

ASX ANNOUNCEMENT**March 2020 Quarterly Activity Report**

- **Key clinical findings and data underpinning Xanamem's development presented at a major medical conference, AD/PD 2020**
- **Xanamem clinical development plans continue to progress – including future trial planning and data analysis**
- **Ongoing grant applications to support funding of potential new studies in new indications**
- **COVID-19's impact on Actinogen's operations has been controlled through careful management**
- **Strong cash position with A\$7.38 million held as at 31 March 2020**

Sydney, 23 April 2020. Actinogen Medical ASX: ACW ('ACW' or 'the Company') today submitted its Appendix 4C and quarterly activity report for the three-month period ended 31 March 2020.

Clinical development plans and updates

Actinogen's primary focus during the March quarter was to continue with its clinical development plans for Xanamem, including planning for future clinical trials and in-depth data analyses. Trial planning progressed during the period, including for studies in Alzheimer's disease and cognitive impairment associated with schizophrenia and diabetes.

The Company continued to make a range of grant applications to support the funding of these studies, and remains in active discussions with key strategic parties to potentially partner in the development of these target indications. Simultaneously, Actinogen is exploring additional development opportunities as they arise.

As noted to the market on 26 March 2020, COVID-19 has caused delays in clinical research and laboratory work globally and there has been increased demand on healthcare systems as restrictions on staff attending their normal place of work continues. This resulted in patient recruitment for Actinogen's only active clinical trial, the Phase I Target Occupancy study, being put on hold until further notice. However, the study is well progressed with the majority of patients already enrolled, and there is adequate data available to feed into the key data analyses currently being undertaken.

Subsequent to the quarter, Prof Craig Ritchie, Chair of Actinogen's Xanamem Clinical Advisory Board, presented at the Advancement in Alzheimer's and Parkinson's Therapies Focus Meeting (AAT-AD/PD), held virtually from 1 April 2020. The presentation summarised the key preclinical and clinical datasets and findings underpinning the therapeutic rationale and clinical potential of Xanamem. This dataset is part of a larger body of data which is being used to inform and optimise the design of the future clinical trials.

Strong capital position

Actinogen's cash balance as at 31 March 2020 was A\$7.38 million. Net operating cash outflows for the quarter were A\$1.11 million, mostly related to R&D expenditure including trial recruitment costs. Receipts for the quarter included \$0.65 million from the additional R&D Tax Incentive rebate received in February.

Actinogen's strong cash position puts the Company in a solid position in the current uncertain global environment of the COVID-19 pandemic. The Company currently has no major capital commitments for future studies and corporate expenses are being minimised and carefully managed.

Listing Rule 4.7C.3

In item 6 of the attached Appendix 4C of the cash flow report for the quarter, payments to Related Parties of approximately \$168,000 comprised of the salary paid to the Managing Director and fees paid to the Non-Executive Directors.

Outlook

Actinogen plans to initiate Phase II studies with Xanamem in multiple indications as soon as practically possible, in consideration of the current COVID-19 health crisis. The Company continues to monitor the global crisis closely and will provide further updates to the market accordingly.

Actinogen will continue to progress ongoing in-depth data analyses and future trial planning activities, in parallel to expanding discussions with potential key strategic parties, submitting and progressing grant applications, and continuing with other ongoing business development activities. This work will ensure Actinogen is well-placed to commit to a range of new and carefully designed studies once the current restrictions demanded by the health crisis are lifted.

ENDS


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Announcement authorised by the Board of Directors of Actinogen Medical

About Actinogen Medical

Actinogen Medical (ASX: ACW) is an ASX-listed platform biotechnology company developing an innovative treatment for cognitive impairment associated with chronic neurological and metabolic diseases. The company is currently developing its lead compound Xanamem as a promising new therapy for Alzheimer's disease, and cognitive impairment associated with schizophrenia and mood disorders. The cognitive dysfunction associated with these conditions is significantly debilitating for patients, and there is a substantial unmet medical need for new and improved treatments.

About Xanamem™

Xanamem's novel mechanism of action sets it apart from other therapies for Alzheimer's disease. It works by blocking the excess production of intracellular cortisol – the stress hormone – through the inhibition of the 11β-HSD1 enzyme in the brain. There is a strong association between persistent stress and the production of excess cortisol that leads to changes in the brain, affecting memory. The 11β-HSD1 enzyme is highly concentrated in the hippocampus and frontal cortex, the areas of the brain associated with cognitive impairment in neurological diseases, including Alzheimer's disease and schizophrenia and in metabolic diseases like diabetes.

The Company's XanaHES Phase I trial exploring the safety and tolerability of Xanamem 20mg once daily in healthy elderly volunteers, showed that the drug exhibited a good safety profile with no treatment-related serious adverse events. Additionally, the trial demonstrated that Xanamem produced a statistically significant improvement in cognition, which, along with other data recently generated, confirms the underlying mechanism of action of Xanamem.

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The Company plans to initiate Phase II studies of Xanamem against various diseases as soon as possible after the current COVID19 health crisis affecting the globe; including in Alzheimer's disease, and in cognitive impairment associated with schizophrenia and diabetes.

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.

Disclaimer

This announcement and attachments may contain certain forward-looking statements that are based on subjective estimates and assumptions and relate to circumstances and events that have not taken place and may not take place. Such forward looking statements involve known and unknown risks, uncertainties, and other factors (such as significant business, economic and competitive uncertainties and contingencies) which may cause the actual results or the performance of Actinogen Medical to be materially different from the results or performance expressed or implied by such forward looking statements. Past performance is not a reliable indicator of future performance. There can be no assurance that any forward-looking statements will be realised. Actinogen Medical does not make any representation or give any warranty as to the likelihood of achievement or reasonableness of any forward-looking statements.

Actinogen Medical encourages all current investors to go paperless by registering their details with the designated registry service provider, Link Market Services.

Appendix 4C

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

Name of entity

ACTINOGEN MEDICAL LIMITED

ABN

14 086 778 476

Quarter ended ("current quarter")

31 March 2020

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) research and development	(1,472)	(5,673)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(168)	(563)
(d) leased assets	(14)	(14)
(e) staff costs	(33)	(98)
(f) administration and corporate costs	(97)	(329)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	19	77
1.5 Interest and other costs of finance paid	(2)	(5)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	654	5,285
1.8 Other – Supplier repayment of overcharged invoices	-	684
1.9 Net cash from / (used in) operating activities	(1,113)	(636)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(3)	(19)
(d) investments	-	-
(e) intellectual property	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
(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	(3)	(19)

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	-	-
3.5 Proceeds from borrowings	-	-
3.6 Repayment of by related parties	-	360
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (interest on directors' loan received)	-	-
3.10 Net cash from / (used in) financing activities	-	360

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	8,493	7,672
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(1,113)	(636)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(3)	(19)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	360
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	7,377	8,493

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	3,277	4,393
5.2	Call deposits	4,100	4,100
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)	7,378	8,493

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

Current quarter \$A'000
168
-

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

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

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.

N/A

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(1,113)
8.2 Cash and cash equivalents at quarter end (Item 4.6)	7,377
8.3 Unused finance facilities available at quarter end (Item 7.5)	-
8.4 Total available funding (Item 8.2 + Item 8.3)	7,377
8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	7

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

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

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

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

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: 23 April 2020

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.