	0	0
Other	0	0	247	(0)	0
Net Cash Flow	45	(2,485)	3,607	3,016	(4,090)
Opening net debt/(cash)	(2,635)	(3,013)	(529)	(4,135)	(7,150)
HP finance leases initiated	0	0	0	0	0
Other	333	0	(0)	(0)	0
Closing net debt/(cash)	(3,013)	(529)	(4,135)	(7,150)	(3,060)

Source: Regeneus accounts, Edison Investment Research. Note: we now include payments under the Australian Government's R&D incentive scheme in the calculation of EBITDA, treating the payments in a similar fashion to other government grants.

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