

## **Argent BioPharma Ltd.**

### **December 2024 Quarterly Activity Report and Cash Flow Statement**

**31 January 2025 – Argent Biopharma Ltd (ASX: RGT)** ('Argent' or 'the Company') is pleased to update the market for the December 2024 quarter and attaches its Appendix 4C Quarterly Cash Flow report for the period.

Operating outflows totalled A\$1,208k for the period, with A\$461k related to staff costs associated with research and development activities, and A\$140k of which related to delayed payments from the previous period.

Corporate and administration costs totalled A\$615k, consisting of legal fees, and maintenance costs associated with its GMP Certified manufacturing and research facilities. A\$200k was associated with marketing and advertising costs.

As part of its ongoing optimisation strategy for 2025, Argent has made the strategic decision to cease operations at two of its manufacturing facilities. This transition will enable the Company to streamline resources by outsourcing certain activities, reducing operational demands while advancing its R&D efforts. At the same time, Argent remains committed to supporting patients who are using the Company's Investigational Medicinal Products (IMPs) through the special access scheme, which continues to inform on the development of the Company's lead pharmaceutical candidates, which remains the core focus of the business.

The Company anticipates ongoing reductions in its overall cost base as it continues to review its manufacturing and operational processes, with the view to improving the Company's burn rate.

### **Key Operational and Corporate Updates**

#### **Delisting From London Stock Exchange**

As part of the ongoing review into the Company's operations, the Company made the decision to delist from the London Stock Exchange, maintaining its listing on the Australian Securities Exchange and OTCQB. The decision came following a detailed review of both the listing requirements and costs associated with transferring to the equity shares (commercial company) category of the Official List maintained by the FCA. The delisting was effective from 8:00AM (GMT), Tuesday, 31 December 2024.

#### **Restructuring of Convertible Notes**

Additionally, an agreement was reached with Mercer Street Capital Partners LLC to refinance 300,000 notes from the 2020 Convertible Notes facility, resulting in the minimum conversion price being amended to not less than A\$0.30, after which, those the refinanced notes were converted into ordinary shares.

#### **Completion of Placement**

During the quarter, the Company raised \$200,000 by way of a private placement, issuing 666,667 new ordinary shares at an issue price of A\$0.30 to support a funding shortfall for activities associated with the Company's drug development pipeline, including CannEpi<sup>®</sup> and Cimetra<sup>®</sup> in the US and EU markets.

## Activities Post Quarter

### Placement Shares

Argent BioPharma successfully raised an additional US\$4,500,000 (before costs) (Placement) through the subscription of 11,250,000 fully paid ordinary shares at US\$0.40 (~A\$0.64) per share (Placement Shares). The Placement participants were also be issued one (1) free attaching warrant for every two (2) Placement Shares subscribed for, exercisable at \$US0.55 (~A\$0.88) with an expiry date of three year from issuance (Warrants).

The Placement was conducted in two tranches. Tranche 1: 5,000,000 Placement Shares and 2,500,000 Warrants were issued immediately, utilising the Company's existing placement capacity under ASX Listing Rules 7.1 and 7.1A. Tranche 2: 6,250,000 Placement Shares and 3,125,000 Warrants will be issued subject to receiving shareholder approval at an upcoming general meeting.

### German Distribution Approval

Argent is pleased to announce that it has secured BfArM approval (The Federal Institute for Drugs and Medical Devices (Bundesinstitut für Arzneimittel und Medizinprodukte)) for the import and distribution of CogniCann (25 mg/17 mg per ml, 10 ml oromucosal spray), which will be available for prescription by clinicians and general practitioners for certain health conditions. Additionally, the approval process for CannEpil (100 mg/5 mg per ml, 50 ml) to gain BFarm authorization for its distribution and prescription.

Accompanying this Activity Report is a Cash Flow Report for the Quarter ending 30 December 2024.

In accordance with ASX Listing Rule 4.7C.3 the Company advises that during the December 2024 quarter, payments to related parties totalled A\$52k, which consisted of fees paid to executive and non-executive directors of the Company. At the end of the December, the Company has A\$718k of cash on hand.

-ENDS-

Authorised for release by the board of directors, for further information please contact:

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### About Argent BioPharma

Argent BioPharma Limited (the “Company”) (ASX: RGT; OTCQB: RGTLF) is an innovative clinical-stage biopharmaceutical company specializing in neuroimmunology, developing advanced nano-medicines to address unmet medical needs in central nervous system (CNS) disorders and immune-related conditions. By leveraging cutting-edge technologies, including the Neuro-Immune Modulatory (NIM) System and its role in coordinating nervous and immune responses, Argent BioPharma's robust pipeline—featuring lead candidates like CannEpil®, CogniCann®, and CimetrA®—targets complex diseases where effective treatments are lacking. Through a commitment to science-driven innovation and patient-centered outcomes, Argent BioPharma is reshaping the future of care for chronic, inflammatory, and neurodegenerative diseases

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**Appendix 4C**

**Quarterly cash flow report for entities**

**subject to Listing Rule 4.7B**

**Name of entity**

Argent BioPharma Limited

**ABN**

30 116 800 269

**Quarter ended ("current quarter")**

31 December 2024

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers	2	101
1.2	Payments for		
	(a) research and development	(74)	(545)
	(b) product manufacturing and operating costs		
	i) cost of sales / inventory	-	(6)
	ii) operating costs	(82)	(308)
	(c) advertising and marketing	(3)	(58)
	(d) leased assets		
	(e) staff costs	(461)	(1,036)
	(f) administration and corporate costs (including product registrations)	(615)	(2,713)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	1	11
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (GST/VAT refund)	24	35
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(1,208)</b>	<b>(4,519)</b>

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire:	-	-
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	(2)
	(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 (cash acquired through assets acquisition)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>-</b>	<b>(2)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>	<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$SA'000</b>
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	1,625	4,600
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	(7)	(56)
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 (loan entity which where control was gained after quarter-end)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>1,618</b>	<b>4,544</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>	<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
4.1	Cash and cash equivalents at beginning of period	311	703
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,208)	(4,519)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(2)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,618	4,544
4.5	Effect of movement in exchange rates on cash held	(3)	(8)
<b>4.6</b>	<b>Cash and cash equivalents at end of quarter</b>	<b>718</b>	<b>718</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	718	285
5.2	Call deposits	-	27
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>718</b>	<b>311</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	52
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.		

**The payments in 6.1 are payments to directors of the company for their service during the quarter .**

7.	Financing facilities available <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	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)	14,600	6,948
7.4	<b>Total financing facilities</b>	<b>14,600</b>	<b>6,948</b>
7.5	<b>Unused financing facilities available at quarter end</b>	-	7,652
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.		
\$14.6M Convertible note facility with Mercer Street Opportunity Fund LLC. Refer to ASX announcement on 29 July 2022 for further information.			

<b>8.</b>	<b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1	Net cash from / (used in) operating activities (Item 1.9)	(1,208)
8.2	Cash and cash equivalents at quarter end (Item 4.6)	718
8.3	Unused finance facilities available at quarter end (Item 7.5)	7,652
8.4	Total available funding (Item 8.2 + Item 8.3)	8,370
8.5	<b>Estimated quarters of funding available (Item 8.4 divided by Item 8.1)</b>	<b>6.9</b>
	<i>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.</i>	
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	
	<i>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.</i>	

## 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.

31 January 2025

Date: .....

*[lodge electronically without signature]*

Authorised by: .....

Roby Zomer – Managing Director

## 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.