

6 January 2023

LETTER TO SHAREHOLDERS

In accordance with ASX listing Rule 3.17.1, enclosed is a copy of a letter being sent today to shareholders of Imugene Limited.

Authorised for release to the ASX by Paul Hopper, Executive Chairman, Imugene Limited.

6 January 2023

Shareholder Update

Dear Fellow Shareholders,

It was in May 2022 that I last wrote to you, and with calendar 2022 just behind us, I wanted to write and update you on the state of affairs in your company, and provide some observations on the 2023 year ahead.

For Imugene, 2022 was the best, and worst of times, and I think it's worth recapping on the year that was.

The fundamentals of your company:

- Approx \$160m in the bank, which provides us with multiple years of funding runway and one of the strongest cash positions of any ASX biotech;
- Three distinct technology platforms: onCarlytics; Oncolytic viruses & B cell technologies;
- Five unique assets: onCARlytics (CF33-CD19), CHECKvacc (CF33-hNIS-PDL1), Vaxinia (CF33-hNIS), HER-Vaxx, PD1-Vaxx;
- Five clinical trials are currently ongoing;
- Four clinical trials to commence over 2023;
- Four FDA-approved INDs;
- One IND to be submitted in 2023;
- Ten disease areas;
- Three scientific collaborations;
- Two supply agreements with Roche and Merck KGaA/Pfizer.

To better improve dialogue between shareholders and the Company, from today we will be using a new email address for your communication.

These emails will be **read by me personally** as well as other senior members of the management team with the aim of responding promptly to you.

Shareholder enquiries: shareholderenquiries@imugene.com

1. Clinical Progress

We have five clinical trials currently ongoing (four of them under FDA INDs):



1. HERIZON extension (HER-Vaxx, HER2+ gastric cancer)
2. nextHERIZON (HER-Vaxx in combination with pembrolizumab (MSD), late-stage HER2+ gastric cancer)
3. IMPRINTER (PD1-Vaxx, non-small cell lung cancer) in combination with tencentriq (Roche)
4. MAST (Vaxinia, CF33-hNIS oncolytic virus in advanced solid tumors)
5. City of Hope IST (CHECKVacc, CF33-hNIS-aPDL1, triple negative breast cancer (TNBC))

Four new trials are scheduled for the next year over three technology platforms:

1. neoHERIZON (HER-Vaxx, early stage neoadjuvant HER2+ gastric cancer) in combination with avelumab (Merck KGaA/Pfizer)
2. neoPOLEMIST (PD1-Vaxx, colorectal cancer)
3. onCARlytics (CF33-CD19 in combination with Amgen's CD19 bispecific blinatumomab)
4. DOMINICA (CHECKVacc by IV administration solid tumors)

Our five clinical trials have advanced materially in 2022 leaving us with a strong, well-funded and balanced portfolio of clinical trials and funds sufficient to pursue material milestones with our technologies.

For a biotech company such as ours, the primary objective is to drive the technology through the clinic as fast as possible, to determine whether the technology can deliver the knockout punch to cancer we saw in our pre-clinical studies.

On that front, I believe the team has performed admirably, starting the IV dosing arm of the Vaxinia MAST trial in October 2022. The next steps for 2023 are to begin the combination with MSD's blockbuster pembrolizumab cohorts in the Vaxinia MAST study, enrol into the higher dose cohorts in CHECKvacc, file IND and dose patients in the onCARlytics platform, and dose the first patients in the Phase 2 study for nextHERIZON (relapsed/refractory HER2+ gastric patients). We continue to follow patients in the HERIZON study (front line HER2+ gastric), some on study for over 2 years.

We also continue dosing in the PD1-Vaxx Phase 1 trial reaching an optimal biological dose with one Australian patient still in remission from late-stage non-small cell lung cancer after 2 years on treatment.

In the next 12 months we expect to have nine clinical trials underway in Phase 1 and Phase 2 studies.

Very few ASX biotech's have a clinical pipeline as deep as IMU.



2. Business Development

Our BD initiatives are ably led by Dr Monil Shah who is based in New Jersey, where he had a most active year profiling all the technologies within our portfolio, to parties in the US, Europe and Asia.

We are often asked by shareholders, 'when can we expect a licensing deal with Big Pharma?'

There are no set rules, but the business model for many biotech companies is to aim to generate compelling Phase 2 data and then seek out a deal with Big Pharma either as a license or outright purchase. I am aware that shareholders are anxious to know where we are in that cycle, but at the moment we do not have anything bad or good to report and are focusing on generating data of interest to potential partners. We are pursuing a number of paths in highly competitive circumstances, which is the nature of out-licensing. It takes time, and it is fluid, and we will only communicate to the market when a deal is completed.

3. Industry Presentations

Imugene continues to profile its technology at the world's prestigious life science and scientific conferences. To highlight just a few, we gave three presentations at the Society of Immunotherapy of Cancer (SITC) conference in Boston, we presented HERIZON data at the European Society for Medical Oncology (ESMO) Asia conference in Singapore, PD1-Vaxx data was presented at the World Conference on Lung Cancer in Vienna, and CHECKvacc was presented at the San Antonio Breast Cancer Symposium. We will also be presenting the HERIZON data at the American Society of Clinical Oncology (ASCO) GI conference in San Francisco, as well as a Trial in Progress poster for the nextHERIZON study.

I am delighted to report that next week our CEO, Leslie Chong has been invited to present at the JP Morgan Biotech Conference in San Francisco. A high honour indeed, for the most prestigious and well attended life science conference globally - an invitation which has rarely been extended to any ASX biotech.

4. Clinical Collaborations

We have three scientific collaborations with two leading US based cell therapy companies: Eureka Therapeutics, and Celularity, and one with an ASX listed company Arovella Therapeutics.

Celularity:

- Nonclinical data showed promising results with the combination of onCARlytics and CYCART-19



- Data was presented at the Annual Meeting for the Society for Immunotherapy for Cancer (SITC) in November 2022
- Celularity is in the process of filing their IND to start dosing CYCART-19 in patients with hematology malignancies, the dosing and safety data from this clinical study will guide clinical work with onCARlytics and CYCART-19 combination.

Eureka (Estrella):

- Nonclinical data showed promising results with the combination of onCARlytics and CD19-Redirected ARTEMIS® T Cells
- Data presented at SITC
- Clinical work with onCARlytics and CD19-Redirected ARTEMIS® T Cells combination will be planned for end of 2023

Arovella:

- Nonclinical work with Arovella's CAR19-iNKT cell therapy is combination with onCARlytics in solid cancers in currently ongoing

5. Research Publications

On the publications front, Imugene scientists and inventors were busy in 2022, having their cutting edge work published in world leading peer reviewed journals. See a few key publications below but also visit our website for a full list: imugene.com/publications.

Publications for CF33 oncolytic virus

1. Priming stroma with a vitamin D analog to optimize viroimmunotherapy for pancreatic cancer. *Mol Ther Oncolytics*. February 2022
2. CF33-hNIS-antiPDL1 virus primes pancreatic ductal adenocarcinoma for enhanced anti-PD-L1 therapy. *Cancer Gene Ther*. June 2022

Publications for B Cell cancer vaccines

1. Development of the B cell cancer vaccine HER-Vaxx for the treatment of her-2 expressing cancers. *Front Oncol*. December 2022
2. A newly discovered PD-L1 B-cell epitope peptide vaccine (PDL1-Vaxx) exhibits potent immune responses and effective anti-tumor immunity in multiple syngeneic mice models and (synergizes) in combination with a dual HER-2 B-cell vaccine (B-Vaxx). *Oncoimmunology*. October 2022
3. Preclinical Studies of a Novel Human PD-1 B-Cell Peptide Cancer Vaccine PD1-Vaxx From BALB/c Mice to Beagle Dogs and to Non-Human Primates (Cynomolgus Monkeys). *Front Oncol*. May 2022



4. Combined Vaccination with B Cell Peptides Targeting Her-2/neu and Immune Checkpoints as Emerging Treatment Option in Cancer. Cancers (Basel). November 2022
5. Active immunization with a Her-2/neu-targeting Multi-peptide B cell vaccine prevents lung metastases formation from Her-2/neu breast cancer in a mouse model. Transl Oncol. May 2022

6. Manufacturing

The reliability of drug supply is a major hurdle for the clinical development of many modern biological oncology drug candidates. We are optimising this critical component of clinical development by working closely with our manufacturers for the oncolytic viruses: City of Hope's Center for Biomedicine and Genetics and ABL; and for the B cell platform: the long established B cell cancer vaccine manufacturer, piCHEM. This is a significant ongoing focus for Imugene.

We announced in 2022 that ABL will manufacture our oncolytic viruses for our platform. ABL has a strong background in handling a broad range of viruses. Through this collaboration, we will gain access to ABL's top-of-the-line services, GMP manufacturing of vaccinia viruses and fill-finish of the drug product, with customizable and flexible development and manufacturing solutions.

Access to clinical drug product supplies which match the clinical trial development plans with the regulatory requirements of Phase 2 and Phase 3 registrational trials is a critical component of drug development.

Notably, we also announced in 2022 completion and delivery of a large-scale batch of HER-Vaxx for use in all planned clinical trials (nextHERIZON and neoHERIZON) in patients with HER-2 positive gastric cancer. The batch which is manufactured by piCHEM (Austria) with final sterile fill and finish at Baccinex (Switzerland) and QA/QC/QP released and delivered to our drug depot at Marken (Singapore).

7. Investor Relations

2022 was incredibly active with 126 ASX announcements, 41 of which were price sensitive. We take investor updates very seriously and also have a broad social media outreach across Twitter, Facebook and LinkedIn. We published two newsletters in 2022, and the latest edition due to be published in late January, is the first of four proposed for 2023.

Leslie's investor outreach in 2022 was unrelenting, with over 15 roadshows and over 30 investor lunches and dinners across Australia and the US. There has been strong engagement with existing shareholders during these roadshows as well as many domestic and international institutional investors, some of which have since joined the register.



In November, the City of Hope (COH) team joined IMU in an Australia-wide investor roadshow with numerous opportunities for shareholders to meet the IMU and COH teams in person.

8. Financial

We closed 2022 in a very strong financial position with ~\$160million in the bank after an \$80million institutional placement in September 2022. This provides a funding runway to progress the clinical programs that we have ongoing and places us in a strong position in the current market environment. At the time we were conscious of uncertain listed market conditions and took action to ensure the Company was well financed to generate the data that is key to our success regardless of financial market conditions. While it was not an easy decision, we believe that it was a good one, given today's financial markets.

As a result, I believe this to be one of the largest cash reserves of any ASX listed biotech. Whilst I would like to let you know who invested, it was a condition that their identity remain confidential unless their holding exceeds 5%, and accordingly we have respected that condition and will continue to do so.

Some comments have been made that Imugene did not need the funds and therefore should not have done such a large placement. The Board took the view that the placement was in the Company's best interests long-term, and would provide the Company with exceptional opportunities in the future.

9. Human Resources

As your company grew, our US senior management was expanded and enhanced considerably during 2022 with the recruitment of industry experts of significant experience in our field of operations.

We welcomed Dr Giovanni Selvaggi as CMO, Paul Wright as VP of CMC, and Mike Tonroe as CFO.

Additionally, Dr Jakob DuPont, a deeply experienced specialist in cell therapy and immune-oncology, joined the Board as a non-executive director during the year.

10. Share Price

Before Christmas 2021, IMU's share price reached 62 cents.

At the start of 2022, the global meltdown in technology stocks commenced and life science companies around the world felt the chill wind of dramatically falling share prices, from which IMU was not immune.

As a management team, and the Board, we are intensely aware of the concern this has caused some shareholders who may ask, 'what could be wrong with IMU?'



Our management team and Board members, who are all shareholders and option holders, see the decline in the value of their own equity and feel the concerns personally. I assure you they are strongly motivated to see a restoration of the share price as soon as possible.

I have previously responded that IMU is in better shape than it was 12 months ago, yet the share price is down ~60%. Financially, we are much more robust, as measured by cash at the bank. Clinically, we are further advanced than we have ever been, with some exciting trials ahead this year. Our management team is going from strength to strength.

I don't have the answers to why we have been dealt with so harshly by the market. Still I would urge shareholders to be careful to distinguish between temporary and fundamental issues affecting IMU's share price. Unfortunately the market often prices a company, it doesn't value it, so I would encourage investors not to approach IMU as short term speculators but as long-term shareholders.

11. Looking Ahead

We have sought to increase further our visibility and communication with the market in 2022, and will continue to do so in 2023, particularly in the US.

Leslie, myself, the management team and the Board, remain very excited by the prospects that Imugene has developed and truly believe there are promising times ahead.

Thank you for your support and best wishes for 2023.

Sincerely,

Paul Hopper
Executive Chairman
Imugene Limited