APPENDIX 4C – 31 DECEMBER 2022

QUARTERLY ACTIVITIES & CASHFLOW REPORT

Highlights:

- *Argenica successfully completed dosing in its pivotal Phase 1 clinical trial, with ARG-007 shown to be safe and well tolerated at all doses administered to healthy participants. The fourth dosed cohort, which received the highest dose of ARG-007, showed no adverse events related to the administration of the drug.*

- *Planning commenced for the Phase 2 clinical trial in ischaemic stroke patients. Argenica aims to submit its ethics application for approval to commence this trial in Q3 calendar year 2023 following receipt of the Phase 1 Clinical Study Report and finalisation of the Phase 2 protocol.*

- *Awarded $1.2m grant for traumatic brain injury project under the CRC-P grant program.*

- *Cash reserves of $8.128 million as at 31 December 2022 following a cash refund of $1.378 million from the Company's R&D tax incentive claim for the financial year ending 30 June 2022 adding to the cash reserves as at the end of the quarter.*

Perth, Australia; 31 JANUARY 2023 - Argenica Therapeutics Limited (ASX: AGN) ("Argenica" or the "Company"), a biotechnology company developing novel therapeutics to reduce brain tissue death after stroke and other types of brain injury, is pleased to lodge the following update and attached Appendix 4C Quarterly Cashflow Report for the 6-month period ended 31 December 2022.

Key activities undertaken during the quarter are outlined below.

SUCCESSFUL COMPLETION OF PHASE 1 CLINICAL TRIAL DOSING OF ARG-007

During the quarter, Argenica was pleased to successfully complete dosing of ARG-007 in its healthy volunteer Phase 1 clinical trial. Throughout the trial all four doses of ARG-007 were well tolerated with no serious adverse events observed. The completion of dosing in the Phase 1 clinical trial, the first in human trial of ARG-007, is a pivotal milestone for the Company.

In the fourth cohort which received the highest dose of ARG-007, following an extensive review of data from the participants, including blood pressure, vital signs, neurological examinations, haematology, and adverse events, the safety review committee (SRC) determined that there were no clinically relevant abnormal results due to the administration of ARG-007.

Of the eight participants dosed in the final cohort (six receiving ARG-007 and two receiving a placebo), no serious adverse events were observed following dosing. None of the participants experienced any non-serious adverse events related to the administration of ARG-007. Some non-serious adverse events were experienced in the first, second and third cohorts as outlined in ASX announcements. In each of these cohorts the SRC determined that the non-serious adverse events were not clinically significant and therefore the doses of ARG-007 appeared to be safe and well tolerated, and dose escalation could proceed.

The Clinical Research Organisation undertaking the Phase 1 trial, Linear Clinical Research, will now compile all trial data and prepare the interim analysis report to be completed in March 2023 prior to providing Argenica the final Clinical Study Report which will likely be received in May 2023. The Clinical Study Report will provide the data required to submit the ethics application for its Phase 2 trial in ischaemic stroke patients.

PLANNING FOR PHASE 2 CLINICAL TRIAL IN STROKE PATIENTS UNDERWAY

Argenica has commenced planning for its Phase 2 clinical trial in ischaemic stroke patients. The Phase 2 trial is expected to be a Blinded Assessment, Randomized, Placebo-Controlled, Parallel Group Study to Determine the Safety, Tolerability, Pharmacokinetics and Preliminary Efficacy of a Single Dose of ARG-007 in Acute Ischemic Stroke Patients. The trial is expected to be conducted at multiple hospitals across Australia and will test the primary outcomes of safety and tolerability in patients that have suffered an acute ischaemic stroke caused by a clot in a large vessel in the brain. The Phase 2 trial is expected to also gather preliminary efficacy data via imaging and functional assessments post treatment.

The Company is currently in discussions with a number of global Clinical Research Organisations (CROs) with experience in conducting Phase 2 trials in acute emergency settings in Australia to determine the most appropriate CRO to undertake this pivotal trial. Following selection of a CRO, Argenica will work closely with them to finalise the trial investigational brochure required for submission to the Human Research Ethics Committee (HREC) seeking approval to commence the trial.

The ethics submission for this Phase 2 trial will be through the National Mutual Acceptance program which allows for a single scientific and ethical review by a Certified Reviewing HREC for approval of a multi-site clinical trial. This means Argenica will only be required to submit its ethics application to one HREC at one hospital to gain approval to conduct the trial across multiple Australian hospitals, thereby speeding up the time to approval. The Company aims to submit its ethics application for approval to commence this Phase 2 trial in Q3 calendar

year 2023 following receipt of the Phase 1 Clinical Study Report and finalisation of the Phase 2 protocol and investigational brochure.

AWARDED $1.2M GRANT FOR TRAUMATIC BRAIN INJURY PROJECT UNDER THE CRC-P PROGRAM

Whilst Argenica commences planning for its Phase 2 trial in ischaemic stroke patients, the Company also continues to undertake a number of pre-clinical studies in indications outside of stroke. This includes preclinical work in hypoxic ischaemic encephalopathy, traumatic brain injury (TBI) and other neurological conditions in which ARG-007 may have a therapeutic benefit.

To support this program of work, subsequent to the quarter end, Argenica was pleased to announce that it has been awarded a federal government grant for its TBI preclinical research activities under the Cooperative Research Centres Projects (CRC-P) grant program.

The Company has been advised by the federal government's Department of Industry, Science and Resources that the project "A novel therapeutic for the treatment of traumatic brain injury" has been awarded $1.2M in grant funding to contribute towards a preclinical program of work in collaboration with Curtin University, The University of Adelaide, peptide manufacturer AusPep and Connectivity Traumatic Brain Injury Australia, to assess the efficacy of ARG-007 in preclinical animal models of mild to moderate TBI.

The CRC-P program provides matched funding grants to recipients. The project's total cost is approximately $2.7 million, therefore Argenica and its project collaborators will make salary, cash and in-kind contributions towards the remaining $1.5 million of project costs. All intellectual property and commercialisation rights will remain solely with Argenica. The Company will now work with the Department of Industry, Science and Resources on next steps, including finalising the grant agreements. Further details on the program of work and the terms and conditions of the grant will be provided once agreed.

CASHFLOW COMMENTARY, CASH RESERVES OF $8.128 MILLION AS AT 31 DECEMBER 2022

The Company had net cash operating outflows for the quarter of $0.051 million and cash reserves of $8.128 million as at 31 December 2022 including a R&D cash refund of $1.378 million for the Company's R&D tax incentive claim for the financial year ending 30 June 2022.

Operating cash outflows in the quarter included expenditure on research and development activities of $1.069 million (Sep22Q: $0.304 million), staff costs (including research and development employees) of $0.256 million (Sep22Q: $0.255 million) and corporate administration of $0.106 million (Sep22Q $0.189 million). Research and development expenditure included payments to third party contractors undertaking pre-clinical studies for the Phase 1 clinical trial and additional applications of ARG-007, Phase 1 trial contractors and

regulatory consultants. Costs associated with the Phase 1 trial will continue into the following quarter.

The Company had no net financing cash inflows for the quarter.

As required by ASX Listing Rule 4.7C3, the Company notes that $0.155 million was paid to related parties during the quarter (as noted in section 6 of the attached Appendix 4C) and these payments included (i) salary and superannuation paid to Executive Directors ($0.119 million) and (ii) Directors fees and superannuation paid to Non-Executive Directors ($0.036 million).

IPO PROSPECTUS USE OF FUNDS COMPARED TO ACTUAL EXPENDITURE

In accordance with ASX listing rule 4.7C.2, the Company provides below a use of funds comparison table showing actual spend for the period 23 April 2021 to 31 December 2022 compared to the intended use of funds table provided in the Company's IPO prospectus lodged with ASIC on 23 April 2021.

The use of funds table in the Prospectus outlined the Company's intended use of funds in the two-year period following Admission of the Company to the Official List of the ASX. It should be noted that these are estimates and will be subject to modification on an ongoing basis depending on the results obtained from the Company's activities.

It should also be noted Argenica has and intends to apply for and has received cash rebates on eligible research and development (R&D) expenses under the Australian Commonwealth Government's R&D tax incentive program to assist funding its R&D activities. The current scheme provides a refundable tax offset for expenditure on certain eligible R&D activities. As this funding is uncertain it was not included in the use of funds in the Prospectus.

Source of funds	Prospectus $'000	Actual $'000
Approximate cash as at the date of Prospectus / Opening cash balance	$1,034	$1,034
Proceeds from the IPO Public Offer	$7,000	$7,000
Placement	-	$5,500
R&D tax incentive rebate	-	$1,637
Interest received	-	$23
Total funds available	**$8,034**	**$15,195**

Proposed use of funds		
Pre-clinical development activities	$2,175	$2,517
Clinical trial and safety assessment (phase 1)	$1,525	$976
Product development and planning activities for clinical trial (phase 2a)	$300	$395
Regulatory approval strategy and preparation	$550	$225
IP protection costs	$150	$115
Corporate administration	$2,000	$1,649
Working capital	$579	$59
Placement share costs	-	$362
Costs of the IPO Offer	$755	$769
Total Expenditure	**$8,034**	**$7,067**
CLOSING CASH BALANCE	**-**	**$8,128**

This announcement has been approved for release by the Board of Argenica.

For more information please contact: info@argenica.com.au

ABOUT ARGENICA

Argenica (ASX: AGN) is developing novel therapeutics to reduce brain tissue death after neurological injuries and improve patient outcomes. Our lead neuroprotective peptide candidate, ARG-007 has been successfully demonstrated to improve outcomes in preclinical stroke and HIE models and shown to be safe and well tolerated in a first-in-human Phase 1 clinical trial in healthy human volunteers. The aim is for our therapeutic to be administered by first responders to protect brain tissue against damage during a stroke and other types of brain injury, including HIE, with further potential to enhance recovery once a brain injury has taken place.

Appendix 4C

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

Name of entity	
ARGENICA THERAPEUTICS LIMITED	
ABN	**Quarter ended ("current quarter")**
78 637 578 753	31 DECEMBER 2022

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (6months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) research and development	(1,069)	(1,373)
	(b) product manufacturing and operating costs	-	-
	(c) advertising and marketing	-	-
	(d) leased assets	-	-
	(e) staff costs	(256)	(511)
	(f) administration and corporate costs	(106)	(295)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	15	21
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives		
	- R&D tax rebate	1,378	1,378
1.8	Other (provide details if material)		-
	- Net GST (paid) / received	(13)	
1.9	**Net cash from / (used in) operating activities**	**(51)**	**(780)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (6months) $A'000
	(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)	-	-
2.6	**Net cash from / (used in) investing activities**	**0**	**0**

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	-	(6)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
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**	**-**	**(6)**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	8,179	8,914
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(51)	(780)

Consolidated statement of cash flows		Current quarter $A'000	Year to date (6months) $A'000
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)	-	(6)
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**8,128**	**8,128**

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	8,128	8,179
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)**	**8,128**	**8,179**

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	156
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.

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	**Total financing facilities**	-	-

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.	

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(51)
8.2	Cash and cash equivalents at quarter end (item 4.6)	8,128
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	8,128
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	159

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:

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: N/A

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: N/A

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: N/A

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 January 2023.....

Authorised by: ....By the Board of the Company.....
(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.