




ASX ANNOUNCEMENT

Letter to Optionholders re Non-Renounceable Rights Issue

Sydney, 15 October 2020. Actinogen Medical ASX: ACW (ACW or the Company) advises that the Company has today sent the attached letter to optionholders in relation to the pro-rata non-renounceable rights issue announced today.

ENDS

Actinogen Medical

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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 biotechnology company developing novel therapies for neurological, psychiatric and metabolic diseases associated with chronically elevated cortisol. The company is currently developing its lead compound, Xanamem, as a promising new therapy for Alzheimer's disease, Fragile X syndrome, schizophrenia and diabetes. The cognitive dysfunction, behavioural abnormalities, and neuropsychological burden 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 works by blocking the production of intracellular cortisol – the stress hormone – through the inhibition of the 11 β -HSD1 enzyme in the brain. There is a strong association between persistent stress and the production of excess cortisol that leads to detrimental changes in the brain, affecting memory, cognitive function and behaviour and neuropsychological symptoms. The 11 β -HSD1 enzyme is particularly highly concentrated in the hippocampus and frontal cortex, areas of the brain impacted by a number of diseases and disorders, including Alzheimer's disease, Fragile X syndrome, schizophrenia, diabetes and other conditions associated with chronically raised cortisol.

The Company's XanaHES Phase I trial exploring the safety and tolerability of Xanamem 20mg once daily in healthy elderly volunteers, confirmed the drug's safety profile with no treatment-related serious adverse events. Additionally, the trial demonstrated that Xanamem produced a statistically significant improvement in cognition over placebo, which, along with other recently generated data, confirms 11 β -HSD1 inhibition by Xanamem as a promising potential treatment for cognitive impairment associated with raised cortisol.

The Company plans to initiate Phase II studies of Xanamem in various disease areas in 2021, including MCI due to Alzheimer's disease, and Fragile X syndrome.

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.

Xanamem™ is a trademark of Actinogen Medical.

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, and regulatory and clinical development risks and uncertainties) 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.



Actinogen Medical

15 October 2020

Dear Optionholder

Non-Renounceable Entitlement Offer

As announced on 15 October, Actinogen Medical Limited ACN 086 778 476 (ASX: ACW) ("**ACW**" or "**the Company**") is undertaking an accelerated non-renounceable pro-rata entitlement offer to the Company's shareholders (the **Entitlement Offer**).

The Entitlement Offer is open to all eligible shareholders of the Company who are on the share register as at 7.00pm AEDT on 20 October 2020 (the **Record Date**) and who have a registered address in Australia or New Zealand.

Under the terms of the Entitlement Offer, each eligible shareholder will have the right to subscribe for New Shares in the Company on the basis of 1 ordinary share in the capital of the Company (**Share**) for every 5 Shares held as at the Record Date at a price of \$0.022 per new share.

You are the holder of unlisted options to purchase Shares in the Company. The Entitlement Offer is only available to holders of issued Shares in the Company.

The purpose of this letter is to advise you that you are not entitled to participate in the Entitlement Offer (with respect to any Shares that underly your options) without first exercising some or all of your options. The exercise of your options needs to be completed before the Record Date.

If you decide to exercise some or all of your options before the Record Date, the Shares that issue upon that exercise of those options will be included in your shareholding as at the Record Date. Your aggregate holding of Shares at the Record Date determines the extent of your entitlement to participate in the Entitlement Offer.

The anticipated timetable for the Entitlement Offer is as set out below. The timetable is indicative only and subject to change. Subject to the *Corporations Act 2001 (Cth)* and the ASX Listing Rules, the Directors reserve the right to vary these dates, including the Closing Date. The Directors also reserve the right not to proceed with the Entitlement Offer (or any part of it) at any time prior to allotment. In that event, any application money received will be returned without interest.

The particulars of the Entitlement Offer are contained in the Company's ASX announcement made on 15 October 2020. The Offer Document is expected to be available on the ASX website (www.asx.com.au) and lodged with ASX on 23 October 2020. The Offer Document and the Entitlement and Acceptance Form are expected to be sent to all Eligible Shareholders on 23 October 2020.

If you have any questions, please call the Company's share registry, Link Market Services Limited on 1300 554 474 or +61 1300 554 474 (from outside Australia) at any time between 8.30am to 5.00pm (AEDT) Monday to Friday during the Offer period.

For other questions, you should contact your stockbroker, accountant, taxation advisor, financial advisor or other professional advisor.

Yours faithfully

Peter Webse
Company Secretary
Actinogen Medical Limited

Indicative Timetable

Event	Business Day	Date
Announcement of the Rights Issue Offer and lodge Appendix 3B and cleansing notice with ASX for the Rights Issue Offer.	0	Before open of ASX trade, Thursday 15 October 2020.
ACW sends a letter about the Rights Issue Offer to option holders who cannot participate in the Rights Issue Offer without first exercising their options.	0	During Thursday, 15 October 2020
"Ex" date for the Rights Issue Offer (being the date that Shares start trading without the Entitlements to participate in the Offer)	2	Monday, 19 October 2020
<u>Record Date</u> to determine Entitlements under the Rights Issue Offer	3	Tuesday, 20 October 2020
Rights Issue Offer Document and Entitlement & Acceptance Form announced on ASX. Opening Date of Rights Issue Offer	6	Friday, 23 October 2020
Despatch of the Rights Issue Offer Document and Entitlement & Acceptance Form to Eligible Shareholders and <u>announcement to ASX that this despatch has occurred</u> ACW despatches ineligible shareholders letter.		
Last day to extend the Closing Date for Rights Issue Offer.	10	Thursday, 29 October 2020
Closing Date for acceptances under the Rights Issue Offer	13	5.00pm, Tuesday 3 November 2020
If agreed by ASX, securities quoted on a deferred settlement basis from market open	14	Wednesday, 4 November 2020
Announcement of the results of the Issue and shortfall	16	Friday, 6 November 2020
Last day for the issue of the New Shares and lodgement of Appendix 2A applying for quotation of the securities	18	Before noon, Tuesday, 10 November 2020
Trading (T+2) of New Shares expected to commence	19	Wednesday, 11 November 2020

*The dates above are indicative only, and are subject to change, subject to compliance with Appendix 7A of the Listing Rules.