

Actinogen Medical

A\$11.1m capital raise completed

Financing completion

Pharma and biotech

15 October 2024

Price **A\$0.028**

Market cap **A\$65m**

A\$0.68/US\$

Net cash (A\$m) at 30 June 2024 9.5

Shares in issue (excluding the expected issuances of 100m shares for the SPP and c 37.7m shares to Actinogen's CEO and other directors following 4 November shareholder meeting) 2,945m

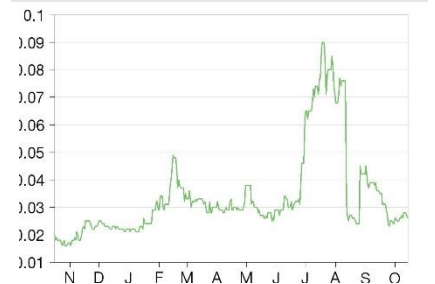
Free float 90%

Code ACW

Primary exchange ASX

Secondary exchange N/A

Share price performance



% 1m 3m 12m

Abs (25.7) (63.4) 31.8

Rel (local) (27.5) (64.8) 11.9

52-week high/low A\$0.09 A\$0.02

Business description

Actinogen Medical is an ASX-listed Australian biotech developing its lead asset Xanamem, a specific and selective 11 β -HSD1 inhibitor designed to treat cognitive impairment (CI) that occurs in chronic neurodegenerative and neuropsychiatric diseases. Currently, Actinogen is targeting CI in two indications: the early stages of Alzheimer's disease and major depressive disorder.

Next events

Interim results for Phase IIb XanaMIA study in CI associated with AD Mid-CY25

Potential start of Phase IIb study in major depressive disorder H2 CY25

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Actinogen Medical announced [the successful completion](#) of its A\$3.0m share purchase plan (SPP), which closed 1.3x oversubscribed. With its previously disclosed A\$8.1m share placement, total funds from the combined capital raising reached the targeted A\$11.1m in gross proceeds. The company expects that the total proceeds will enable its operating runway to reach the release of top-line results for its XanaMIA Phase IIb/III trial in patients with mild-to-moderate Alzheimer's disease (AD), expected in mid-CY26. The next major catalyst for Actinogen is the interim results on the first c 100 patients of this study, expected in mid-CY25, which could lead to licensing and/or value realisation opportunities. Our risk-adjusted net present value is A\$619.8m (vs A\$616.8m previously).

Year end	Revenue (A\$m)	PBT* (A\$m)	EPS* (A\$)	DPS (A\$)	P/E (x)	Yield (%)
06/23	4.9	(8.9)	(0.005)	0.0	N/A	N/A
06/24	9.9	(11.4)	(0.005)	0.0	N/A	N/A
06/25e	7.3	(11.4)	(0.004)	0.0	N/A	N/A
06/26e	14.1	(19.3)	(0.006)	0.0	N/A	N/A

Note: *PBT and EPS are normalised, excluding amortisation of acquired intangibles, exceptional items and share-based payments. EPS are fully diluted.

Proceeds to support XanaMIA Phase IIb/III study

Proceeds from Actinogen's [capital increase of A\\$11.1m](#) are primarily being directed towards the ongoing 36-week [XanaMIA Phase IIb/III study](#) assessing Xanamem in patients with biomarker-positive AD (as determined through elevated levels of the [p-Tau 181 biomarker](#) at baseline). For both the A\$8.1m share placement (270m shares) and the A\$3.0m SPP (100m shares), new shares are being issued at A\$0.03, and subscribers would also receive three new 36-month share purchase options for every four new shares issued, at an exercise price of A\$0.05 per share.

Shareholder meeting on 4 November to ratify SPP

An [extraordinary general meeting](#) is behind held on 4 November to authorise the issuance of 100m shares under the SPP and the subscription, as part of the share placement, of A\$1m in shares by Actinogen's CEO, Dr Steven Gourlay, as well as A\$0.13m from other directors of the company. The remaining c 232.5m shares (c 86%) of the share placement have already been listed on the Australian Securities Exchange. We expect the required approvals to be met at the meeting.

Valuation: Mild revision to reflect SPP

In our [prior note](#), we had adjusted our forecasts to reflect the A\$8.1m placement but not the SPP. After now including the A\$3.0m SPP, we obtain a total equity valuation of A\$619.8m (vs A\$616.8m previously), or A\$0.20 per share (vs A\$0.21 previously). The per-share valuation has decreased as we have adjusted the share count in our valuation to reflect the effects of the SPP. According to our model, Actinogen's funds on hand (A\$20.0m pro forma as at 30 June 2024 including the A\$11.1m financing and A\$0.6m in offer costs), along with anticipated R&D tax credit proceeds (c A\$9m proceeds expected in or around November CY24), should be sufficient for Actinogen to fund its operations into the anticipated top-line data readout for the XanaMIA Phase IIb/III study (guided for mid-CY26).

Exhibit 1: Financial summary

	A\$(000)	2020	2021	2022	2023	2024	2025e	2026e
Year end 30 June		IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS
PROFIT & LOSS								
Revenue		3,516	1,984	3,640	4,888	9,932	7,318	14,118
Cost of Sales		0	0	0	0	0	0	0
Gross Profit		3,516	1,984	3,640	4,888	9,932	7,318	14,118
Sales, General & Administrative		(2,962)	(3,111)	(4,558)	(6,568)	(7,235)	(6,046)	(6,348)
Net Research & Development		(5,537)	(2,406)	(8,215)	(8,900)	(15,535)	(13,235)	(27,206)
EBITDA		(4,983)	(3,533)	(9,133)	(10,580)	(12,839)	(11,964)	(19,436)
Amortisation of intangible assets		(314)	(313)	(313)	(313)	(314)	(314)	(314)
Depreciation & other		(99)	(74)	(88)	(93)	(103)	(169)	(186)
Normalised Operating Profit (ex. amort, SBC, except.)		(4,888)	(3,318)	(7,933)	(9,156)	(11,635)	(12,133)	(19,622)
Operating profit before exceptionals		(5,201)	(3,631)	(8,245)	(9,469)	(11,948)	(12,447)	(19,935)
Exceptionals including asset impairment		0	0	0	0	0	0	0
Stock-based compensation & other		(194)	(289)	(1,288)	(1,517)	(1,307)	0	0
Reported Operating Profit		(5,396)	(3,920)	(9,533)	(10,985)	(13,256)	(12,447)	(19,935)
Net Finance income (costs)		65	5	36	233	212	709	358
Profit Before Tax (norm)		(4,822)	(3,313)	(7,897)	(8,923)	(11,423)	(11,424)	(19,264)
Profit Before Tax (FRS 3)		(5,331)	(3,915)	(9,497)	(10,752)	(13,044)	(11,738)	(19,578)
Tax		0	0	0	0	0	0	0
Profit After Tax and minority interests (norm)		(4,822)	(3,313)	(7,897)	(8,923)	(11,423)	(11,424)	(19,264)
Profit After Tax and minority interests (FRS 3)		(5,331)	(3,915)	(9,497)	(10,752)	(13,044)	(11,738)	(19,578)
Average Basic Number of Shares Outstanding (m)		1,118.0	1,405.2	1,717.1	1,801.5	2,174.3	2,897.1	3,082.6
EPS - normalised (A\$)		(0.004)	(0.002)	(0.005)	(0.005)	(0.005)	(0.004)	(0.006)
EPS - normalised and fully diluted (A\$)		(0.004)	(0.002)	(0.005)	(0.005)	(0.005)	(0.004)	(0.006)
EPS - (IFRS) (A\$)		(0.005)	(0.003)	(0.006)	(0.006)	(0.006)	(0.004)	(0.006)
Dividend per share (A\$)		0.0	0.0	0.0	0.0	0.0	0.0	0.0
BALANCE SHEET								
Fixed Assets		3,772	3,287	2,889	2,520	2,436	2,640	2,993
Intangible Assets		3,346	3,033	2,720	2,408	2,094	2,281	2,467
Tangible Assets		19	17	13	113	341	359	527
Investments in long-term financial assets		408	237	156	0	0	0	0
Current Assets		8,164	15,091	20,417	12,688	18,876	18,076	3,757
Short-term investments		0	0	0	0	0	0	0
Cash		5,040	13,457	16,370	8,460	9,451	11,265	3,531
Other		3,123	1,634	4,047	4,228	9,426	6,812	226
Current Liabilities		(744)	(755)	(1,480)	(1,802)	(1,357)	(1,357)	(1,357)
Creditors		(744)	(755)	(1,480)	(1,802)	(1,357)	(1,357)	(1,357)
Short term borrowings		0	0	0	0	0	0	0
Long Term Liabilities		(304)	(165)	(87)	0	(258)	(258)	(5,258)
Long term borrowings		0	0	0	0	0	0	(5,000)
Other long term liabilities		(304)	(165)	(87)	0	(258)	(258)	(258)
Net Assets		10,889	17,458	21,740	13,407	19,696	19,101	135
CASH FLOW STATEMENT								
Operating Income		(5,396)	(3,920)	(9,533)	(10,985)	(13,256)	(12,447)	(19,935)
Movements in working capital		(3,591)	(1,513)	(3,143)	132	(5,577)	2,614	6,586
Net interest and financing income (expense)		65	5	36	233	212	709	358
Depreciation & other		99	74	88	93	103	169	186
Taxes and other adjustments		5,966	3,630	3,035	1,829	1,567	314	314
Net Cash Flows from Operations		(2,856)	(1,724)	(9,517)	(8,698)	(16,951)	(8,641)	(12,492)
Capex		(23)	(6)	(3)	(37)	(8)	(687)	(853)
Acquisitions/disposals		0	0	0	0	0	0	0
Interest received & other investing activities		0	0	0	(0)	0	0	0
Net Cash flows from Investing activities		(23)	(6)	(3)	(37)	(8)	(687)	(853)
Net proceeds from share issuances		0	10,195	12,491	903	18,041	11,142	612
Net movements in long-term debt		0	0	0	0	0	0	5,000
Dividends		0	0	0	0	0	0	0
Other financing activities		282	(84)	(71)	(78)	(92)	0	0
Net Cash flows from financing activities		282	10,111	12,420	825	17,950	11,142	5,612
Effects of FX on Cash & equivalents		0	0	49	0	0	0	0
Net Increase (Decrease) in Cash & equivalents		(2,596)	8,381	2,949	(7,910)	991	1,814	(7,733)
Cash & equivalents at beginning of period		7,637	5,040	13,422	16,370	8,460	9,451	11,264
Cash & equivalents at end of period		5,040	13,422	16,370	8,460	9,451	11,264	3,531
Closing net debt/(cash)		(5,448)	(13,694)	(16,527)	(8,460)	(9,451)	(11,265)	1,469
Lease debt		390	236	165	87	319	319	319
Closing net debt/(cash) inclusive of IFRS 16 lease debt		(5,058)	(13,458)	(16,361)	(8,373)	(9,132)	(10,945)	1,788
Free cash flow		(2,878)	(1,730)	(9,520)	(8,735)	(16,959)	(9,328)	(13,345)

Source: Company accounts, Edison Investment Research

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