



## ASX ANNOUNCEMENT

### **Actinogen appoints Dr Steven Gourlay as CEO**

**Sydney, 15 March 2021.** Actinogen Medical Limited (ASX: ACW) ('ACW' or 'the Company') is pleased to announce the appointment of Dr Steven Gourlay as Chief Executive Officer (CEO). The appointment takes effect from today.

Dr Gourlay has more than 30 years of experience in the development of novel therapeutics and brings considerable skills and experience to Actinogen as the Company moves into further clinical development of its lead compound Xanamem. Formerly the founding Chief Medical Officer (CMO) at US-based Principia Biopharma Inc., Dr Gourlay was responsible for the supervision of multiple pre-clinical, first-in-human, Phase 2 and 3 clinical trial programs for four small molecules in orphan immunological diseases, multiple sclerosis and cancer. The data generated by these trials, and Dr Gourlay's roadshow presentations, supported a successful NASDAQ IPO of Principia Biopharma Inc. in 2018 - subsequently followed by an acquisition of by Sanofi for US\$3.7B in 2020.

Prior to Principia Biopharma, Dr Gourlay was a Partner at GBS Venture Partners, the Australian specialist life sciences and healthcare venture capital firm, where he was instrumental in the development and exit of multiple clinical stage therapeutic companies including Elastagen, Spinifex and Peplin. Before GBS, and after a postdoc in clinical pharmacology at the University of California San Francisco, he held positions of increasing responsibility at Genentech, Inc. in the areas of pharmacoepidemiology and early clinical development.

Dr Gourlay has significant drug regulatory experience with the US Food and Drug Administration (FDA), European Medicines Agency (EMA) at many levels, including filing more than 10 Investigational New Drug (IND) applications, achieving several orphan drug status approvals for his Company's product(s), and completing several biologics license applications.

Dr Gourlay has been acting as a consultant CMO to Actinogen since December 2020 and has been actively involved in the review of the full dataset on Actinogen's lead compound Xanamem. As part of the shortfall placement completed in February 2021, Dr Gourlay invested in ~15m ACW shares at the A\$0.022 offer price, alongside other professional and sophisticated investors, demonstrating his support of Actinogen's clinical development and outlook.

Dr Gourlay is based in Sydney and holds a Bachelor of Medicine, Bachelor of Surgery (MB,BS) from the University of Melbourne, a PhD in Medicine from Monash University, an MBA from Macquarie University and is a fellow of the Royal Australian College of Physicians (FRACP). He is also a specialist physician in general internal medicine.

#### **Dr Steven Gourlay commented:**

*"After many years working in clinical development and the biotech investment industry, I view Actinogen as an outstanding opportunity. I am excited to join the Company at this stage of development, with significant human activity data on Xanamem and intentions to launch planned clinical trials in multiple indications. I look forward to working with the team to further develop Xanamem as a treatment for cognitive impairment in areas of significant unmet medical need."*

#### **Actinogen Chair Dr Geoff Brooke commented:**

*"Actinogen is delighted to have secured Steven Gourlay as its new CEO. His significant global experience in drug development, regulatory affairs and commercial activities are all directly relevant to Actinogen today. His*

*hands-on capabilities will ensure our upcoming clinical trials are executed in a timely manner, in parallel with our commercialisation activities.*

*We would also like to take this opportunity to thank Dr Bill Ketelbey for his significant contribution to Actinogen during his time as CEO and MD over the last 6 years. Bill has guided the Company through pre-clinical and clinical trials, developing a significant dataset on Xanamem, as well as fostering important commercial and regulatory discussions. His long-term commitment to developing a new treatment for Alzheimer's disease and improving the lives of patients with cognitive impairment forms a key part of the Company's clinical program going forward."*

The key terms of Dr Gourlay's employment contract (in accordance with Listing Rule 3.16.4) are set out in the attachment to this announcement.

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CEO

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### ***Announcement authorised by the Board of Directors of Actinogen Medical Limited***

#### **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 11β-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 11β-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 11β-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.**

## Summary of the Material Terms of the CEO Employment Agreement of Dr Steven Gourlay

Position	Chief Executive Officer
Commencement Date	15 March 2021
Term	Dr Gourlay's employment has no fixed term. Each party's termination rights under the Employment Agreement are set out below.
Annual Base Salary	\$400,000 (including superannuation and all leave entitlements).
Short Term Incentive - Salary Bonus	Dr Gourlay may be entitled to receive an annual bonus of up to 35% of the Annual Base Salary, or for an exceptional performance in any year, as determined by the Board in its discretion, award a bonus in excess of 35% of Annual Base Salary. Receipt of the annual bonus is subject to Dr Gourlay satisfying performance objectives that will be determined by the Board annually.
Long Term Incentive	<p>The Company may also offer Dr Gourlay the opportunity to participate in the Company's Employee Share Plan on terms and conditions to be determined by the Board. Specifically, the offer will be:</p> <p>(a) 24,181,150 shares at an issue price of 3.5 cents each share, vesting over three years provided that on each vesting date Dr Gourlay is in continuous employment with the Company, with 6,045,288 shares vesting on the 12 month anniversary of commencement, and the remainder to vest in equal monthly increments over the following two years ;</p> <p>and</p> <p>(b) 24,181,150 shares at an issue price of 4.5 cents each share, vesting over three years provided that on each vesting date Dr Gourlay is in continuous employment with the Company, with 6,045,288 shares vesting on the 12 month anniversary of commencement, and the remainder to vest in equal monthly increments over the following two years;</p> <p>all of which shares (<b>Loan Plan Shares</b>) offered for purchase by Dr Gourlay under the Company's Share Loan Plan (<b>Plan</b>). The Plan includes a secured, interest free, limited recourse loan by the Company, repayable in full or part on the earlier of disposal of all or part of the Loan Plan Shares, 5 years from the issue of the Loan Plan Shares (potentially with an option to extend by two years) and as otherwise provided by applicable laws and in the Plan. The Loan Plan Shares are subject to escrow conditions and the above vesting hurdles.</p>
Termination Provisions	Both Dr Gourlay and the Company may terminate Dr Gourlay's employment without reason by giving 3 months' written notice. The Company may require Dr Gourlay to serve out the notice period or may elect to pay Dr Gourlay in lieu of the remainder of the notice period. The Company may immediately terminate Dr Gourlay's employment in the event of any serious, wilful or persistent misconduct or breaches of the employment agreement or Company policies, including fraudulent or dishonest conduct, acting in breach applicable laws and being convicted of a serious indictable criminal offence. On termination of his employment, however occurring,

Dr Gourlay, at the request of the Chairman, will immediately resign from any office or appointment (including that of Director) held by him in the Company or in any related body corporate of the Company.

Post Employment Restraint

A restraint throughout Australia applies during the term of his employment and for 6 months after cessation of his employment.