

ARGENICA SUCCESSFULLY COMPLETES \$4.0M PLACEMENT

Highlights:

- *Argenica has received binding commitments to raise \$4.0m (before costs).*
- *The capital raise was well supported by large existing shareholders, family offices, new institutional investors, and sophisticated high-net-worth investors.*
- *The funding will enable the Company to commence its Phase 2 trial of ARG-007 in ischaemic stroke patients.*

Perth, Australia; 2 JUNE 2023 – Argenica Therapeutics Limited (ASX: AGN) (“Argenica” or the “Company”), a biotechnology company developing novel therapeutics to reduce brain tissue death after stroke, is pleased to announce it has received binding commitments from institutional and sophisticated investors to raise A\$4.0M (before costs) (“Placement”). The Placement attracted interest from a number of new and existing family offices, institutions and high net worth investors.

The funding will enable the Company to commence its Phase 2 trial of ARG-007 in ischaemic stroke patients, following its recent and successful Phase 1 trial where all doses of ARG-007 were deemed to be safe and well tolerated.

Importantly, planning for the Phase 2 clinical trial in ischaemic stroke patients is well advanced with key suppliers selected, contracts advanced, preliminary manufacturing activities underway, long lead time items ordered and paid for, and the protocol and investigational brochure currently being finalised. The Company aims to submit an ethics application in Q3 calendar year 2023 for the trial. A pre-IND meeting request will be lodged with the FDA imminently. The purpose of this meeting is to ensure the FDA is satisfied with the Company’s Phase 2 clinical trial protocol design.

The Phase 2 trial is expected to be a Blinded, 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 gather preliminary efficacy data including via imaging post treatment.

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 its trial across multiple Australian hospitals, thereby speeding up the time to commence the trial.

In addition to the Placement, over \$4 million in non-dilutive grants and philanthropic funding has been recently secured and announced to support further preclinical activities in other neurological indications including hypoxic ischaemic encephalopathy (HIE), traumatic brain injury (TBI) and Alzheimer's Disease. The Company also anticipates additional cash inflows from R&D tax rebates, with a material portion of historic and future expenditure expected to be eligible expenditure under current R&D tax rebate provisions. The R&D tax rebate provides a 43.5% cash rebate for expenditure incurred on eligible R&D activities. The Company will also continue to explore additional non-dilutive grant options to fund its portfolio of pre-clinical indications.

Dr Liz Dallimore, Managing Director, commented: "We are delighted to have secured the support again of many of our large and existing shareholders, as well as new institutional investors who recognise the importance of advancing ARG-007 into a Phase 2 trial in ischaemic stroke patients. We look forward to providing further updates as we advance the Phase 2 trial, along with providing updates on the results of our preclinical work in other neurological indications."

Placement Details

The Placement will result in the issue of 11,428,572 new fully paid ordinary shares ("Shares") at an issue price of \$0.35 to raise \$4,000,000 (before costs). The issue price represented a discount of 17.6% to the last traded price of \$0.425 and a discount of 12.7% to the volume weighted average market price of the Company's Shares on the ASX during the last 10 trading days prior to the Placement.

Settlement of the Placement is expected to occur on Thursday, 8 June 2023, with issue and trading of Placement shares expected to commence on Friday, 9 June 2023. The Placement will be made utilising Argenica's available placement capacity under ASX Listing Rule 7.1 and will not require shareholder approval.

Euroz Hartleys Limited acted as Sole Lead Manager to the Placement. The Company has agreed to issue the Lead Manager (or its nominees) 1,000,000 unlisted options to acquire Shares ("Options"). Each Option will be exercisable at \$0.65 and will have an expiry date of 3 years from their issue date. The Options will also be issued pursuant to the Company's ASX Listing Rule 7.1 capacity and will be issued at the same time as the Placement shares. The terms and conditions applying to the Options are set out in Appendix 1.

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 1: LEAD MANAGER OPTION TERMS & CONDITIONS

The following terms and conditions apply to the Options:

- (a) **(Entitlement):** Each Option entitles the holder to subscribe for one Share upon exercise of the Option.
- (b) **(Issue Price):** \$0.00001 per Option plus GST is payable for the issue of the Options.
- (c) **(Exercise Price):** The Options have an exercise price of \$0.65 per Option (**Exercise Price**)
- (d) **(Expiry Date):** The Options expire on 5.00pm (WST) 3 years from their issue date (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (e) **(Exercise Period):** The Options are exercisable at any time and from time to time on or prior to the Expiry Date.
- (f) **(Quotation of the Options):** The Company will not apply for quotation of the Options on ASX.
- (g) **(Transferability of the Options):** The Options are only transferable within the Euroz Hartleys Group (which includes Euroz Hartleys Limited and its related entities, directors and employees), unless approved otherwise by the Company.
- (h) **(Notice of Exercise):** The Options may be exercised by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

Any Notice of Exercise of an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

- (i) **(Timing of issue of Shares on exercise):** Within 5 Business Days the Company will:
 - (i) allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
 - (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and
 - (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

- (j) **(Restrictions on transfer of Shares):** If the Company is required but unable to give ASX a notice under paragraph 8.2(j)(ii), or such a notice for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, Shares issued on exercise of Options may not be traded and will be subject to a holding lock until 12 months after their issue unless the Company, at its sole discretion, elects to issue a prospectus pursuant to section 708A(11) of the Corporations Act.
- (k) **(Shares issued on exercise):** Shares issued on exercise of the Options will rank equally with the then Shares of the Company.
- (l) **(Quotation of Shares on exercise):** If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options in accordance with the Listing Rules.
- (m) **(Reconstruction of capital):** If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reconstruction.
- (n) **(Participation in new issues):** There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.
- (o) **(Adjustment for bonus issues of Shares):** If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):
 - (i) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Option holder would have received if the Option holder had exercised the Option before the record date for the bonus issue; and
 - (ii) no change will be made to the Exercise Price.