ASX ANNOUNCEMENT

Actinogen September 2023 quarterly activity report and Appendix 4C

Sydney, 16 October 2023. Actinogen Medical ASX: ACW ("ACW" or "the Company") is pleased to announce the release of its quarterly activity report and Appendix 4C for the three-month period ended 30 September 2023.

- **Completed successful $10 million capital raising**
    - On 7 September, the Company announced the successful completion of a $10 million non-renounceable rights issue offer to existing shareholders. All shares on offer were taken up by existing shareholders and through shortfall commitments from existing and new shareholders
    - Funds raised by the rights issue are being used to progress the Company's Phase 2 clinical trial program including the completion of the XanaCIDD trial in patients with cognitive impairment associated with depression, costs associated with the XanaMIA trial in patients with mild to moderate Alzheimer's disease, and general working capital.
- **XanaCIDD Phase 2a clinical trial progress:**
    - Enrolment continues in the XanaCIDD Phase 2a trial in 160 patients with cognitive impairment associated with persistent major depressive disorder (MDD)
    - All Australian sites are open for recruitment and actively screening, enrolling, and treating patients, with enrolment approaching 40%. Following regulatory approvals, sites are opening progressively in the UK and the USA
    - Results are anticipated in Q2 CY2024.
- **XanaMIA Phase 2b clinical trial progress:**
    - On 26 September the Company announced that it had redesigned the XanaMIA Phase 2b clinical trial of Xanamem® in patients with mild to moderate Alzheimer's disease (AD) to reduce the cost and time to initial results
    - The trial will enrol patients with an elevated blood pTau biomarker (the same group shown to have a large Xanamem clinical effect in the previous Phase 2a biomarker trial) and keeps the same endpoints and 36-week treatment length. The removal of the 5mg dose arm reduces patient numbers by one-third to 220 patients who will receive either 10mg or placebo daily
    - Enrolment of the first 100 patients will take place at Australian sites and initial efficacy and safety results from an administrative interim analysis will occur when approximately 100 patients reach 24 weeks of treatment (expected H1 CY2025)

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- Collectively, these changes reduce trial costs significantly and increase forecast receipts from Australian R&D tax incentive cash refunds by focusing on Australian R&D activities in the near term. Net forecast savings between now and June 2025 will be in the order of $30 million compared to the original plan[1]
- The XanaMIA Phase 2b trial will finalize Australian clinical site start up activities as soon as possible, with site activation expected before the end of the calendar year
- Final results are anticipated in H2 CY2025.

- **Manufacturing:**
  - The Company's new contract manufacturer, Asymchem, continues to make good progress in improved synthesis of Xanamem as it develops a 1kg demonstration batch as a prelude to larger scale manufacture.
- **Neuroscience webinar**
  - Leading neuroscience and cognition expert Professor Paul Maruff joined Actinogen's Chief Medical Officer Dr Dana Hilt on 31 August to discuss recent progress in the AD clinical development field and cognitive impairment associated with depressive disorder
  - This highly informative 'plain English' discussion and Q&A session focused on interpreting the various testing methods that have been applied to cognition in AD and cognitive impairment associated with depressive disorder (CIDD) and used to evaluate the efficacy of new drugs such as Xanamem[2]
  - Xanamem works on lowering brain tissue cortisol and is one of only a few development programs that has demonstrated clinical activity on cognition in multiple placebo-controlled trials.
- **Executive and clinical operations teams:**
  - The Company initiated a limited reorganisation which resulted in the position of Senior Vice President, Product Development being made redundant. Accordingly, Tamara Miller has left the organisation and Cheryl Townsend, Vice President Clinical Operations, now reports directly to the CEO
  - The Company continues to fill vital operational roles to ensure the success of its clinical development program, including those required for the XanaMIA Phase 2b Alzheimer's disease trial in Australia.
- **CEO, CMO and Clinical Scientist presented at key international conferences and industry meetings, including:**
  - The Company congratulates Clinical Scientist Dr Jack Taylor who received the congress prize for *Best Young Research Oral Presentation* at the 17th international congress of the Asian Society Against Dementia (ASAD) in Bandung Indonesia on 29 September. Dr Taylor presented to an audience comprising neurologists, psychiatrists, geriatricians, and other experts from local, national and world-class institutions focused on accelerating scientific discoveries in cognitive impairment, dementia and Alzheimer's disease

[1] The new implementation plan assumes that expansion of the XanaMIA trial will occur when potentially new, positive clinical data is received from the XanaCIDD trial by mid-2024 and/or the redesigned XanaMIA interim analysis, planned for H1 2025
[2] To watch the Neuroscience webinar video, click here or type the following address into your browser: https://www.youtube.com/watch?v=yBvReLbauhg

The congress theme was *Leveraging recent advanced technology and disease-modifying agents for a better dementia treatment outcome*

- The Dementia Trials Australia Annual Scientific Meeting in Sydney, Australia on 6 October where the theme was: *The new era in AD therapies*. ACW CEO Dr Steven Gourlay provided a presentation titled *Targeted modification of brain cortisol – a novel, nonamyloid approach*
- The 2023 Bioshares Biotech Summit in Hobart on 25 July, which brought together biotech companies and investors for company presentations, industry engagement and investor meetings. Dr Gourlay's presentation summarized the Xanamem story and near-term Phase 2 clinical and regulatory milestones
- The Alzheimer's Association International Conference (AAIC) in Amsterdam, The Netherlands on 17-20 July. CMO Dr Dana Hilt presented an academic poster which summarized data from three earlier Phase 1 and 2a Xanamem trials and concluded that Xanamem displays activity in multiple domains of cognition, and that treatment with Xanamem results in clinically meaningful slowing of disease.

- **Cash balance of $13.08 million at 30 September 2023.**[3]

Dr Steven Gourlay, Actinogen's CEO and MD, said:

"The Company was pleased to announce the completion of a successful rights issue offer to existing shareholders that yielded $10 million, before costs.

"We continue to make good progress in enrolling participants in our XanaCIDD Phase 2a trial in patients with cognitive impairment associated with persistent MDD. Enrolment is being supplemented by the addition of new trial sites in the UK and USA. Results of that trial are expected by the middle of 2024, which is less than nine months away.

"We were also pleased to announce changes to the design of our XanaMIA Phase 2 Alzheimer's disease trial that will save circa $30 million in costs over the original plan by initially implementing the trial in Australia before expanding to other countries, and reducing the number of participants by one-third. Initial results for efficacy and safety are expected to be available in the first half of the 2025 calendar year."

Cash position

Actinogen's cash balance at 30 September 2023 was $13.08 million.

Net operating cash outflow for the quarter was $4.93 million, including R&D spend of $3.23 million and staff costs of $1.39 million as the XanaCIDD trial ramped up and the XanaMIA trial start-up activities continued.

The increase in staff costs spend for the September quarter ($1.39 million) compared to the June quarter ($0.70 million) was primarily due to the payment of annual bonuses to staff ($0.3 million) and additional staff associated with increased clinical trial activity.

The Company was pleased to receive strong support from existing shareholders for the non-renounceable rights issue offer that closed in early September. Funds received (before costs) totalled $10 million.

The Company expects to receive an R&D tax incentive refund from the Australian Tax Office for the 2023 financial year of approximately $3.9 million before the end of the calendar year.

[3] Unless stated otherwise, all financial data is in Australian dollars

Consistent with ASX Listing Rule 4.7c.3, item 6 of the attached Appendix 4C of the cashflow report for the quarter included payments to Related Parties of $0.26 million, comprising the salary and bonus for the CEO/Managing Director, fees paid to Non-Executive Directors and superannuation.

ENDS

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Announcement authorised by the Board of Directors of Actinogen Medical

About Actinogen Medical

Actinogen Medical (ACW) is an ASX-listed, biotechnology company developing a novel therapy for neurological and neuropsychiatric diseases associated with dysregulated brain cortisol. There is a strong association between cortisol and detrimental changes in the brain, affecting cognitive function, harm to brain cells and long-term cognitive health.

Cognitive function means how a person understands, remembers and thinks clearly. Cognitive functions include memory, attention, reasoning, awareness and decision-making.

Actinogen is currently developing its lead compound, Xanamem,® as a promising new therapy for Alzheimer's Disease and Depression and hopes to study Fragile X Syndrome and other neurological and psychiatric diseases in the future. Reducing cortisol inside brain cells could have a positive impact in these and many other diseases. The cognitive dysfunction, behavioural abnormalities, and neuropsychological burden associated with these conditions is debilitating for patients, and there is a substantial unmet medical need for new and improved treatments.

Current and Upcoming Clinical Trials

The **XanaCIDD Phase 2a depression trial** is a double-blind, six-week proof-of-concept, placebo-controlled, parallel group design trial in 160 patients. Patients are evenly randomized to receive Xanamem 10 mg once daily or placebo, in some cases in addition to their existing antidepressant therapy, and effects on cognition and depression are assessed.

The **XanaMIA Phase 2b Alzheimer's disease trial** is a double-blind, 36-week treatment, placebo-controlled, parallel group design trial in 220 patients with mild to moderate AD and progressive disease, determined by clinical criteria and confirmed by an elevated level of the pTau181 protein biomarker in blood. Patients receive Xanamem 10 mg or placebo, once daily, and effects on cognition, function and progression of Alzheimer's disease are assessed. Thus, Xanamem is being assessed in this trial for its potential effects as a both a cognitive enhancer and a disease course modifier.

About Xanamem

Xanamem's novel mechanism of action is to block the production of cortisol inside cells through the inhibition of the 11β-HSD1 enzyme in the brain. Xanamem is designed to get into the brain after it is absorbed in the intestines upon swallowing.

Chronically elevated cortisol is associated with cognitive decline in Alzheimer's Disease and excess cortisol is known to be toxic to brain cells. Cognitive impairment is also a feature in Depression and many other diseases. Cortisol itself is also

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associated with depressive symptoms and when targeted via other mechanisms has shown some promise in prior clinical trials.

The Company has studied 11β-HSD1 inhibition by Xanamem in more than 300 volunteers and patients, so far finding a statistically significant improvement in working memory and attention, compared with placebo, in healthy, older volunteers in two consecutive trials and clinically significant improvements in functional and cognitive ability in patients with biomarker-positive mild AD. Previously, high levels of target engagement in the brain with doses as low as 5 mg daily have been demonstrated in a human PET imaging study. A series of Phase 2 studies in multiple diseases is being conducted to further confirm and characterize Xanamem's therapeutic potential.

Xanamem is an investigational product and is not approved for use outside of a clinical trial by the FDA or by any global regulatory authority. Xanamem® is a trademark of Actinogen Medical.

Disclaimer

This announcement and attachments may contain certain "forward-looking statements" that are not historical facts; are based on subjective estimates, assumptions and qualifications; and relate to circumstances and events that have not taken place and may not take place. Such forward looking statements should be considered "at-risk statements" - not to be relied upon as they are subject to known and unknown risks, uncertainties and other factors (such as significant business, economic and competitive uncertainties / contingencies and regulatory and clinical development risks, future outcomes and uncertainties) that may lead to actual results being materially different from any forward looking statement or the performance expressed or implied by such forward looking statements. You are cautioned not to place undue reliance on these forward-looking statements that speak only as of the date hereof. Actinogen Medical does not undertake any obligation to revise such statements to reflect events or any change in circumstances arising after the date hereof, or to reflect the occurrence of or non-occurrence of any future events. Past performance is not a reliable indicator of future performance. Actinogen Medical does not make any guarantee, representation or warranty as to the likelihood of achievement or reasonableness of any forward-looking statements and there can be no assurance or guarantee that any forward-looking statements will be realised.

ACTINOGEN MEDICAL ENCOURAGES ALL CURRENT INVESTORS TO GO PAPERLESS BY REGISTERING THEIR DETAILS WITH THE DESIGNATED REGISTRY SERVICE PROVIDER, AUTOMIC GROUP.

Appendix 4C

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

Name of entity

ACTINOGEN MEDICAL LIMITED

ABN	**Quarter ended ("current quarter")**
14 086 778 476	30 September 2023

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (3 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers		
1.2	Payments for		
	(a) research and development	(3,225)	(3,225)
	(b) product manufacturing and operating costs		
	(c) advertising and marketing		
	(d) leased assets		
	(e) staff costs	(1,386)	(1,386)
	(f) administration and corporate costs	(491)	(491)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	72	72
1.5	Interest and other costs of finance paid	(4)	(4)
	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (working capital movements)	109	109
1.9	**Net cash from / (used in) operating activities**	**(4,925)**	**(4,925)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities		
	(b) businesses		
	(c) property, plant and equipment		
	(d) investments		
	(e) intellectual property		
	(f) other non-current assets		
2.2	Proceeds from disposal of:		
	(a) entities		
	(b) businesses		

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
	(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**	**-**	**-**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	10,001	10,001
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options	(454)	(454)
3.4	Transaction costs related to issues of equity securities or convertible debt securities		
3.5	Proceeds from borrowings		
3.6	Repayment of loan shares by Managing Director		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other		
3.10	**Net cash from / (used in) financing activities**	**9,547**	**9,547**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	8,460	8,460
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(4,925)	(4,925)
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)	9,547	9,547
4.5	Effect of movement/adjustment in exchange rates on cash held	2	2
4.6	**Cash and cash equivalents at end of period**	**13,084**	**13,084**

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	10,084	1,460
5.2	Call deposits	3,000	7,000
5.3	Bank overdrafts		
5.4	Other – restricted cash re office lease		
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**13,084**	**8,460**

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	258
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.

Payments relate to salaries & fees paid to Directors of the Company during the quarter.

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)	(4,925)
8.2	Cash and cash equivalents at quarter end (item 4.6)	13,084
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	13,084
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	2.66

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: 16 October 2023

Authorised by: By the Board
(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.