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ASX Announcement

Quarterly Activities and Cash Flow Report
Quarter ended 30 September 2020

SYDNEY, Australia, 27 October 2020: 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 30 September 2020.

Key highlights this quarter include:

- $26.6m cash balance as at 30 September 2020
- Quarterly research and development expenditure was $4.2m
- Three ethics approvals were received from Chris O'Brien Lifehouse, Macquarie University and Cabrini Hospital to start the phase I clinical trial of new cancer immunotherapy PD1-Vaxx in Australia
- First U.S. Institutional Review Board approval received at Hackensack University Medical Center in New Jersey to start phase I clinical trial of PD1-Vaxx.
- Guidance from US FDA on development pathway for oncolytic virotherapy VAXinia was received.
- Appointment of Rita Laeufle, MD, PhD as the Chief Medical Officer
- Growth Factor B-Cell Immunotherapy combination patent granted in the United States
- Secured agreement with existing institutional shareholders to underwrite the balance of the options not exercised by 30th of November 2020 to total $5.6 million.
- IMUOA listed options with an exercise price of $0.026 per option will be expiring on 30th of November, 2020.

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 remainder of 2020.

Imugene currently has $26.6 million cash and cash equivalents on hand as at 30 September 2020, and is funded to support its nearterm commercial and clinical milestones.

As the business continues to progress 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.

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Update on clinical trials

Guidance from the U.S. FDA on development pathway for VAXinia was received. U.S. FDA guidance for CHECKvacc was previously received in early 2020. Progress for both CF33 oncolytic virotherapies, VAXINIA and CHECKvacc continues to enter into the clinic.

The PD1-Vaxx clinical trial is screening patients to enter into the clinic trial in Australia. During the reporting period Imugene received three Human Research Ethics Committee (HREC) approvals to commence the Phase I clinical trial of its checkpoint immunotherapy candidate, PD1-Vaxx in Australia. Additionally, the first Institutional Review Board approval was received in the U.S.A in New Jersey for PD1-Vaxx.

HER-Vaxx continues to enrol into the open label Phase 2 study. The team is preparing and confirming all data to schedule the second interim analysis. The Independent Data Monitoring Committee (IDMC) will review this data upon completion of the soft data lock.

Imugene has appointed Dr. Rita Lauefle to the team as the Chief Medical Officer. Dr Laeufle will lead the Company's global clinical development, regulatory and medical monitoring activities. As a board-certified surgical oncologist and a scientist, Dr Laeufle has extensive clinical development experience in immuno-oncology studies from Phase 1 to Phase 3 in breast and gastrointestinal cancers and registration pathways. Dr Laeufle brings deep experience to the Company, having held senior level clinical development, leadership and senior medical positions at top tier pharmaceutical companies, including Hoffman-La Roche AG, and Novartis Pharmaceuticals Corp. Most recently she was the CMO at leading oncolytic virus company Oncolytics Biotech in San Diego CA, where she will be based.

The listed IMUOA options exercisable at $0.026 per option are currently in the money with IMU shares having closed at $0.053 per share (which is more than double the exercise price) on 13-October, 2020. We are fortunate to have secured an agreement with existing institutional shareholders to underwrite the balance of the options however, we hope that you exercise your options to take advantage of the attractive value. We want to remind you that the expiry date for the IMUOA option holders is on 30th of November, 2020, being the last date to exercise these options.

All eligible shareholders will receive in the mail an IMUOA option conversion letter in due course. However if you want to convert all or part of your IMUOA options now, please call our Share Registry Automic on 1300 288 664 and provide your name (that the options are listed under), address and your HIN number. You will then be sent your option conversion form.

B-Cell Immunotherapy Patent

The patent titled "HER-1, HER-3 AND IGF-1R COMPOSITIONS AND USES THEREOF" protects the method of composition and method of use of Imugene's Ohio State University licensed vaccines from the laboratory of Professor Pravin Kaumaya. Despite the promise of targeted therapies, there remains an urgent need for effective treatment for cancers such as esophageal cancer (EC) and triple-negative breast cancer (TNBC). Current FDA-approved drugs have significant problems of toxicity, safety, selectivity, efficacy and development of resistance. The promising results protected in the patent support the rationale for dual targeting with HER-1, HER-2 and HER-3 or IGF-1R as an improved treatment regimen for advanced therapy tailored to difference types of cancer. Attaining the key US patent adds extra value to Imugene's portfolio of B-cell immunotherapies and this will protect them in the world's largest pharmaceutical market until 2035.

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

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Appendix 4C

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

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Name of entity	
Imugene Limited	
ABN	**Quarter ended ("current quarter")**
99 009 179 551	30 September 2020

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (3 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	-	
1.2	Payments for		
	(a) research and development	(4,233)	(4,233)
	(b) product manufacturing and operating costs	-	-
	(c) advertising and marketing	-	-
	(d) leased assets	-	-
	(e) staff costs	(428)	(428)
	(f) administration and corporate costs	(420)	(420)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	70	70
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	13	13
1.8	Other (provide details if material) – GST refunded	56	56
1.9	**Net cash from / (used in) operating activities**	**(4,942)**	**(4,942)**

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Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
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	1,411	1,411
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(12)	(12)
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**	**1,399**	**1,399**

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	30,107	30,107
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(4,942)	(4,942)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,399	1,399
4.5	Effect of movement in exchange rates on cash held	(1)	(1)
4.6	**Cash and cash equivalents at end of period**	**26,563**	**26,563**

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	2,562	5,106
5.2	Call deposits	24,001	25,001
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)**	**26,563**	**30,107**

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	214
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.

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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.

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (Item 1.9)	(4,942)
8.2	Cash and cash equivalents at quarter end (Item 4.6)	26,563
8.3	Unused finance facilities available at quarter end (Item 7.5)	-
8.4	Total available funding (Item 8.2 + Item 8.3)	26,563
8.5	**Estimated quarters of funding available (Item 8.4 divided by Item 8.1)**	5.4 quarters

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

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

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

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

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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: 27 October 2020

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.

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