Medicenna Announces March 31, 2020 Year-End Results

May 15, 2020

TORONTO and HOUSTON, May 15, 2020 /CNW/ - Medicenna Therapeutics Corp. ("**Medicenna**" or the "**Company**") (TSX: MDNA, OTCQB: MDNAF), a clinical stage immunotherapy company, today announced its operational and financial results for the year ended March 31, 2020.

"Fiscal 2020 was a year of considerable accomplishment on all fronts for Medicenna. We had promising non-human primate pre-clinical data with our IL-2 Superkine Platform, solid results from our Phase 2b clinical trial for MDNA55 and successful financings at higher prices than earlier offerings with gross proceeds of over $47 million establishing a solid balance sheet to meet our next set of milestones," said Dr. Fahar Merchant, President and CEO of Medicenna.

"We are well-positioned for continued success in calendar 2020 and 2021, as we plan to submit our end of phase 2 (EoP2) meeting package to the FDA this quarter, expect input from the agency in calendar Q3 and planned listing on Nasdaq calendar Q4. We also expect to complete our IND enabling studies for our MDNA109 Superkine Platform by Q1 of calendar year 2021" adds Dr. Merchant. "While we are proud of what we've achieved thus far, we believe that the best is yet to come."

Program highlights for the year ended March 31, 2020, along with recent developments, include:

MDNA55: Recurrent Glioblastoma Program

- On April 30, 2019, completed enrolment in the MDNA55 Phase 2b clinical study for the treatment of recurrent glioblastoma ("rGBM").

- On June 3, 2019 a poster entitled "MDNA55: A Locally Administered IL4 Guided Toxin as a Targeted Treatment for Recurrent Glioblastoma" was presented at the 55th Annual Meeting of ASCO. The presentation by Dr. Dina Randazzo, of Duke University School of Medicine and a Principal Investigator, focused on the development of a new biomarker test for the IL4R that may enable better selection and superior treatment outcomes for patients with rGBM.

- On June 18, 2019, Dr. Fahar Merchant presented results from the MDNA55 clinical trial at the Inaugural Immuno-Oncology Pharma Congress. The presentation highlighted disease control in up to 83% of the patients according to Immunotherapy Response Assessment in Neuro-Oncology criteria which measure tumor response relative to the largest tumor size post-treatment (nadir). In addition, safety data from the Phase 2b clinical trial show a similar safety profile to previous MDNA55 trials, with no systemic toxicities, no clinically significant laboratory abnormalities and no drug-related deaths.

- On November 21, 2019, Medicenna announced new positive results on drug distribution MDNA55 clinical trial. Implementing new advances in convection enhanced delivery ("CED"), that were previously not available allows us to bypass the blood-brain barrier and deliver high concentrations of MDNA55 directly to the tumor and the at-risk area immediately surrounding it, without exposure to the rest of the body.

- On November 25, 2019, Medicenna announced the presentation of updated MDNA55 clinical results by Dr. John Sampson at the 24th Society for Neuro-Oncology ("SNO") annual meeting. Dr. Sampson discussed updated efficacy results from the clinical trial using the IL4R as an immunotherapy target.

- On January 13, 2020, Medicenna announced results from a retrospective study of subjects with rGBM who matched eligibility requirements of subjects enrolled in the MDNA55-05 clinical trial (Synthetic Control Arm, "SCA") receiving standard therapies and compared their survival versus subjects treated with MDNA55, in the Phase 2b rGBM clinical. The SCA comprised 81 rGBM patients receiving standard therapies with similar baseline features as patients treated in the MDNA55 trial. When comparing IL4R High groups across the two populations, a 150% survival advantage is seen in patients who received MDNA55.

- Subsequent to the year end, on May 4, 2020, Medicenna announced the upcoming presentation at the American Society of Clinical Oncology ("ASCO") Virtual Scientific Program to be held from May 29 to May 31, 2020. An abstract on our MDNA55 rGBM program has been selected for a poster discussion and will provide new data on tumor response as well as survival outcomes compared to a matched SCA.

MDNA11 and MDNA19 IL-2 Superkine Platform

- On June 20, 2019, Medicenna presented a poster entitled "Engineering a long-acting CD122 biased IL-2 superkine displaying potent anti-tumoral responses". The presentation highlighted that MDNA19, when combined with checkpoint inhibitors (a) demonstrated durable tumor control with strong memory response; (b) enhancing activation of naive CD8 T cells and NK cells (responsible for attacking tumor cells) and (c) attained long term tumor control with fewer treatment cycles and a less frequent dosing regimen.

- On September 26, 2019, Medicenna announced the publication of a peer-reviewed article in the August 2019 edition of Nature Communications providing independent third-party validation of Medicenna's IL-2 Superkine platform, MDNA109.

- On September 30, 2019, Medicenna announced the presentation of new preclinical data from our IL-2 Superkine program to support the differentiating characteristics of long-acting MDNA109 variants and their potency in vitro and in vivo from other long-acting IL-2 programs.

- On March 25, 2020, Medicenna presented preclinical data, including non-human primate ("NHP") data from its IL-2 Superkine program (lead candidates MDNA19 and MDNA11), highlighting data from the long-acting variant MDNA19, engineered to have enhanced binding to CD122 without binding to CD25. This allows MDNA19 to specifically activate naive CD8 T cells and NK cells with minimal stimulation of regulatory T cells, thereby circumventing toxicity and demonstrating potential for best-in-class features which was supported by the NHP data.

- Subsequent to the year end, on May 4, 2020, Medicenna announced the upcoming presentation at the ASCO Virtual Scientific Program to be held from May 29 to May 31, 2020. An abstract will present preclinical data including non-human primate data for MDNA11, one of the MDNA109 platform candidates.

Operational Highlights

- On May 1, 2019 and July 9, 2019, Medicenna received amounts of US$757,940 and US$1,915,372, respectively, from CPRIT for reimbursement of past expenses.

- On September 24, 2019, we announced the appointment of Ms. Karen Dawes to our Board of Directors. Ms. Dawes is an experienced and highly regarded leader in the life sciences industry with extensive strategic expertise and considerable commercial background.

- On October 17, 2019, Medicenna completed a public offering raising total gross proceeds of $6,900,000. The Company issued 5,307,693 units at a price of $1.30, each such unit consisting of one common share and one-half common share purchase warrant. Each such whole warrant is exercisable at a price of $1.75 until October 17, 2022.

- On March 17, 2020, the Company closed a public offering of 11,290,323 common shares at a price of $3.10 per share for gross proceeds of approximately $35 million (the "2020 Public Offering") and subsequent to the year end, On April 15, 2020, Medicenna announced the closing of the full over-allotment option to purchase an additional 1,693,548 common shares of Medicenna at a price of $3.10 per share, in connection with the 2020 Public Offering for total gross proceeds of $40.25 million.

Upcoming Milestones

Medicenna will focus on achieving the following milestones in the upcoming quarters:

- Meeting with the US FDA to discuss the development path forward for MDNA55. It is currently anticipated this meeting will be held in Q3 calendar 2020.

- Initiation of IND enabling studies for MDNA109 Superkine Platform (MDNA19 or MDNA11) in Q4 of calendar 2020.

- Completion of a US listing in Q4 calendar 2020.

- Initiation of Phase 1 clinical study for MDNA109 Superkine Platform (MDNA19 or MDNA11) in mid-2021.

Annual Financial Results

Net loss for the year ended March 31, 2020 was $8,277,069, or $0.26 per share, compared to a loss of $4,708,031, or $0.18 per share, for the year

ended March 31, 2019. The increase in net loss for the year ended March 31, 2020 compared with the year ended March 31, 2019 was primarily a result of a lower amount of costs reimbursed under the Cancer Prevention and Research Institute of Texas ("CPRIT") grant in the current year of $1,076,538 compared with $5,646,227 in the prior year and an increase in spending on discovery and preclinical expenses associated with the development of the MDNA109 platform (MDNA11 and MDNA19).

Research and development expenses of $5,869,588 were incurred during the year ended March 31, 2020, compared with $3,017,997 incurred in the year ended March 31, 2019. The increase in expenses in the current year is primarily attributable to: increased regulatory costs associated with preparation for the EOP2 meeting, higher discovery and preclinical expenses associated with the development of the MDNA109 platform (MDNA11 and MDNA19) as we advance it towards the clinic, increased travel and administrative costs associated with closing clinical sites, program symposium and the EOP2 meeting. In addition a lower reimbursement of expenses with respect to the CPRIT grant of $951,166 in the year ended March 31, 2020, compared with $5,140,039 in the year ended March 31, 2019 contributed to the increase. These increases were partially offset by no amortization related to the research & development warrant which was fully amortized in the prior year as well as lower clinical trial costs due to completion of enrolment in the Phase 2b rGBM clinical study and the wind down of the study.

General and administrative expenses of $2,375,211 were incurred during the year ended March 31, 2020, compared with $1,709,286 during the year ended March 31, 2019. The increase in expenditures year over year is primarily attributed to lower amounts of expenses eligible for reimbursement from CPRIT in the current year as well as higher facilities and operations expenses associated with office rent and relocation costs as well as higher corporate communications expenses in the current year due to higher levels of activity. Stock based compensation expense increased in the year ended March 31, 2020 compared with the prior year due to the timing of grants as well as higher Black Scholes values of current year grants.

Medicenna had cash, cash equivalents and marketable securities of $37,700,202 at March 31, 2020. Subsequent to the fiscal year-end additional gross proceeds of $5,249,998 was raised through the exercise of overallotment noted above. These funds provide the Company with sufficient capital to late 2022 based on its current plans and projections.

Medicenna's audited annual consolidated financial statements for the year ended March 31, 2020 and the related management's discussion and analysis (MD&A) will be available on SEDAR at www.sedar.com

About Medicenna Therapeutics Corp.
Medicenna is a clinical stage immunotherapy company focused on the development of novel, highly selective versions of IL-2, IL-4 and IL-13 Superkines and first in class Empowered Cytokines™ (ECs) for the treatment of a broad range of cancers. Medicenna's lead IL4-EC, MDNA55, has completed a Phase 2b clinical trial for rGBM, the most common and uniformly fatal form of brain cancer. MDNA55 has been studied in five clinical trials involving 132 patients, including 112 adults with rGBM. MDNA55 has demonstrated compelling efficacy and has obtained Fast-Track and Orphan Drug status from the FDA and FDA/EMA respectively. Medicenna's long-acting IL2 Superkine assets, MDNA19 and MDNA11, are best-in-class next-generation IL-2's in development with superior CD122 binding without CD25 affinity and therefore preferentially stimulating cancer killing effector T cells and NK cells when compared to competing IL-2 programs. It is anticipated that MDNA19 or MDNA11 will be ready for the clinic in 2021. 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", "believes" and similar expressions. All statements other than statements of historical fact, included in this release, including, without limitation, statements related to Medicenna being well-positioned for continued success in calendar 2020 and 2021, that Medicenna will submit an end of phase 2 meeting package to the FDA in Q2 calendar 2020, that a Nasdaq listing will be completed in calendar Q4, that IND enabling studies for the MDNA109 Superkine Platform will be initiated in Q4 of calendar 2020 and completed by Q1 of calendar year 2021, that the best is yet to come, that the Initiation of a Phase 1 clinical study for MDNA109 Superkine Platform (MDNA19 or MDNA11) will occur in mid-2021 and the future plans 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 May 14, 2020 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 and that study results could change over time as the study is continuing to follow up all patients and new data are continually being received which could materially change study results. 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.

SOURCE Medicenna Therapeutics Corp.

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