APPENDIX 4C – 31 MARCH 2023

QUARTERLY ACTIVITIES & CASHFLOW REPORT

Highlights:

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

- *Progressed preclinical studies in other key neurological indications outside of stroke in which ARG-007 may have a therapeutic benefit, with positive results in HIE, TBI and Alzheimer's Disease studies. Over $4 million in non-dilutive grant and philanthropic funding also secured to support further activities in these areas.*

- *Cash reserves of $7.5 million as at 31 March 2023. Argenica benefited from non-dilutive cash funding totalling $0.631 million during the quarter from a CRC-P grant program and philanthropic donors via the Perron Institute. This funding will be used to progress preclinical studies into the efficacy of ARG-007 in TBI and Alzheimer's Disease.*

Perth, Australia; 27 APRIL 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 9-month period ended 31 March 2023.

In parallel with planning for a Phase 2 clinical trial of ARG-007 in ischaemic stroke patients during the quarter, Argenica is actively undertaking preclinical studies to generate efficacy data required to progress ARG-007 into clinical trials for other neurological conditions where ARG-007 may have a therapeutic benefit, including hypoxic ischaemic encephalopathy (HIE) traumatic brain injury (TBI) and Alzheimer's Disease. Given ARG-007 has already proven safe in the Phase 1 clinical trial, and following generation of sufficient preclinical data, the Company will be able to move straight into Phase 2 trials in other indications where a single dose of ARG-007 is given, such as severe TBI and HIE.

Over $4 million in non-dilutive grant and philanthropic funding was secured to support further preclinical activities in these other neurological indications. Argenica is very appreciative of the funding support received from the federal government, the Stan Perron Charitable Foundation, and donors to the Perron Institute to progress therapeutic areas of TBI, HIE and Alzheimer's Disease.

Key activities undertaken during the quarter are outlined below.

PLANNING FOR A PHASE 2 CLINICAL TRIAL IN STROKE PATIENTS PROGRESSES

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 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 post treatment.

The Company has now concluded discussions with a number of global Clinical Research Organisations (CROs) with experience in conducting Phase 2 trials in acute emergency settings in Australia. Argenica will enter into a contract agreement with the preferred CRO and 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 an ethics application in early Q3 calendar year 2023 following receipt of the Phase 1 Clinical Study Report and finalisation of the Phase 2 protocol and investigational brochure. The ethics application will seek approval to commence this Phase 2 trial in Australian hospitals.

***HYPOXIC ISCHAEMIC ENCEPHALOPATHY (HIE)* - ARG-007 PROVIDES PROLONGED REDUCTION OF BRAIN INJURY IN LATEST PRECLINICAL STUDY & SIGNIFICANT NON-DILUTIVE FUNDING SECURED FOR PRECLINICAL EFFICACY STUDIES**

Subsequent to quarter end, Argenica was pleased to announce the latest positive preclinical data in HIE showing the effect of a single dose of ARG-007 lasting out to four weeks in a preclinical term animal model of HIE. HIE is a type of brain injury sustained by newborns where the brain doesn't receive enough oxygen or blood flow for a period. Whilst HIE is a rare

paediatric condition, it has devastating outcomes for these babies, and a treatment is desperately needed.

In the same term HIE animal model Argenica has previously demonstrated ARG-007 reduces neuronal cell death caused by ischaemia out to 48 hours post the reduction in blood flow to the brain (see announcement dated 29 September 2022). The latest study examined the efficacy of a single dose of ARG-007 in the same model of HIE when brain injury was assessed at timepoints beyond 48h, namely 1 week, 2 weeks, 3 weeks, and 4 weeks, to determine whether the effect of ARG-007 was temporary or prolonged.

In this study, ARG-007 was shown to significantly reduce brain injury caused by both ischaemia (reduced blood flow) and vasogenic oedema (brain swelling) in a full-term-equivalent animal model of HIE. Data shows a 300nmol/kg dose of ARG-007 maintained over a 70% reduction in total brain injury from one week out to four weeks post injury. Doses of 100 and 300 nmol/kg of ARG-007 also reduced vasogenic oedema (brain swelling) at 48 hours post injury by 35.4% and 32.9% respectively. Refer to announcement dated 20 April 2023 for further detail of the study and results.

Argenica has engaged global contract research organisation Labcorp Drug Development's (Labcorp) paediatric regulatory team to develop a regulatory and clinical trial strategy for ARG-007 in HIE in newborns. Labcorp has extensive experience in planning and running global paediatric clinical trials, as well as obtaining regulatory investigational new drug applications, and orphan drug designation from the Food and Drug Administration (FDA) for therapies targeting rare paediatric therapies.

To meet requirements to undertake clinical trials in HIE in the US, Argenica has initiated a preclinical juvenile toxicology study and preclinical efficacy studies in a large animal term model of HIE. If these studies illicit positive results, then the Company's aim is to commence a Phase 1/2 trial in HIE in the US. The preclinical efficacy studies are generously funded by a grant from the Stan Perron Charitable Foundation (see announcement dated 30 March 2023). Results of these studies, as well as the Company's engagement with the FDA, will be announced as they come to hand.

TRAUMATIC BRAIN INJURY (TBI) - AWARDED $1.2M GRANT UNDER THE CRC-P PROGRAM, FIRST GRANT INSTALLMENT RECEIVED

As previously advised, Argenica has been awarded $1.2M in non-dilutive grant funding under the federal government's Cooperative Research Centre Projects (CRC-P) program for the project "A novel therapeutic for the treatment of traumatic brain injury". See announcement dated 20 January 2023.

This funding will 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 related to the project outcomes will remain solely with Argenica.

During the quarter, Argenica received the first $0.281M instalment of grant funding under the program. Argenica is now working with the federal government and project partners to finalise all partner and grant agreements. Drug product manufacturing for the TBI studies will shortly commence with AusPep. Project partners Curtin University and the University of Adelaide have commenced planning of the research activities, and agreements on research activities will be finalised shortly. Argenica has also initiated engagement with Connectivity Traumatic Brain Injury Australia on planning of the research activities to ensure the project is developing and delivering effective, person-centred outcomes.

ALZHEIMER'S DISEASE - NON-DILUTIVE FUNDING RECEIVED TO PROGRESS PRECLINICAL STUDIES

During the quarter, Argenica was pleased to receive non-dilutive cash funding from philanthropic donors via the Perron Institute to progress preclinical studies into the efficacy of ARG-007 in Alzheimer's Disease. This non-dilutive funding follows the results of Argenica's positive *in vitro* Amyloid Beta (Abeta) study (announced 9 February 2023) whereby a 25 µM concentration of ARG-007 was shown to significantly reduce Abeta aggregation (by more than 50%).

The total funding amount of $350,000 includes generous funding of $250,000 from the McCusker Charitable Foundation, who have a long history of supporting medical research and the advancement of medical science in Western Australia, in particular in Alzheimer's Disease research. The additional $100,000 funding is from Mr Jim Litis who is a long-standing and generous supporter of the Perron Institute.

The funding will cover the cost of further *in vivo* preclinical studies which will assess the efficacy of ARG-007 in the 5xFAD mouse model of Alzheimer's Disease, a mouse model with a total of five Alzheimer's Disease linked mutations. Argenica has now engaged QPS, an Austrian based Contract Research Organisation, to undertake this *in vivo* study. The study involves the aged mice receiving multiple doses of ARG-007 over an extended period of time, with results to assess the effect on Abeta levels and plaques, Tau protein levels, neuroinflammation, and neurodegeneration. Dosing in this study has commenced in March 2023 with final results to be received in late calendar year 2023. Results will be announced to the market as they come to hand.

CASHFLOW COMMENTARY, CASH RESERVES OF $7.5 MILLION AS AT 31 MARCH 2023

The Company had net cash operating outflows for the quarter of $0.628 million and cash reserves of $7.500 million as at 31 March 2023.

During the quarter, the Company benefited from non-dilutive grant funding from the recently secured CRC-P grant program ($0.281 million) and philanthropic donors via the Perron Institute ($0.350 million). This funding will be used to progress preclinical studies into the efficacy of ARG-007 in TBI and Alzheimer's Disease respectively.

Operating cash outflows in the quarter included expenditure on research and development activities of $0.888 million (Dec22Q: $1.069 million), staff costs (including research and development employees) of $0.256 million (Dec22Q: $0.256 million) and corporate administration of $0.176 million (Dec22Q $0.106 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. Final 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 March 2023 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
Grant funding	-	$631
R&D tax incentive rebate	-	$1,637
Interest received	-	$43
Total funds available	**$8,034**	**$15,845**
Use of funds		
Pre-clinical development activities	$2,175	$2,942
Clinical trial and safety assessment (phase 1)	$1,525	$1,488
Product development and planning activities for clinical trial (phase 2a)	$300	$431
Regulatory approval strategy and preparation	$550	$247
IP protection costs	$150	$119
Corporate administration	$2,000	$1,971
Working capital	$579	$16
Placement share costs	-	$362
Costs of the IPO Offer	$755	$769
Total Expenditure	**$8,034**	**$8,345**
CLOSING CASH BALANCE	**-**	**$7,500**

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 stroke and other types of brain injury and neurodegenerative diseases to improve patient outcomes. Our lead neuroprotective peptide candidate, ARG-007, has been successfully demonstrated to improve outcomes in pre-clinical stroke models, traumatic brain injury (TBI) and hypoxic ischaemic encephalopathy (HIE). The Company has recently completed a Phase 1 clinical trial in healthy human volunteers to assess the safety and tolerability of a single dose of ARG-007. Argenica is now progressing towards a Phase 2 clinical trial in ischaemic stroke patients, as well as continuing to generate preclinical data in other neurological conditions, including in TBI, HIE and Alzheimer's Disease.

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 MARCH 2023

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (9months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	350	350
1.2	Payments for		
	(a) research and development	(888)	(2,261)
	(b) product manufacturing and operating costs	-	-
	(c) advertising and marketing	-	-
	(d) leased assets	-	-
	(e) staff costs	(256)	(767)
	(f) administration and corporate costs	(176)	(471)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	19	40
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives		
	- CRCP grant	281	281
	- R&D tax rebate	-	1,378
1.8	Other (provide details if material)		
	- Net GST (paid) / received	43	43
1.9	**Net cash from / (used in) operating activities**	**(628)**	**(1,408)**

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

Consolidated statement of cash flows		Current quarter $A'000	Year to date (9months) $A'000
	(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)	-	-
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	8,128	8,914
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(628)	(1,408)

Consolidated statement of cash flows		Current quarter $A'000	Year to date (9months) $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**	**7,500**	**7,500**

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	7,500	8,128
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)**	**7,500**	**8,128**

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	155
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)	(628)
8.2	Cash and cash equivalents at quarter end (item 4.6)	7,500
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	7,500
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	11.9

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: ....27 April 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.