

Business Update – December Quarter Appendix 4C

MELBOURNE Australia 29th January 2018: Imugene Limited (ASX: IMU), an immuno-oncology company is pleased to release its Appendix 4C for the quarter ended 31st December, 2017.

Highlights:

- **Imugene ended the second quarter for the financial year to end December 2017 with cash reserves of AU\$11.9 million (including term deposits).**
- **The Company successfully raised and received AU\$6.7 million via an institutional placement and AU\$2.03 million through the fully underwritten entitlement offer.**
- **The Company has funds to complete its ongoing Phase 1b/2 clinical trial along with further trial expansion and development of its clinical pipeline.**

Imugene Chief Executive Officer Leslie Chong said, “The Company is now well positioned financially to fully support the current ongoing clinical program while expediting the development of new oncology candidates and trial designs based on our promising technology platform. I warmly welcome the new institutional and sophisticated investors who supported our company during the recent capital raising and thank our existing shareholders for their continued support”.

About Imugene (ASX:IMU)

Imugene (ASX:IMU) is a clinical stage immuno-oncology company headquartered in Melbourne, Australia. Its lead product is HER-Vaxx, a B Cell peptide vaccine for the treatment of gastric cancer. The company is also developing mimotope-based immunotherapies against validated and new oncology targets.

HER-Vaxx is a cancer immunotherapy designed to treat tumours that over-express the HER-2/neu receptor, such as gastric, breast, ovarian, lung and pancreatic cancers. Developed by leading scientists at the Medical University of Vienna in Austria, the peptide vaccine is constructed from several B cell epitopes of HER-2/neu. It has been shown in pre-clinical studies and in one Phase I study to stimulate a potent polyclonal antibody response to HER-2/neu, a well-known and validated cancer target.

Imugene in partnership with the Medical University of Vienna is working to discover and develop mimotope-based immunotherapies against validated and new oncology targets. This partnership has the potential to create game-changing B cell peptide vaccines that would replace or augment conventional monoclonal antibody therapies.

For further information contact:

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Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

Imugene Limited

ABN

99 009 179 551

Quarter ended ("current quarter")

31 December 2017

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	(686)	(987)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(10)	(12)
(d) leased assets	-	-
(e) staff costs	(411)	(622)
(f) administration and corporate costs	(301)	(511)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	9	21
1.5 Interest and other costs of finance paid	-	(1)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	1,137
1.8 Other – <i>GST refunded/(paid)</i>	29	82
1.9 Net cash from / (used in) operating activities	(1,370)	(893)

2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) property, plant and equipment	-	-
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	-	-
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) 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) – <i>Transactions costs related to Zenith Argo Group acquisition</i>	-	-
2.6	Net cash from / (used in) investing activities	-	-

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	8,731	8,731
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	45
3.4	Transaction costs related to issues of shares, convertible notes or options	(756)	(773)
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	7,975	8,003

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of quarter/year to date	5,319	4,814
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,370)	(893)
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)	7,975	8,003
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	11,924	11,924

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	9,924	5,319
5.2	Call deposits	2,000	-
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)	11,924	5,319

6. Payments to directors of the entity and their associates

6.1 Aggregate amount of payments to these parties included in item 1.2

6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000
194
-

Salaries, directors' fees and consulting fees at normal commercial rates.
Excludes GST where applicable.

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	
-	

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		
-		

9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	(1,187)
9.2 Product manufacturing and operating costs	-
9.3 Advertising and marketing	-
9.4 Leased assets	-
9.5 Staff costs	(1,268)
9.6 Administration and corporate costs	909
9.7 Other – GST refunded/(paid)	-
9.8 Total estimated cash outflows	(1,546)

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity	-	-
10.2 Place of incorporation or registration	-	-
10.3 Consideration for acquisition or disposal	-	-
10.4 Total net assets	-	-
10.5 Nature of business	-	-

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.



Sign here:

Date: 29 January 2018

Company Secretary

Print name: Phillip Hains

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly 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 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.