ASX Announcement

Quarterly Activities and Cash Flow Report
Quarter ended 31 March 2021

SYDNEY, Australia, 23 April 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 March 2021.

Key highlights this quarter include:

- $29.4m cash balance as at 31 March 2021
- Quarterly research and development expenditure was $3.9m
- HER-Vaxx presentation at the American Association of Cancer Research (AACR)
- CF33 presentation at the American Association of Cancer Research (AACR)
- PD1-Vaxx cohort 2 enrolment completed
- Imugene included in the All Ordinaires for the S&P Dow Jones Indices

Update on Clinical Trials

HER-Vaxx

Recruitment of the Phase 2 trial was completed in January 2021. Imugene's Chief Medical Officer Dr Rita Laeufle presented on the HER-Vaxx cancer immunotherapy program at the American Association for Cancer Research (AACR) 2021 Annual Meeting.

The abstract presentation was entitled 'A PHASE 1B/2 OPEN-LABEL STUDY WITH RANDOMIZATION IN PHASE 2 OF IMU-131 HER2/NEU PEPTIDE IMMUNOTHERAPY PLUS STANDARD OF CARE CHEMOTHERAPY IN PATIENTS WITH HER2/NEU OVEREXPRESSING METASTATIC OR ADVANCED ADENOCARCINOMA OF THE STOMACH OR GASTROESOPHAGEAL JUNCTION.

The AACR presentation, which was subsequent to the end of the quarter highlighted and presented the following new data;

- Treatment with HER-Vaxx clearly demonstrates that all patients develop high levels of HER2-specific antibodies early in the treatment protocol.
- Analysis of the antibody data reveals high levels are maintained during the treatment and maintenance phases, with only minimal booster injections of HER-Vaxx required to maintain the high levels.
- The constant and high HER2 antibody levels correlate with the early separation of the Kaplan Meier (KM) Curves for overall survival (OS) and progression free survival (PFS) clinical trial endpoints. The Kaplan Meier Curve provides a recognised statistical estimation of the survival function which visually represents the probability of an event occurring for each treatment arm at a respective time interval.
- Overall, this interim data is suggestive that the treatment is effective and well tolerated with an overall survival benefit that is superior to chemotherapy alone.

Final tumour response, correlation of antibodies with tumour response, and final PFS and OS data is expected to read out in 2021.

PD1-Vaxx:

The first-in-human, Phase 1, multi-centre, dose escalation study of PD1-Vaxx is recruiting patients with non-small cell lung cancer who has progressed from previous therapies. Medical investigators are testing three different doses of PD1-Vaxx. The primary goal of the Phase 1 trial is to determine safety and an optimal biological dose as a monotherapy (mOBD). Efficacy, tolerability and immune response will also be measured. Determination of mOBD will be made by the Cohort Review Committee (CRC) and requires successive dosing within cohorts of at least 3 patients each.

The Phase 1 study is currently enrolling in cohort 3, the final highest dose after successful completion of cohort 2.

Phase 1 trials are generally designed to look for safety, tolerability and early response signals to determine the optimal dose for further development. The company is encouraged that we are seeing positive signals at such an early stage of our PD1-Vaxx Phase I trial even in this late stage patients.

Subsequently to the end of the quarter, Imugene announced the Cohort Review Committee (CRC) confirmed the Phase I clinical trial of its checkpoint immunotherapy candidate, PD1-Vaxx, will proceed to the third and final highest dose cohort.

Clinicians reported no safety, toxicity or tolerability issues with PD1-Vaxx during the mid-dose cohort 2 of patients at the Cohort Review Committee (CRC) meeting held on 4th of April 2021. The CRC approved enrolment of patients to the final and highest dose level.

Highlights of the CRC meeting included;

- Imugene dose escalates to the final highest dose (100µg) cohort in Phase I clinical trial of PD1-Vaxx.
- PD1-Vaxx deemed safe with no dose-limiting toxicities (DLTs) and no serious adverse reactions observed at mid-dose (50µg) level.
- The ongoing Phase 1 data represent a clinical proof-of-concept signal for PD1-Vaxx monotherapy with early efficacy signals, and indicate that B-cell activating immunotherapies can induce clinically active antibody responses against an important immune regulation receptor target.
- Mayo Clinic in Arizona USA receives IRB approval for Phase I human trial of anti-cancer immunotherapy PD1-Vaxx.

Imugene Limited was recently added to the 'All Ordinaries Index' (index) effective on March 22, 2021 as announced by S&P Dow Jones Indices. The index represents the 500 largest companies in the Australian equities market by market capitalisation.

Subsequently to the end of the quarter, City of Hope's, Dr Yanghee Woo MD, Associate Clinical Professor, Department of Surgery and Director, Gastroenterology Minimally Invasive Therapy Program presented on the CF33 oncolytic virus program at the American Association for Cancer Research (AACR) 2021 Annual Meeting.

The abstract presentation was entitled 'Subcutaneous Intratumoral Administration of CF33-hNIS-anti-PD-L1 Eradicates Distant Peritoneal Tumors'. Dr Woo's team engineered CF33-hNIS-antiPDL1, a unique chimeric orthopoxvirus, which shows robust preclinical activity against many solid tumors and inherent strong anti-cancer activity against pancreatic ductal adenocarcinoma (PDAC). The team investigated CF33-hNIS-antiPDL1 for its ability to track and kill distant peritoneal metastases after local virus administration in vivo. They showed that subcutaneous intratumoral (SC.IT) delivery of CF33-hNIS-antiPDL1 decreases peritoneal tumor burden and improves survival in a PDAC mouse model.

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 $29.4 million cash and cash equivalents on hand as at 31 March 2021 and is funded to support its near-term clinical milestones.

As the business continues to develop and support 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:

Contact:

Leslie Chong
Managing Director and Chief Executive Officer
T: +61 458 040 433
E: Leslie.Chong@Imugene.com

Follow us on Twitter: @TeamImugene
Like us on Facebook:@Imugene
Connect with us on LinkedIn @Imugene Limited

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 March 2021

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (9 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) research and development	(3,860)	(12,046)
	(b) product manufacturing and operating costs	-	-
	(c) advertising and marketing	-	-
	(d) leased assets	-	-
	(e) staff costs	(542)	(1,714)
	(f) administration and corporate costs	(360)	(1,458)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	28	154
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	4,849
1.8	Other (provide details if material)	93	191
1.9	**Net cash from / (used in) operating activities**	**(4,641)**	**(10,024)**

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 (9 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	1,122	9,365
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(133)
3.5	Proceeds from borrowings	144	144
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**	**1,266**	**9,376**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	32,832	30,107
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(4,641)	(10,024)
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 (9 months) $A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,266	9,376
4.5	Effect of movement in exchange rates on cash held	-	(2)
4.6	**Cash and cash equivalents at end of period**	**29,457**	**29,457**

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	4,457	4,821
5.2	Call deposits	25,000	28,011
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)**	**29,457**	**32,832**

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	201
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)	(4,641)
8.2	Cash and cash equivalents at quarter end (item 4.6)	29,457
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	29,457
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	6.3

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: N/A

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: N/A

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: N/A

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: .....23 April 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.