



Interim Condensed Consolidated Financial Statements of

**Medicenna Therapeutics Corp.**

(Expressed in Canadian Dollars)

For the three months ended June 30, 2024

# Medicenna Therapeutics Corp.

Interim Condensed Consolidated Statements of Financial Position

(Expressed in thousands of Canadian Dollars, except for share and per share amounts)

	June 30, 2024	March 31, 2024
	\$	\$
<b>Assets</b>		
Current assets		
Cash and cash equivalents (Note 3)	35,629	16,982
Prepays and deposits	1,121	931
Other receivables (Note 4)	1,192	1,164
	<u>37,942</u>	<u>19,077</u>
Property and equipment	28	-
Intangible assets	55	57
	<u>38,025</u>	<u>19,134</u>
<b>Liabilities</b>		
Current liabilities		
Accounts payable and accrued liabilities (Note 5,12)	4,024	2,863
	<u>4,024</u>	<u>2,863</u>
Warrant derivative (Note 9)	11,120	11,080
	<u>15,144</u>	<u>13,943</u>
<b>Shareholders' Equity</b>		
Common shares (Note 6)	112,652	100,924
Pre-funded warrants (Note 6)	9,857	-
Contributed surplus (Note 7,8)	10,440	10,695
Accumulated other comprehensive income	16	19
Deficit	(110,084)	(106,447)
	<u>22,881</u>	<u>5,191</u>
	<u>38,025</u>	<u>19,134</u>

Approved by the Board

/s/ Albert Beraldo Director

/s/ Karen Dawes Director

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

# Medicenna Therapeutics Corp.

Interim condensed Consolidated Statements of Loss and Comprehensive Loss  
(Expressed in thousands of Canadian Dollars, except for share and per share amounts)

	Three months ended June 30, 2024	Three months ended June 30, 2023
	\$	\$
<b>Operating expenses</b>		
General and administration (Note 13)	1,258	1,647
Research and development (Note 13)	2,782	2,812
<b>Total operating expenses</b>	<b>4,040</b>	4,459
Finance income	(330)	(346)
Change in fair value of warrant derivative (Note 9)	40	(1,747)
Foreign exchange (gain) loss	(113)	496
	<b>(403)</b>	(1,597)
<b>Net loss for the period</b>	<b>(3,637)</b>	(2,862)
Cumulative translation adjustment	(3)	(20)
Comprehensive loss for the period	<b>(3,640)</b>	(2,882)
<b>Basic and diluted loss per share</b>	(0.05)	(0.04)
<b>Weighted average shares outstanding (Note 6)</b>	<b>73,622,725</b>	69,637,469

*The accompanying notes are an integral part of these interim condensed consolidated financial statements.*

# Medicenna Therapeutics Corp.

Interim Condensed Consolidated Statements of Cash Flows  
(Expressed in thousands of Canadian Dollars)

	Three months ended June 30, 2024	Three months ended June 30, 2023
	\$	\$
<b>Operating activities</b>		
Net loss for the period	(3,637)	(2,862)
Items not involving cash		
Depreciation	5	1
Stock based compensation	433	296
Unrealized foreign exchange	(112)	493
Accrued interest	-	(29)
Change in fair value of warrant derivative (Note 9)	40	(1,747)
Changes in non-cash working capital		
Other receivables and deposits	(218)	947
Accounts payable and accrued liabilities	1,161	(567)
	<b>(2,328)</b>	<b>(3,468)</b>
<b>Investing activities</b>		
Purchase of property and equipment	(31)	-
	<b>(31)</b>	<b>-</b>
<b>Financing activities</b>		
Issuance of share capital and prefunded warrants, net of issuance costs (Note 6)	19,714	-
Warrant and option exercises	1,183	-
	<b>20,897</b>	<b>-</b>
Effect of foreign exchange on cash and cash equivalents	109	(513)
Net increase (decrease) in cash and cash equivalents	18,647	(3,981)
Cash and cash equivalents, beginning of period	16,982	33,596
<b>Cash and cash equivalents, end of period</b>	<b>35,629</b>	<b>29,615</b>

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# Medicenna Therapeutics Corp.

Interim Condensed Consolidated Statements of Changes in Shareholders' Equity

(Expressed in thousands of Canadian Dollars, except for share and per share amounts)

	Common shares issued and outstanding		Pre-funded warrants		Contributed surplus	Accumulated other comprehensive income	Deficit	Total shareholders' equity
	Number	Amount	Number	Amount				
	#	\$	#	\$	\$	\$	\$	\$
<b>Balance, March 31, 2023</b>	<b>69,637,469</b>	<b>100,924</b>	-	-	<b>9,486</b>	<b>57</b>	<b>(80,981)</b>	<b>29,486</b>
Stock based compensation	-	-	-	-	296	-	-	296
Cumulative translation adjustment	-	-	-	-	-	(20)	-	(20)
Net loss for the period	-	-	-	-	-	-	(2,862)	(2,862)
<b>Balance, June 30, 2023</b>	<b>69,637,469</b>	<b>100,924</b>	-	-	<b>9,782</b>	<b>37</b>	<b>(83,843)</b>	<b>26,900</b>
<b>Balance, March 31, 2024</b>	<b>69,637,469</b>	<b>100,924</b>	-	-	<b>10,695</b>	<b>19</b>	<b>(106,447)</b>	<b>5,191</b>
Stock based compensation	-	-	-	-	433	-	-	433
Issuance of common stock, net of issuance costs	5,141,388	9,883	-	-	-	-	-	9,883
Issuance of pre-funded warrants, net of issuance costs	-	-	5,141,388	9,831	-	-	-	9,831
Warrant and option exercises	1,653,929	1,871	-	-	(688)	-	-	1,183
Cumulative translation adjustment	-	-	-	-	-	(3)	-	(3)
Net loss for the period	-	-	-	-	-	-	(3,637)	(3,637)
<b>Balance, June 30, 2024</b>	<b>76,432,786</b>	<b>112,678</b>	<b>5,141,388</b>	<b>9,831</b>	<b>10,440</b>	<b>16</b>	<b>(110,084)</b>	<b>22,881</b>

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

# Medicenna Therapeutics Corp.

Notes to the Interim Condensed Consolidated Financial Statements

For the three months ended June 30, 2024 and 2023

(Tabular amounts expressed in thousands of Canadian Dollars, except for share and per share amounts)

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## 1. Nature of business and liquidity

The Company's principal business activity is the development and commercialization of IL-2, IL-4 and IL-13 Superkines and Empowered Superkines for the treatment of cancer, inflammation and immune-mediated diseases. Medicenna has four wholly owned subsidiaries, Medicenna Therapeutics Inc. ("MTI") (British Columbia), Medicenna Biopharma Inc. ("MBI") (Delaware), Medicenna Biopharma Inc. ("MBIBC") (British Columbia) and Medicenna Australia PTY Ltd ("MAL") (Australia). Medicenna is traded on the Toronto Stock Exchange under the symbol "MDNA". As at June 30, 2024, the head and registered office is located at 2 Bloor St W, 7<sup>th</sup> Floor, Toronto, Ontario, Canada.

Since inception, the Company has devoted its resources to funding research and development ("R&D") programs, including securing intellectual property rights and licenses, conducting discovery research, manufacturing drug supplies, initiating preclinical and clinical studies, submitting regulatory dossiers and providing administrative support to R&D activities, which has resulted in an accumulated deficit of \$110.0 million as of June 30, 2024. With current finance income only consisting of interest earned on excess cash, cash equivalents and marketable securities, losses are expected to continue while the Company's R&D programs are advanced.

At present, the Company does not earn any revenues from product candidates and is therefore considered to be in the development stage. As required, the Company will continue to finance its operations through the sale of equity or non-dilutive funding sources. The continuation of the Company's research and development activities for bizaxofusp (formerly MDNA55), MDNA11 and the BiSKITs™ platform and the commercialization of bizaxofusp is dependent upon the ability to successfully finance and complete research and development programs through a combination of equity financing and revenues from strategic partners. There is no guarantee of future financing or that research and development activities associated with bizaxofusp, MDNA11 and the BiSKITs platform will be successful, which may require a change in plans of the Company.

Management has forecasted that the Company's current level of cash, including the proceeds from the financing described in note 6, will be sufficient to execute its current planned expenditures through mid-2026.

## 2. Basis of presentation and material accounting policies

### a) *Statement of compliance*

These interim condensed consolidated financial statements ("financial statements") have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS").

The financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's audited financial statements for the year ended March 31, 2024.

The financial statements were approved by the Company's Board of Directors and authorized for issue on July 31, 2024.

### b) *Principles of Consolidation*

These consolidated financial statements include the accounts of the Company and its wholly owned Subsidiaries MTI, MBI, MAL, and MBIBC (British Columbia, Inactive). Subsidiaries are fully consolidated from the date at which control is determined to have occurred and are deconsolidated from the date that the Company no longer controls the entity. The financial statements of the subsidiaries are prepared for the same reporting period as the Company using consistent accounting policies. Intercompany transactions, balances, and gains and losses on transactions between subsidiaries are eliminated.

### c) *Functional and presentation currency*

The functional currency of an entity and its subsidiary is the currency of the primary economic environment in which the entity operates. The functional currency of the parent company is the Canadian dollar and the functional currency of MBI is the US dollar, the functional currency of MTI and MBI BC is the Canadian dollar, the functional currency of MAL is the Australian dollar, and the presentation currency of the parent company is the Canadian dollar.

# Medicenna Therapeutics Corp.

Notes to the Interim Condensed Consolidated Financial Statements

For the three months ended June 30, 2024 and 2023

(Tabular amounts expressed in thousands of Canadian Dollars, except for share and per share amounts)

## d) Significant accounting judgments, estimates and assumptions

The preparation of these unaudited interim condensed consolidated financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities at the date of the unaudited condensed consolidated interim financial statements and reported amounts of revenues and expenses during the reporting period. Actual outcomes could differ from these estimates.

The unaudited interim condensed consolidated financial statements include estimates, which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the unaudited interim condensed consolidated financial statements and may require accounting adjustments based on future occurrences. The estimates and underlying assumptions are reviewed on a regular basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

The accompanying unaudited interim condensed consolidated financial statements are prepared in accordance with IFRS and follow the same accounting policies and methods of application as the audited consolidated financial statements of the Company for the year ended March 31, 2024. They do not include all of the information and disclosures required by IFRS for annual financial statements. In the opinion of management, all adjustments considered necessary for fair presentation have been included in these unaudited condensed consolidated interim financial statements. Operating results for the three months ended June 30, 2024 are not necessarily indicative of the results that may be expected for the full year ended March 31, 2025. For further information, see the Company's audited consolidated financial statements including notes thereto for the year ended March 31, 2024.

## 3. Cash and cash equivalents

Cash and cash equivalents consist of the following:

	June 30, 2024	March 31, 2024
	\$	\$
Cash held at banks	3,990	5,782
Short term cashable instruments	31,639	11,200
	<b>35,629</b>	<b>16,982</b>

## 4. Other receivables

	June 30, 2024	March 31, 2024
	\$	\$
Investment tax credits receivable	984	984
Sales tax receivable	208	180
	<b>1,192</b>	<b>1,164</b>

### Refundable Tax

The Company is entitled to receive \$1.0 million through the Australian R&D incentive program relating to the year ended March 31, 2024 (March 31, 2023 - \$0.7 million). The amount receivable is recorded as a reduction in research and development expenses in the year ended March 31, 2024.

## 5. Accounts payable and accrued liabilities

	June 30, 2024	March 31, 2024
	\$	\$
Trade payables	3,534	2,070
Accrued liabilities	490	793
	<b>4,024</b>	<b>2,863</b>

# Medicenna Therapeutics Corp.

Notes to the Interim Condensed Consolidated Financial Statements

For the three months ended June 30, 2024 and 2023

(Tabular amounts expressed in thousands of Canadian Dollars, except for share and per share amounts)

## 6. Share capital and pre-funded warrants

### Authorized

The authorized share capital of the Company consists of an unlimited number of common shares.

### Equity Issuances

#### *Three months ended June 30, 2024*

On April 30, 2024, the Company closed a \$20 million financing through a private placement with RA Capital Management ("RA"), a multi-stage investment manager based in Boston, MA, by way of a non-brokered private placement (the "Offering"). Pursuant to the terms of the Offering, RA subscribed for 5,141,388 common shares in the capital of the Company (the "Shares") at a price of CA\$1.95 per share and 5,141,388 pre-funded common share purchase warrants (the "Pre-funded Warrants") to purchase 5,141,388 common shares at a purchase price of CA\$1.94 per pre-funded warrant with no expiry date, for gross proceeds of \$20 million.

The costs associated with the Offering were \$0.3 million which consisted of legal and regulatory costs and were allocated to share capital and prefunded warrants based on the relative investment amounts.

#### *Year ended March 31, 2024*

None

### **Calculation of loss per share**

Loss per common share is calculated using the weighted average number of common shares outstanding. For the period ended June 30, 2024, and 2023, the calculation was as follows:

	<b>Three months ended June 30, 2024</b>	<b>Three months ended June 30, 2023</b>
Common shares issued and outstanding, beginning of period	69,637,469	69,637,469
Common shares issued from private placement	3,446,425	-
Exercise of Options and Warrants	538,831	-
<b>Weighted average common shares issued and outstanding, end of period</b>	<b>73,622,725</b>	69,637,469

The effect of any potential exercise of the Company's stock options, pre-funded warrants and warrants outstanding during the year has been excluded from the calculation of diluted loss per common share as it would be anti-dilutive.

## 7. Warrants

Warrants have been issued as part of equity financings. The pre-funded warrants are defined in Note 6 above and are listed separately on the Statement of Financial Position and on the Statement of Changes to Equity and are excluded from the tables below.

The following is a summary of changes in warrants:

	<b>Number of Warrants #</b>	<b>Weighted average exercise price \$</b>
<b>Warrants outstanding at March 31, 2023 and June 30, 2023</b>	<b>16,185,386</b>	<b>2.23</b>
Warrants expired during the period	(200,000)	1.20
<b>Warrants outstanding at March 31, 2024</b>	<b>15,985,386</b>	<b>2.25</b>
Warrants exercised during the period	(847,767)	1.40
<b>Warrants outstanding at June 30, 2024</b>	<b>15,137,619</b>	<b>2.30</b>



# Medicenna Therapeutics Corp.

Notes to the Interim Condensed Consolidated Financial Statements

For the three months ended June 30, 2024 and 2023

(Tabular amounts expressed in thousands of Canadian Dollars, except for share and per share amounts)

During the three months ended June 30, 2024, there were 847,767 warrants exercised for proceeds of \$1,184.

There were no warrants exercised during the year ended March 31, 2024. There were 200,000 warrants that expired held by insiders which were ineligible for extension.

At June 30, 2024, the following warrants were outstanding and exercisable:

Number of Warrants #	Exercise Price \$	Expiry Date	Remaining Average Life (years)
1,246,035	1.75	October 17, 2024	0.3
558,250	1.20	July 31, 2024	0.1
13,333,334	US 1.85	August 9, 2027	3.1
<b>15,137,619</b>			<b>2.8</b>

On July 5, 2023, the warrants issued on October 17, 2019, in correlation with a public offering, were due to expire on July 17, 2023 and were extended to October 17, 2024.

On December 20, 2023, 1,303,000 warrants issued on December 21, 2018 were due to expire on December 21, 2023 and were extended to July 31, 2024.

## 8. Stock options

There were no stock options granted during the three months ended June 30, 2024.

During the three months ended June 30, 2023, the Company granted 79,000 stock options at an average exercise price of \$0.67 per share. 79,000 options were granted to advisors of the Company at a price of \$0.67 and vest 50% upon issuance and 50% after 1 year and have a five-year life.

Changes to the stock option balance during the three months ended June 30, 2024 and 2023 are as follows:

	Number of options #	Weighted average exercise price \$
<b>Balance outstanding at March 31, 2023</b>	<b>5,610,353</b>	<b>\$ 1.84</b>
Granted	79,000	0.67
<b>Balance outstanding at June 30, 2023</b>	<b>5,689,353</b>	<b>\$ 1.82</b>
Granted	5,104,000	0.53
Expired	(700,000)	1.35
Forfeited	(1,792,463)	0.79
<b>Balance outstanding at March 31, 2024</b>	<b>8,221,890</b>	<b>1.28</b>
Exercised	(1,085,000)	0.72
Forfeited	(10,000)	0.96
<b>Balance outstanding at June 30, 2024</b>	<b>7,126,890</b>	<b>1.39</b>

The following table summarizes information about stock options outstanding at June 30, 2024:

Exercise Price \$	Options Outstanding			Options Exercisable	
	Options #	Weighted average remaining contractual life (years)	Weighted average exercise price \$	Options #	Weighted average exercise price \$
0.38-1.99	5,085,851	6.2	0.92	2,743,333	1.03
2.00-2.99	1,379,000	2.8	2.03	1,379,000	2.03
3.00-5.19	662,039	5.4	3.74	555,735	3.86
	<b>7,126,890</b>	<b>5.4</b>	<b>1.39</b>	<b>4,678,068</b>	<b>1.66</b>

# Medicenna Therapeutics Corp.

Notes to the Interim Condensed Consolidated Financial Statements

For the three months ended June 30, 2024 and 2023

(Tabular amounts expressed in thousands of Canadian Dollars, except for share and per share amounts)

## 9. Warrant Derivative

On August 11, 2022, pursuant to an underwritten public offering, 13,333,334 units were sold at a purchase price of US\$1.50 per unit for gross proceeds of US\$20.0 million (\$25.6 million). Each unit included one common share and one common share purchase warrant. Each common share purchase warrant entitles the holder to purchase one common share at an exercise price of US\$1.85 until August 9, 2027. The Company incurred transaction costs of \$2.2 million (US\$1.7 million) of which \$1.6 million (US\$1.2 million) were allocated to share issue costs and \$0.6 million (US\$0.5 million) were allocated to operating expenses, based on their relative fair values.

Under IFRS 9 Financial Instruments and IAS 32 Financial Instruments: Presentation, warrants with an exercise price denominated in a currency that differs from an entity's functional currency are treated as a derivative measured at fair value with subsequent changes in fair value accounted for through the consolidated statement of loss. The \$US denominated warrants issued by the Company meet this requirement and have therefore been presented as a non-current liability on the consolidated statement of financial position. Upon exercise, the recorded liability will be included in share capital along with the proceeds from the exercise. If these warrants expire, the related liability is reversed through the consolidated statement of loss. There is no cash flow impact as a result of the accounting treatment for changes in the fair value of the warrant derivative or when warrants expire unexercised.

Estimating the fair value of the warrant derivative requires determining the most appropriate valuation model which is dependent on the terms and conditions of the issuance. This estimate also requires determining the most appropriate inputs to the valuation model, including the expected life of the warrant derivative, expected share price volatility and expected dividend yield and making assumptions about them.

A reconciliation of the change in fair value of the warrant derivative is as follows:

	Fair value of Warrant Derivatives \$
Balance, March 31, 2023	3,160
Change in fair value of warrant derivative	8,032
Foreign exchange loss	(112)
Balance, March 31, 2024	11,080
Change in fair value of warrant derivative	55
Foreign exchange loss	(15)
<b>Balance, June 30, 2024</b>	<b>11,120</b>

Historical data is used to estimate the expected dividend yield and expected volatility of the Company's stock in determining the fair value of the warrants. The risk-free interest rate is based on U.S. Department of Treasury benchmark treasury yield rates in effect at the time of valuation and the expected life of the warrants represents the estimated length of time the warrants are expected to remain outstanding.

The following table summarizes the key assumptions used in the Black-Scholes valuation of the warrant derivative at June 30, 2024.

	June 30, 2024	March 31, 2023
Exercise price of warrants (US \$1.85)	\$2.53	\$2.50
Underlying share price	\$2.02	\$1.87
Risk free interest rate	4.75%	5.00%
Expected hold period to exercise	1.25 years	1.50 years
Expected share price volatility	109%	109%
Expected dividend yield	Nil	Nil

# Medicenna Therapeutics Corp.

Notes to the Interim Condensed Consolidated Financial Statements

For the three months ended June 30, 2024 and 2023

(Tabular amounts expressed in thousands of Canadian Dollars, except for share and per share amounts)

The following table summarizes the outstanding warrant derivative for the period ended June 30, 2024:

Exercise Price	Outstanding Beginning of the period	Granted during the period	Outstanding, End of the period	Weighted Average Remaining Contractual Life (years)
US\$1.85	13,333,334	-	13,333,334	3.1

## 10. Government assistance

### *CPRIT assistance*

In February 2015, the Company received notice that it had been awarded a grant by the Cancer Prevention Research Institute of Texas ("CPRIT") whereby the Company was eligible to receive up to US\$14.1 million on eligible expenditures over a three-year period related to the development of the Company's phase 2b clinical program for bizaxofusp. Medicenna received the full US\$14.1 million from CPRIT and the grant is complete.

Under the terms of the grant, the Company is required to pay a royalty to CPRIT, comprised of 3-5% of revenues on net sales of bizaxofusp until aggregate royalty payments equal 400% of the grant funds received at which time the ongoing royalty will be 0.5% of revenues. At this time the royalty is not determinable and therefore no liability has been recorded. In addition, the Company must maintain a presence in Texas for three years following completion of the grant.

## 11. Commitments

### *Intellectual property*

On August 21, 2015, the Company exercised its right to enter into two license agreements (the "Stanford License Agreements") with the Board of Trustees of the Leland Stanford Junior University ("Stanford"). In connection with this licensing agreement, the Company issued 649,999 common shares with a value of \$0.1 million to Stanford and affiliated inventors. The value of these shares has been recorded as an intangible asset that is being amortized over the life of the underlying patents. As at June 30, 2024, the Company's intangible assets have a remaining capitalized net book value of \$55 (March 31, 2024 - \$57).

The Company has entered into various license agreements with respect to accessing patented technology. In order to maintain these agreements, the Company is obligated to pay certain costs based on timing or certain milestones within the agreements, the timing of which is uncertain. These costs include ongoing license fees, patent prosecution and maintenance costs, royalty and other milestone payments. As at June 30, 2024, the Company is obligated to pay the following:

Contractual obligations	Less than			Total
	1 year	1-3 years	3-5 years	
Patent licensing and milestone costs	\$ 352	\$ 552	\$ 474	1,381

## 12. Related party disclosures

### *(a) Key management personnel*

Key management personnel, which consists of the Company's officers (President and Chief Executive Officer, Chief Financial Officer (current and former), former Chief Development Officer, former Chief Medical Officer and former Chief Scientific Officer) and directors, earned the following compensation for the following periods:

# Medicenna Therapeutics Corp.

Notes to the Interim Condensed Consolidated Financial Statements

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(Tabular amounts expressed in thousands of Canadian Dollars, except for share and per share amounts)

	Three months ended June 30, 2024	Three months ended June 30, 2023
	\$	\$
Salaries and wages	227	253
Board fees	76	78
Stock option expense	258	243
	<b>561</b>	<b>574</b>

*(b) Amounts payable to related parties*

As at June 30, 2024, the Company had trade and other payables in the normal course of business, owing to directors and officers of \$0.1 million, (March 31, 2024 - \$0.2 million) related to board fees and accrued vacation.

## 13. Components of expenses

	Three months ended June 30, 2024	Three months ended June 30, 2023
	\$	\$
<b>General and Administration Expenses</b>		
Public company expenses	560	1,070
Salaries and benefits	289	264
Stock based compensation	288	160
Facilities and operations	116	152
Depreciation expense	5	1
	<b>1,258</b>	<b>1,647</b>

	Three months ended June 30, 2024	Three months ended June 30, 2023
	\$	\$
<b>Research and Development Expenses</b>		
Clinical	1,040	697
Salaries and benefits	616	500
Discovery and pre-clinical	597	517
Licensing, patent, legal fees and royalties	209	415
Chemistry, manufacturing, and controls	108	496
Stock based compensation	145	135
Regulatory	10	27
Other research and development expenses	57	25
	<b>2,782</b>	<b>2,812</b>

## 14. Subsequent event

Subsequent to year end, 365,000 warrants with a strike price of \$1.20 were exercised for proceeds of \$0.4 million.