ASX Announcement

Quarterly Activities and Cash Flow Report
Quarter ended 31 December 2020

SYDNEY, Australia, 29 January 2021: Imugene Limited (ASX:IMU), a clinical stage immuno-oncology company, is pleased to announce its Quarterly Cash Flow report (Appendix 4C) for the quarter ended 31 December 2020.

Key highlights this quarter include:

- **$32.8m cash balance as at 31 December 2020**
- **Quarterly research and development expenditure was $3.9m**
- **HER-Vaxx showed positive Overall Survival from Interim Data reviewed by the Independent Data Monitoring Committee (IDMC)**
- **HER-Vaxx completed enrolment in the Phase 2 study in gastric cancer patients**
- **PD1-Vaxx received FDA IND Approval and Ethical trial approvals in the USA**
- **PD1-Vaxx completed enrolment into the first cohort on 17th December 2020**
- **$5.7m was received in November 2020 for the IMUOA Options**
- **$4.8m was received in December 2020 in R&D tax incentive**

Update on Clinical Trials

HER-Vaxx Phase 2 interim analysis safety and efficacy data were reviewed at the IDMC meeting. As a result of the review, the IDMC reported no safety concerns and viewed this preliminary data as strongly in favour of a HER-Vaxx survival effect.

The interim analysis results from this clinical proof-of-concept study, which was designed with a specified 1-sided false positive probability of 0.10, showed twice as many patients survived on the HER-Vaxx plus SOC chemotherapy treatment arm compared to the SOC chemotherapy control arm. This translated into an overall survival HR of 0.418 (80% 2-sided CI: 0.186, 0.942) with a statistically significant 1-sided p-value of 0.083. There was no difference in safety events between the two treatment arms, suggesting that HER-Vaxx does not add toxicity to SOC chemotherapy.
The IDMC provided guidance that it is scientifically and ethically appropriate to reduce the overall number of patients required to complete the study given the strong signal observed in the data;
Subsequently to the end of the quarter, HER-Vaxx completed enrolment into the open label Phase 2 study on 7th January 2021.

PD1-Vaxx received US Food and Drug Administration (FDA) Investigational New Drug (IND) approval to initiate a Phase I clinical trial of its checkpoint immunotherapy candidate, PD1-Vaxx in USA on the 2nd November 2020.

Shortly after the FDA approval, the first patient in the Phase I clinical trial of PD1-Vaxx was dosed on 30th November 2020 and the first cohort of three patients were completed on 17th December 2020.

Subsequently to the end of the quarter, clinicians reported no safety, toxicity or tolerability issues with PD1-Vaxx during the first low dose cohort of patients at the Cohort Review Committee (CRC) meeting held on 21st January 2021. The CRC approved enrolment of patients to the next higher dose level.

Cash Flow

The Company continued to monitor expenditure carefully during the period under review, ahead of the clinical trials and associated expenditure planned for the 2021.

Imugene currently has $32.8 million cash and cash equivalents on hand as at 31 December 2020, this includes $5.7m from IMUOA exercising and $4.8m from the R&D incentive, and is funded to support its near-term commercial and clinical milestones.

As the business continues to continue development in four clinical programs, the business will expect to see an increase in expenditures; however the management team will continue to manage this proactively.

In accordance with Listing Rule 4.7C, payments made to related parties and their associates included in items 6.1 of the Appendix 4C include payments for remuneration of director fees to executive and non-executive directors in the normal course of business at commercial rates, excluding reimbursements of out-of-pocket expenses.

For further information please contact:

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About Imugene (ASX:IMU)

Imugene is a clinical stage immuno-oncology company developing a range of new and novel immunotherapies that seek to activate the immune system of cancer patients to treat and eradicate tumors. Our unique platform technologies seek to harness the body's immune system against tumours, potentially achieving a similar or greater effect than synthetically manufactured monoclonal antibody and other immunotherapies. Our product pipeline includes multiple immunotherapy B-cell vaccine candidates and an oncolytic virotherapy (CF33) aimed at treating a variety of cancers in combination with standard of care drugs and emerging immunotherapies. We are supported by a leading team of international cancer experts with extensive experience in developing new cancer therapies with many approved for sale and marketing for global markets.

Our vision is to help transform and improve the treatment of cancer and the lives of the millions of patients who need effective treatments. This vision is backed by a growing body of clinical evidence and peer-reviewed research. Imugene is well funded and resourced, to deliver on its commercial and clinical milestones. Together with leading specialists and medical professionals, we believe Imugene's immuno-oncology therapies will become foundation treatments for cancer. Our goal is to ensure that Imugene and its shareholders are at the forefront of this rapidly growing global market.

Release authorised by the Managing Director and Chief Executive Officer

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity	
Imugene Limited	
ABN	**Quarter ended ("current quarter")**
99 009 179 551	31 December 2020

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (6 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) research and development	(3,953)	(8,186)
	(b) product manufacturing and operating costs	-	-
	(c) advertising and marketing	-	-
	(d) leased assets	-	-
	(e) staff costs	(744)	(1,172)
	(f) administration and corporate costs	(678)	(1,098)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	56	126
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	4,836	4,849
1.8	Other (provide details if material)	42	98
1.9	**Net cash from / (used in) operating activities**	**(441)**	**(5,383)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 months) $A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	**Net cash from / (used in) investing activities**	**-**	**-**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	6,832	8,243
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(121)	(133)
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)	-	-
3.10	**Net cash from / (used in) financing activities**	**6,711**	**8,110**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	26,563	30,107
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(441)	(5,383)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 months) $A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	6,711	8,110
4.5	Effect of movement in exchange rates on cash held	(1)	(2)
4.6	**Cash and cash equivalents at end of period**	**32,832**	**32,832**

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter $A'000	Previous quarter $A'000
5.1	Bank balances	4,821	2,562
5.2	Call deposits	28,011	24,001
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**32,832**	**26,563**

6.	Payments to related parties of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	270
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

Item 6.1 – Include payments for remuneration of director fees to executive and non-executive directors in the normal course of business at commercial rates, excluding reimbursements of out-of-pocket expenses.

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	-	-

7.5	**Unused financing facilities available at quarter end**	-

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

N/A

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(441)
8.2	Cash and cash equivalents at quarter end (item 4.6)	32,832
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	32,832
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	74.6

Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.

8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:

8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: Yes

8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: No

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Yes

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

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.

Date: .....29 January 2021.....

Authorised by: ...The Board.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow 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 cash flow 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.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.