

March 2018 Quarterly Report

- Half-way recruitment milestone reached in XanADu clinical trial, with 87 patients of the total 174 enrolled, in March.
- Enrolment continues to progress on schedule and is expected to complete during Q4 of this calendar year.
- New research supports the hypothesis that persistent excess production of the stress hormone, cortisol, is damaging to the brain and significantly increases the chance of cognitive decline in old age.
- The Company is progressing well towards the independent Interim Analysis by the Data Safety and Monitoring Board (DSMB), with the report to be available to Actinogen in May/ June 2018.

Sydney, 26 April 2018: Actinogen Medical ASX: ACW ('ACW' or 'the Company') has today submitted its Appendix 4C for the three-month period ended 31 March 2018 and is pleased to release its Quarterly Activities Report.

Mid-way patient enrolment milestone reached in Alzheimer's trial

In March, Actinogen Medical's clinical trial, XanADu, reached a key milestone, having enrolled 87 patients, which is half of the total patient cohort of 174 required to complete the trial. XanADu is a Phase II double-blind, 12-week, randomised, placebo-controlled study to assess the safety, efficacy and tolerability of Xanamem in subjects with mild dementia due to Alzheimer's disease.

XanADu continues to enrol patients on target at 20 research sites across Australia, the UK and the USA, and as of today 97 patients had been enrolled. The final patient is expected to be enrolled during Q4 of this calendar year, with top-line results expected by Q2 2019. An Interim Analysis will be undertaken by the independent Data Safety and Monitoring Board (DSMB) on the first 50 evaluable patients to complete the trial. The analysis from the DSMB may provide early insights into the XanADu study in mild Alzheimer's disease and the report will be available to Actinogen in May/June this year.

New research supports Cortisol Hypothesis

During the quarter, new research was published endorsing the growing evidence supporting the association between stress and age-related cognitive (learning and memory) decline. The research by Wheelan et al., 2017¹ concluded that exposure to a period of stress in midlife results in cognitive decline in old age. These research findings were supported by another recent study by Stuart et al., 2017² published in the scientific journal Nature, that also concluded that stress may worsen cognitive decline with age.

These studies provide strong validation and support for the development of Xanamem, which is specifically designed to block the production of the stress hormone cortisol in the brain. In the early development of Xanamem, the Company demonstrated that blocking the production of cortisol in the brain in an animal model of Alzheimer's disease significantly improved cognition.³

Investor Briefings

During March, Actinogen held a series of investor briefing presentations in Sydney, Melbourne, Adelaide and Perth, to provide existing and prospective investors with an update on the Company's development and the progress of the XanADu trial.

The presentations were well attended and a video recording of CEO, Dr Bill Ketelbey's presentation can be accessed on the Company's website at: <https://actinogen.com.au/media-center>

Outlook

The XanADu clinical trial continues to advance well with patient enrolment progressing on track and in line with management's expectations. As of today, 97 of the planned 174 patients have been enrolled with the expectation that the last patient will be enrolled in Q4 this calendar year and top-line results to be available by Q2 2019.

The Company is looking forward to the feedback from the independent Data Safety Monitoring Board's (DSMB) interim analysis on XanADu, which will report on the first 50 evaluable patients to complete the 12-week treatment period and 4-week follow up phase. The DSMB will review the full data set from the first 50 evaluable patients and the outcome from the interim analysis is expected to be released in May/June 2018. This could provide early insights into the XanADu trial of Xanamem in the treatment of mild Alzheimer's disease.

Actinogen Medical's CEO, Dr Bill Ketelbey will be attending BIO International in Boston in June; this event will be used as an opportunity for Dr Ketelbey to meet with pharmaceutical and biotech companies and share the positive progress made with XanADu, including the outcome from the DSMB on its interim analysis.

The Company closed the quarter with \$5.7m cash in the bank, following the successful \$5.5m Placement in the prior quarter to fund the completion of the XanADu trial.

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Actinogen Medical

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REFERENCES

1 Wheelan, N., Kenyon, C., Harris, A., Cairns, C., Al Dujaili, E., Seckl, J. and Yau, J. (2017). Midlife stress alters memory and mood-related behaviours in old age: Role of locally activated glucocorticoids. *Psychoneuroendocrinology*, 89, 13-22.

2. Stuart, K., King, A., Fernandez-Martos, C., Summers, M. and Vickers, J. (2017). Environmental novelty exacerbates stress hormones and A β pathology in an Alzheimer's model. *Nature*.

3 Webster, S. P., McBride, A., Binnie, M., Sooy, K., Seckl, J. R., Andrew, R., Pallin, T. D., Hunt, H. J., Perrior, T. R., Ruffles, V. S., Ketelbey, J. W., Boyd, A., and Walker, B. R. (2017) Selection and early clinical evaluation of the brain-penetrant 11 β -hydroxysteroid dehydrogenase type 1 (11 β -HSD1) inhibitor UE2343 (XanamemTM). *British Journal of Pharmacology*, 174: 396-408

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 11 β -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.

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

ACTINOGEN MEDICAL LIMITED

ABN

14 086 778 476

Quarter ended ("current quarter")

31 March 2018

Consolidated statement of cash flows	Current quarter	Year to date
	\$A'000	(9 months)
		\$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) research and development	(1,022)	(3,791)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(106)	(231)
(d) leased assets	-	-
(e) staff costs	(16)	(82)
(f) administration and corporate costs	(147)	(391)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	11	20
1.5 Interest and other costs of finance paid	(1)	(7)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	40	1,256
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(1,241)	(3,226)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	(35)	(37)

Consolidated statement of cash flows	Current quarter	Year to date (9 months)
	\$A'000	\$A'000
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.2 Proceeds from disposal of:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	12	42
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	(23)	5
3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	1,620	5,280
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	(97)	(317)
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 (provide details if material)	(30)	-
3.10 Net cash from / (used in) financing activities	1,493	4,963
4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of quarter/year to date	5,502	3,989
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(1,241)	(3,226)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(23)	5
4.4 Net cash from / (used in) financing activities (item 3.10 above)	1,493	4,963

Consolidated statement of cash flows		Current quarter	Year to date (9 months)
		\$A'000	\$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	5,731	5,731

5. Reconciliation of cash and cash equivalents	Current quarter	Previous quarter	
at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	\$A'000	\$A'000	
5.1	Bank balances	4,537	4,245
5.2	Call deposits	1,194	1,227
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	30
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	5,731	5,502

6. Payments to directors of the entity and their associates

- | | Current quarter |
|-----|------------------------|
| | \$A'000 |
| 6.1 | 134 |
| 6.2 | - |
| 6.3 | |

Directors' fees, salaries including superannuation benefits and professional consultancy fees. All payments are on normal commercial terms.

7. Payments to related entities of the entity and their associates

- | | Current quarter |
|-----|------------------------|
| | \$A'000 |
| 7.1 | - |
| 7.2 | - |
| 7.3 | |

-

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

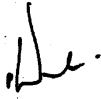
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9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	1,453
9.2 Product manufacturing and operating costs	-
9.3 Advertising and marketing	171
9.4 Leased assets	-
9.5 Staff costs	29
9.6 Administration and corporate costs	93
9.7 Other (provide details if material)	-
9.8 Total estimated cash outflows	1,746

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity	-	-
10.2 Place of incorporation or registration	-	-
10.3 Consideration for acquisition or disposal	-	-
10.4 Total net assets	-	-
10.5 Nature of business	-	-

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.



Sign here:
Company Secretary

Date: 26 April 2018

Print name: Peter Webse

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly 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 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.