

ASX ANNOUNCEMENT

Placement to Raise \$15m with Cornerstone Investment
by Leading USA Biotech Investor

- \$15m Placement to fund further development of Actinogen Medical's lead drug, Xanamem, with cornerstone investment from leading USA biotech investor *Biotechnology Value Fund, L.P. and certain of its affiliates (BVF)*
- Placement price of \$0.05 per share represents an 13.4% premium to the 5-day VWAP
- BVF to become the largest shareholder following completion of the Placement with a 19.9% holding
- Investment from significant biotech investor provides validation of Xanamem's innovative potential in the treatment of Alzheimer's disease and other conditions associated with cognitive impairment
- Placement coincides with positive outcome of XanADu Interim Analysis
- Share Purchase Plan at \$0.05 per share to raise up to a further \$2m, bringing the total capital raised to a maximum of \$17m
- Shareholder meeting to be held for approvals required under this Placement
- Investor conference call with key members of management and the Company's Clinical Advisory Board to take place on Wednesday 30th of May at 10:30am AEST

Sydney, 23 May 2018: Actinogen Medical (ASX: ACW or the Company) is pleased to announce that it has successfully raised \$15m through an institutional placement (the Placement), subject to shareholder approval as detailed below. This announcement coincides with another Actinogen announcement today regarding the positive outcome of the Interim Analysis of XanADu, its Phase II clinical trial of Xanamem in Alzheimer's disease.

The Placement has received strong interest from institutional investors, with specialist USA biotech investment fund *Biotechnology Value Fund, L.P. and certain of its affiliates (BVF)* to take a cornerstone position of \$10.5m alongside other leading Australian institutional investors Platinum Investment Management Limited and Australian Ethical Investment. The Placement was led by Bell Potter Securities.

Details of the Placement: The shares will be issued in two tranches, with Tranche 1 to issue 187,122,994 shares to *BVF* under the current 25% allowance on 28 May 2018, totaling \$9.4m (Tranche 1 Placement Shares). These shares will be issued at \$0.05 a share, representing an 13.4% premium to the 5-day value weighted average price (VWAP). The issue of the additional 112,877,006 shares (Tranche 2 Placement Shares) will raise \$5.6m and is subject to shareholder approval.

A Share Purchase Plan (SPP) will be offered to existing shareholders on the register as at 22 May 2018 to raise a further \$2m, bringing the total capital raised to a maximum of \$17m. The SPP will be offered at the same price as the Placement and eligible shareholders will have the opportunity to acquire up to \$15,000 of new fully paid ordinary shares. It is the intention of the Company to conduct the SPP under the applicable ASIC Class Order. If this is not possible, then issue of the shares under the SPP will be subject to shareholder approval in the absence of the Company obtaining a suitable waiver from ASX to conduct the SPP without shareholder approval.

Once complete, *BVF* will be the largest shareholder in Actinogen with 19.9% of the ordinary shares on issue prior to the SPP. This significant investment from a leading USA biotech investment institution further

validates Xanamem's innovative potential as a treatment for Alzheimer's disease and other conditions presenting with cognitive impairment.

The funds raised will be used to advance the Company's development plan. This includes, amongst others, a study exploring a higher dose of Xanamem in Alzheimer's disease and studies conducted in alternative clinical indications. Expansion of the development plan for Xanamem into these new indications will enhance the Company's data set, potentially adding substantial value to ongoing discussions with prospective business development partners.

The announcement of a \$15m Placement coincides with the announcement of the positive outcome from the XanADu interim analysis, where the Data Safety Monitoring Board (DSMB) recommended to the Company that the trial continue without modification.

A total of 100 patients have been enrolled in the trial, with enrolment expected to complete in Q4 CY18, and top-line results available by Q2 CY19. For further details please refer to our website www.actinogen.com.au

Dr Bill Ketelbey, CEO of Actinogen Medical commented:

"We are delighted to welcome BVF as a major institutional investor in Actinogen and our largest shareholder. The contribution this investment will make to the consolidation of Actinogen's exciting development pipeline is significant, and it represents further positive endorsement of our progress made to date with Xanamem. It is important that the Company continues to expand the potential clinical applications of Xanamem while rapidly advancing our existing Alzheimer's disease development plan. The BVF investment will underpin both these important arms of the Company's strategy."

Mark Lampert, Founder and General Partner of BVF, stated:

"While any investment in a disease as prevalent and debilitating as Alzheimer's disease is high risk, we believe that Xanamem, if successful, offers the extraordinary promise of improving the lives of millions of people worldwide. We are impressed by the calibre and dedication of the Company's management team, board and scientific advisors. Our investment in Actinogen follows on from a number of rewarding investments in Australia over the past decade. We feel privileged to play a significant role in supporting the company."

The Company will be hosting a conference call on Wednesday the 30th of May 2018 at 10:30am AEST. Key members of the Company's management team and Clinical Advisory Board will be available during the conference call to discuss Xanamem, XanADu, the Interim Analysis and Placement. The details to access the call will be released to the market prior to the call.

Indicative Timeline

Record Date for Share Purchase Plan (SPP)	22 May 2018
Tranche 1 Shares Issued	28 May 2018
Notice of General Meeting (GM) dispatched	1 June 2018

Tranche 1 Shares Issued	28 May 2018
General Meeting (GM)	5 July 2018
Tranche 2 Shares Issued	11 July 2018
SPP Closing Date	11 July 2018
Issue of SPP Shares	13 July 2018

ENDS


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About Actinogen Medical

Actinogen Medical (ASX: ACW) is an ASX-listed biotech company focused on innovative approaches to treating cognitive decline that occurs in chronic neurodegenerative and metabolic diseases. Actinogen Medical is developing Xanamem a promising new therapy for Alzheimer's disease, a condition with a multibillion dollar market potential. In the US alone, the cost of managing Alzheimer's disease is estimated to be US\$250bn and is set to increase to US\$2tn by 2050, outstripping the treatment costs of all other diseases. Alzheimer's disease is now the leading cause of death in the UK and second only to ischaemic heart disease in Australia

About Xanamem™

Xanamem's novel mechanism of action sets it apart from other Alzheimer's treatments. It works by blocking the excess production of cortisol - the stress hormone – through the inhibition of the 11β-HSD1 enzyme in the brain. This enzyme is highly concentrated in the hippocampus and frontal cortex, the areas of the brain most affected by Alzheimer's disease. There is a strong association between chronic stress and excess cortisol that leads to changes in the brain affecting memory, and to the development of amyloid plaques and neural death – all hallmarks of Alzheimer's disease.

About XanADu

XanADu is a Phase II double-blind, 12-week, randomised, placebo-controlled study to assess the safety, tolerability and efficacy of Xanamem in subjects with mild dementia due to Alzheimer's disease. XanADu, will enrol 174 patients at 20 research sites across Australia, the UK and the USA. The trial is registered on www.clinicaltrials.gov with the identifier: NCT02727699, where more details on the trial can be found, including the study design, patient eligibility criteria and the locations of the study sites.

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

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