ISSUE OF CORPORATE ADVISORY OPTIONS

Perth, Australia; 5 August 2021 - Argenica Therapeutics Limited (ASX: AGN) ("Argenica" or the "Company"), advises that 800,000 options ("Options") will be issued to a nominee of Euroz Hartleys Limited ("Euroz Hartleys") pursuant to the terms of a corporate advisory agreement.

The Options have an exercise price of $0.30 per option and an expiry date of 6 August 2023 and will not be quoted. The terms and conditions of the Options are outlined below and an Appendix 3B will be lodged separately.

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**): No cash consideration is payable for the issue of the Options.

(c) (**Exercise Price**): The Options have an exercise price of $0.30 per Option (**Exercise Price)**

(d) (**Expiry Date**): The Options expire on 5.00pm (WST) 6 August 2023 (**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 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.

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 improve patient outcomes. Our lead neuroprotective peptide candidate, ARG-007 has been successfully demonstrated to improve outcomes in pre-clinical stroke models and is in the process of being verified for its safety and toxicity before commencing Phase 1 clinical trials in humans. The aim is for our therapeutic to be administered by first responders to protect brain tissue against damage during a stroke with further potential to enhance recovery once a stroke has taken place.

ABOUT ARG-007

Argenica's lead drug candidate, ARG-007, is a cationic arginine-rich peptide which has been in preclinical development by the company's Chief Scientific Officer Prof Bruno Meloni for over 6 years. ARG-007 has shown preclinical evidence of induced neuroprotection in animal models of stroke. Most recently data published in May 2021**Error! Bookmark not defined.** utilising a rodent model of a middle cerebral artery occlusion (MCAO) type stroke showed ARG-007 administration at a dose of 300 nmol/kg resulted in slowing of the infarct core growth and preservation of penumbral tissue. Data gathered in non-human primate animal models of MCAO[i] showed ARG-007 treatment reduced infarct lesion volume by up to 65.2% and 69.7% at 24 hours and 28 days poststroke, respectively. In this study animals receiving ARG-007 also displayed reduced functional deficits.

ARG-007 has also been shown to be resistant to proteolytic degradation by tissue plasminogen activator (tPA) *in vitro* as described in the company's announcement of 12 July 2021. Argenica believes ARG-007 may have applications beyond stroke with preclinical evidence of efficacy in animal models of traumatic brain injury[ii] and perinatal hypoxic-ischaemic encephalopathy (HIE)[iii], the latter being a leading cause of mortality and morbidity in newborn infants.

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[i] Meloni, B. P., Chen, Y., Harrison, K. A., Nashed, J. Y., Blacker, D. J., South, S. M., Anderton, R. S., Mastaglia, F. L., Winterborn, A., Knuckey, N. W., & Cook, D. J. (2020). **Poly-Arginine Peptide-18 (R18) Reduces Brain Injury and Improves Functional Outcomes in a Nonhuman Primate Stroke Model.** *Neurotherapeutics : the journal of the American Society for Experimental NeuroTherapeutics*, *17*(2), 627–634.

[ii] Chiu, L. S., Anderton, R. S., Clark, V. W., Cross, J. L., Knuckey, N. W., & Meloni, B. P. (2020). **Effect of Polyarginine Peptide R18D Following a Traumatic Brain Injury in Sprague-Dawley Rats.** *Current therapeutic research, clinical and experimental*, *92*, 100584

[iii] Edwards, A. B., Anderton, R. S., Knuckey, N. W., & Meloni, B. P. (2018). **Assessment of therapeutic window for poly-arginine-18D (R18D) in a P7 rat model of perinatal hypoxic-ischaemic encephalopathy.** *Journal of neuroscience research*, *96*(11), 1816–1826.