



## Medicenna Reports Third Quarter Fiscal 2019 Financial Results

February 14, 2019

TORONTO and HOUSTON, TX, Feb. 14, 2019 /CNW/ - Medicenna Therapeutics Corp. ("Medicenna" or the "Company") (TSX: MDNA; OTCQB: MDNAF), a clinical stage immuno-oncology company, today reported financial results for the three and nine months ended December 31, 2018.

The following are the achievements and highlights for the quarter ending December 31, 2018 through to the date hereof:

- Presented promising survival data from the ongoing MDNA55 Phase 2b clinical trial for the treatment of recurrent glioblastoma ("rGBM") the most common and uniformly fatal form of brain cancer showing a median overall survival of 15.2 months in the IL4 receptor positive patients who have a more aggressive form of rGBM. Whereas the current standard of care for all rGBM patients provide a median overall survival of only 8.0 months.
- Strengthened the balance sheet with a \$4.0 million financing in December 2018 and received an additional US\$1.2 million in non-dilutive funding in the same month.
- Provided an update on MDNA109 demonstrating that it has best-in-class potency toward cancer killing effector T cell and that it potently synergizes with anti-PD-1 or anti-CTLA-4 checkpoint inhibitors to eliminate tumors in the majority of tumor-bearing mice.

Upcoming milestones include:

- Completion of patient enrolment in the MDNA55 Phase 2b rGBM is anticipated by the end of Q1 2019
- Top line interim results announced in the MDNA55 Phase 2b clinical trial mid-2019
- Initiation of Phase 2 clinical trial with MDNA55 for the treatment of newly diagnosed GBM in Q2 2019
- Selection of lead MDNA109 candidate in Q1 2019

"2019 is off to an excellent start with compelling median overall survival data in the MDNA55 Phase 2b clinical trial for the treatment of recurrent glioblastoma reported in February as well as the impressive pre-clinical package we are assembling for MDNA109," said Dr. Fahar Merchant, President and CEO of Medicenna. He added that "the clinical and scientific progress we have made in addition to the capital raised and non-dilutive funds received in December has placed Medicenna on an excellent footing to hit key value inflection milestones for 2019."

### MDNA55 update

On February 7, 2019 Dr. John H. Sampson, MD, PhD, (Robert H. and Gloria Wilkins Distinguished Professor and Chair of Neurosurgery at Duke University in Durham, NC) presented new clinical study results on MDNA55 for the treatment of rGBM at the 5<sup>th</sup> Annual Immuno-Oncology 360<sup>o</sup> Conference held in New York, NY. In a podium presentation entitled, "The IL4 Receptor as a Biomarker and Immunotherapeutic Target for Glioblastoma: Preliminary Evidence with MDNA55, a Locally Administered IL-4 Guided Toxin", Dr. Sampson outlined that following a single treatment with MDNA55 at the low dose, (a) the IL4R positive group showed a remarkable increase in median overall survival ("mOS") of 15.2 months when compared to 8.5 months in the IL4R negative group and (b) irrespective of IL4R expression, mOS was 11.8 months in all patients, substantially exceeding landmark mOS reported for approved drugs for rGBM (mOS is 8 months for Avastin and Lomustine).

On October 22, 2018, the Company presented results and participated in a poster discussion session at the European Society for Medical Oncology Congress held in Munich on October 20, 2018. Based on interim data from patients treated at low doses implemented during the first half of the Phase 2b study of MDNA55, the presentation highlighted the benefits of using of advanced imaging modalities in order to help tumor response evaluation and identify pseudo-progression in some patients which ultimately translates into tumor shrinkage, and potential treatment benefit.

On November 16, 2018, Medicenna presented an update on intratumoral delivery of MDNA55 using MRI-guided convective delivery at the 23<sup>rd</sup> Annual Meeting of the Society for Neuro-Oncology

### MDNA109 update

On February 6, 2019 Dr. Moutih Rafei, PhD, (Associate Professor, Department of Pharmacology and Physiology, Université de Montreal) presented new results on MDNA109 and its long acting variants at the 5<sup>th</sup> Annual Immuno-Oncology 360<sup>o</sup> Meeting held in New York, NY. In a podium presentation entitled, "Putting Pedal to the Metal: Combining IL-2 Superkine (MDNA109) with Checkpoint Inhibitors." The presentation outlined that MDNA109, an engineered IL-2 superkine exhibited a 1000-fold enhanced affinity toward the CD122 receptor, has best-in-class potency toward cancer killing effector T cells, was not immunogenic *in-vivo* and potently synergized with anti-PD-1 or anti-CTLA-4 checkpoint inhibitors to eliminate tumors in the majority of tumor-bearing mice.

On November 9, 2018, Medicenna presented an update on preliminary pre-clinical results on MDNA109 at the 33<sup>rd</sup> Annual Meeting of the Society for Immunotherapy of Cancer held in Washington, DC.

### Operational update

On December 21, 2018, the Company completed a public offering and issued 4,000,000 units of the Company for gross proceeds of CDN\$4,000,000.

On December 5, 2018, Medicenna received a US\$1.2 million reimbursement of past expenses from the Cancer Prevention and Research Institute of Texas ("CPRIT").

### Financial Results

For the three months ended December 31, 2018, Medicenna reported a net loss of \$1,723,081 or \$0.07 per share compared to a loss of \$2,181,022 or \$0.09 per share for the three months ended December 31, 2017. For the nine months ended December 31, 2018, Medicenna reported a net loss of \$3,658,957 or \$0.15 per share compared to a loss of \$6,154,946 or \$0.25 per share for the nine months ended December 31, 2017.

#### Research and Development Expenses

Research and development ("R&D") expenses of \$2,356,683 were incurred during the nine months ended December 31, 2018, compared with \$4,226,141 incurred in the nine months ended December 31, 2017 and were \$1,275,896 during the three months ended December 31, 2018, compared with \$1,351,703 incurred in the three months ended December 31, 2017. The decrease in the expenses in the current year periods can be primarily attributed to reduced discovery and pre-clinical expenses due to work ongoing and completed in the prior year related to the development of MDNA57as well as lower clinical trial costs due to reduced consulting costs, clinical supplies and CRO fees due to nearing the end of the clinical study and general cost containment. Finally, the variance in recoveries from CPRIT contributed to the changes in net loss of \$905,585 in the three months and \$3,824,293 in the nine months ended December 31, 2018 compared with \$1,884,820 in the three months and \$3,334,424 in the nine months ended December 31, 2017.

#### General and Administrative Expenses

General and administrative ("G&A") expenses of \$437,218 were incurred in the three months and \$1,295,132 in the nine months ended December 31, 2018, compared with \$824,007 in the three months and \$1,894,230 in the nine months ended December 31, 2017. The decrease in G&A expenses period over period is attributed primarily to lower stock based compensation costs due to timing of grants as well as a lower number of option grants in the current year periods, reduced legal expenses in the current year periods due to expenses related to the graduation from the TSXV to TSX as well as the OTC listing incurred in the prior year periods and lower salary and benefit costs due to headcount reductions and a bonus accrual in the prior year and no comparable accrual in the current year periods.

*Selected Consolidated Financial Information:*

### Medicenna Therapeutics Corp.

#### Condensed Consolidated Interim Statement of Operations (unaudited)

(Expressed in Canadian Dollars)

	<b>3 months ended</b>	3 months ended	<b>9 months ended</b>	9 months ended
	<b>December 31,</b>	December 31,	<b>December 31,</b>	December 31,
	<b>2018</b>	2017	<b>2018</b>	2017
	\$	\$	\$	\$
<b>Operating expenses</b>				
General and administration	<b>437,218</b>	824,007	<b>1,295,132</b>	1,894,230
Research and development	<b>1,275,896</b>	1,351,703	<b>2,356,683</b>	4,226,141
<b>Total operating expenses</b>	<b>1,713,114</b>	2,175,710	<b>3,651,815</b>	6,120,371
Interest income	<b>(1)</b>	(376)	<b>(102)</b>	(3,119)
Foreign exchange loss	<b>9,968</b>	5,688	<b>7,244</b>	37,694
	<b>9,967</b>	5,312	<b>7,142</b>	34,575
<b>Net loss for the period</b>	<b>(1,723,081)</b>	(2,181,022)	<b>(3,658,957)</b>	(6,154,946)

<b>Basic and diluted loss per share for the period(0.07)</b>	(0.09)	<b>(0.15)</b>	(0.25)
<b>Weighted average number of common shares outstanding</b>	<b>25,012,920</b>	24,344,048	<b>24,723,592</b>
			24,334,108

The press release, the financial statements and the management's discussion and analysis for the quarter ended December 31, 2018 will be available on SEDAR at [www.sedar.com](http://www.sedar.com)

#### **About Medicenna**

Medicenna is a clinical stage immunotherapy company developing novel highly selective versions of IL-2, IL-4 and IL-13 Superkines and first in class Empowered Cytokines™ (ECs). Our mission is to become the leader in the development and commercialization of ECs and Superkines for the treatment of a broad range of cancers and immune-mediated diseases. MDNA55 is Medicenna's lead EC currently enrolling in a multi-centre Phase 2 clinical trial for the treatment of recurrent glioblastoma (rGBM), the most common and uniformly fatal form of brain cancer. MDNA55 has secured Orphan Drug Status from the United States Food and Drug Administration (FDA) and the European Medicines Agency as well as Fast Track Designation from the FDA for the treatment of rGBM. For more information, please visit [www.medicenna.com](http://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 with respect to the ongoing development of MDNA55 and MDNA109, the timelines associated with the MDNA55 clinical trials included enrolment and top line interim results and objectives of the Company, 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 26, 2018 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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