Medicenna Reports Third Quarter Fiscal 2018 Financial Results

February 12, 2018

TORONTO and HOUSTON, TX, Feb. 12, 2018 /CNW/ - Medicenna Therapeutics Corp. ("**Medicenna**" or the "**Company**") (TSX: MDNA; OTCQX: MDNAF), a clinical stage immuno-oncology company, today reported financial results for the three and nine months ended December 31, 2017.

"We continue to make progress with respect to enrolment of the MDNA55 Phase 2b clinical trial for the treatment of recurrent glioblastoma (rGBM), the most common and uniformly fatal form of brain cancer and expect to complete enrolment in the first half of 2018." said Dr. Fahar Merchant, Chairman, President and CEO of Medicenna. "We thank our investors for their continued support and patience and look forward to providing an update on the trial during the second quarter."

The following are the achievements and highlights for the quarter ending December 31, 2017 through to the date hereof:

- The ongoing Phase 2b clinical trial of MDNA55 for the treatment rGBM is currently enrolling patients at nine clinical sites across the United States and one site in Europe. To date, 24 patients have been treated in the trial and we expect to complete enrolment in the study by mid-2018.
- On October 10, 2017, new clinical data was presented at the 2017 Congress of Neurological Surgeons (Boston, MA), demonstrating successful delivery in brain cancer patients and a reassuring safety profile for MDNA55 as well as a substantially higher proportion of the target tissue being covered then in previous similar trials. In some cases, close to 100% of the tumor and the 1cm margin around it (at risk for tumor spread) had been successfully covered.
- On October 18, 2017, our common shares were listed on the OTCQX International ("OTCQX"), a segment of the OTC marketplace reserved for high-quality non-U.S. companies, under the symbol, "MDNAF".
- In November, further drug distribution and safety data were presented at the Annual Meeting of the Society for Neuro-Oncology (San Francisco, CA), on the first 15 patients in the study confirming earlier results presented at the Congress of Neurological Surgeons.
- Medicenna was issued a US Patent related to our Superkine platform. U.S. Patent 9,738,696, issued to the Board of Trustees of the Leland Stanford Junior University and licensed exclusively to Medicenna, covers the composition of engineered IL-4 Superkines.

Financial Results

For the three months ended December 31, 2017, Medicenna reported a net loss of $2,181,022 or $0.09 per share compared to a loss of $2,178,966 or $0.13 per share for the three months ended December 31, 2016. For the nine months ended December 31, 2017, Medicenna reported a net loss of $6,154,946 or $0.25 per share compared to a loss of $3,275,522 or $0.20 per share for the nine months ended December 31, 2016. The increase in net loss in the three and nine months ended December 31, 2017 compared with the three and nine months ended December 31, 2016 is a result of increased spending on the Phase 2b clinical trial of MDNA55 including headcount necessary to support the ongoing trial and increased general corporate expenditures necessary to operate a public company as well as the non-cash expenditures of stock based compensation and research and development warrant amortization for which no comparable expenses existed in the prior year.

Medicenna ended the quarter with a cash balance of $6,398,224. As well, Medicenna has access to an additional US$6.5 million under the Company's grant from the Cancer Prevention and Research Institute of Texas ("CPRIT") providing total available funding of approximately $14.5 million, which, based on information currently available and current expected cash burn, provides the Company with sufficient resources to fund research and development and operations into Q1 of calendar 2019.

Research and Development Expenses

Research and development ("R&D") expenses of $1,351,703 were incurred during the three months ended December 31, 2017, compared with $1,597,982 incurred in the three months ended December 31, 2016. R&D expenses of $4,226,141 were incurred during the nine months ended December 31, 2017, compared with $2,184,570 incurred in the same period in the prior year. On an overall basis R&D expense decreased in the current three month period due to an offset of expenses eligible for reimbursement from the Company's grant from the Cancer Prevention and Research Institute of Texas ("CPRIT") of $1,884,820 compared with nil in the comparable period in the prior year. Prior to the reimbursement, R&D expenses increased in the three and nine month periods ended December 31, 2017 compared with the same periods in the prior year due to the initiation of early discovery and pre-clinical activities associated with the Superkine programs including MDNA109 and MDNA57, as well as clinical costs associated with the ongoing Phase 2b clinical trial of MDNA55. R&D expense was further increased by non-cash expenditures related to the amortization of a research and development warrant as well as stock based compensation costs for which no comparable expenses existed in the prior year. The above noted increases were partially offset by expenses eligible for reimbursement from the Company's grant from CPRIT of $3,334,424 for which the Company was reimbursed in the nine months ended December 31, 2017, compared with $1,516,131 in the same period in the prior year.

General and Administrative Expenses

General and administrative ("G&A") expenses of $824,007 were incurred during the three months ended December 31, 2017, compared with $622,785 incurred during the three months ended December 31, 2016. G&A expenses of $1,894,230 were incurred during the nine months ended December 31, 2017, compared with $1,142,428 incurred during the nine months ended December 31, 2016. The increase over the prior year periods is due to non-cash stock option expenses, public company expenses associated with listing on the TSX.V, increased listing fees related to both the TSX graduation and the OTC listing and investor relations activities, for which no comparable expenses existed in the prior year. The above noted increases were partially offset by CPRIT eligible expenses of $525,088 for which the Company was reimbursed in the nine months ended December 31, 2017, compared with $403,490 in the same period in the prior year.

Medicenna Therapeutics Corp.
Condensed Consolidated Interim Statements of Operations
(Expressed in Canadian Dollars)
(Unaudited)

	3 months ended December 31, 2017	3 months ended December 31, 2016	**9 months ended December 31, 2017**	9 months ended December 31, 2016
	$	$	**$**	$
Operating expenses				
General and administration	**824,007**	622,785	**1,894,230**	1,142,428
Research and development	**1,351,703**	1,597,982	**4,226,141**	2,184,570
Total operating expenses	**2,175,710**	2,220,767	**6,120,371**	3,326,998
Interest income	**376**	6,427	**3,119**	11,978
Foreign exchange (loss) gain	**(5,688)**	35,374	**(37,694)**	39,498
	(5,312)	41,801	**(34,575)**	51,476
Net loss for the period	**(2,181,022)**	(2,178,966)	**(6,154,946)**	(3,275,522)
Cumulative translation adjustment	**31,057**	52,276	**(93,522)**	71,376
Net loss and comprehensive loss for the period	**(2,149,965)**	(2,126,690)	**(6,248,468)**	(3,204,146)
Basic and diluted loss per share	**(0.09)**	(0.13)	**(0.25)**	(0.20)
Weighted average number of common shares outstanding	**24,344,048**	16,249,999	**24,334,108**	16,249,999

The press release, the financial statements and the management's discussion and analysis for the quarter ended December 31, 2017 will be available on SEDAR at www.sedar.com

About Medicenna Therapeutics Corp.

Medicenna is a clinical stage immuno-oncology company developing novel highly selective versions of IL-2, IL-4 and IL-13 Superkines™ and first in class Empowered Cytokines™ (ECs). Its wholly owned subsidiary, Houston-based Medicenna BioPharma, is specifically targeting the Interleukin-4 Receptor (IL4R), which is over-expressed by at least 20 different types of cancer affecting more than one million new cancer patients every year. Medicenna's lead IL4-EC, MDNA55 is enrolling patients in a Phase 2b clinical trial for rGBM at leading brain cancer centres in the US. MDNA55 has completed 3 clinical trials in 72 patients, including 66 adults with rGBM, demonstrated compelling efficacy and obtained Fast-Track and Orphan Drug status from USFDA. Unlike most other cancer therapies, Medicenna's IL4-ECs have the potential to purge both the tumor and the immunosuppressive tumor microenvironment, offering a unique treatment paradigm for a large majority of cancer patients.

For more information, please visit www.medicenna.com.

This news release contains forward-looking statements relating to the future operations of the Company and other statements that are not historical facts. Forward-looking statements are often identified by terms such as "will", "may", "should", "anticipate", "expects" and similar expressions. All

statements other than statements of historical fact, included in this release, including, without limitation, statements regarding future plans and objectives of the Company, the ability to complete enrolment in the MDNA55 clinical trial in the first half of the 2018 and others are forward-looking statements that involve risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from the Company's expectations include the risks detailed in the annual information form of the Company dated June 15, 2017 and in other filings made by the Company with the applicable securities regulators from time to time.

The reader is cautioned that assumptions used in the preparation of any forward-looking information may prove to be incorrect. Events or circumstances may cause actual results to differ materially from those predicted, as a result of numerous known and unknown risks, uncertainties, and other factors, many of which are beyond the control of the Company. The reader is cautioned not to place undue reliance on any forward-looking information. Such information, although considered reasonable by management at the time of preparation, may prove to be incorrect and actual results may differ materially from those anticipated. Forward-looking statements contained in this news release are expressly qualified by this cautionary statement. The forward-looking statements contained in this news release are made as of the date of this news release and the Company will update or revise publicly any of the included forward-looking statements only as expressly required by Canadian securities law.

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