

ASX RELEASE

30 July 2018

4C Quarterly Cash Flow Report

Innate Immunotherapeutics Limited (ASX Code: IIL) has today released its Appendix 4C – Quarterly Cashflow report for the period ended 30 June 2018.

The cash balance as at 30 June 2018 was \$2,037,000. Cash outflows during the quarter totalled \$420,000 offset by a cash refund of \$225,000 received from the Clinical Research Organisation responsible for the management of the Company's Phase 2B trial last year. Overall, the cash balance decreased by a net \$192,000 from the end of the previous quarter.

The total estimated cash outflow for the quarter ending 30 September is \$410,000. This is a net amount after taking into account a R&D incentive payment of \$200,000 expected in September. This incentive payment offsets an expected \$174,000 research and development cash outflow during the quarter, resulting in a net R&D cash inflow of \$26,000.

During the quarter, the Company completed the acquisition of 100% of the issued capital of Amplia Therapeutics Pty Limited in consideration for the issue of 18,460,308 shares in Innate Immunotherapeutics. As a result of that transaction and a contemporaneous 1 for 10 share consolidation, the Company currently has 41,023,303 ordinary shares on issue.

As a result of the Amplia acquisition, the Innate Immunotherapeutics now controls the development of Amplia's focal adhesion kinase inhibitor drug candidates AMP-945 and AMP-886. The Company has commenced a work programme to ready AMP-945 for a Phase I clinical trial planned to take place in Australia during the first half of 2019.

- End

For Further Information

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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

Innate Immunotherapeutics Limited

ABN

16 165 160 841

Quarter ended ("current quarter")

30 June 2018

| Consolidated statement of cash flows | Current quarter \$A'000 | Year to date (3 months) \$A'000 |
|---|------------------------------------|--|
| 1. Cash flows from operating activities | | |
| 1.1 Receipts from customers | | |
| 1.2 Payments for | | |
| (a) research and development | | |
| (b) product manufacturing and operating costs | | |
| (c) advertising and marketing | | |
| (d) leased assets | | |
| (e) staff costs | <243> | <243> |
| (f) administration and corporate costs | <119> | <119> |
| 1.3 Dividends received (see note 3) | | |
| 1.4 Interest received | 4 | 4 |
| 1.5 Interest and other costs of finance paid | | |
| 1.6 Income taxes paid | | |
| 1.7 Government grants and tax incentives | | |
| 1.8 Other | | |
| Refund of trial deposits | 225 | 225 |
| Miscellaneous | <47> | <47> |
| 1.9 Net cash from / (used in) operating activities | <180> | <180> |

| Consolidated statement of cash flows | Current quarter \$A'000 | Year to date (3 months) \$A'000 |
|---|------------------------------------|--|
| 2. Cash flows from investing activities | | |
| 2.1 Payments to acquire: | | |
| (a) property, plant and equipment | <3> | <3> |
| (b) businesses (see item 10) | | |
| Amplia Therapeutics Pty Ltd (non-cash transaction) | | |
| (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) | | |
| 2.6 Net cash from / (used in) investing activities | <3> | <3> |

| | | |
|---|-------------------|-------------------|
| 3. Cash flows from financing activities | | |
| 3.1 Proceeds from issues of shares | | |
| 3.2 Proceeds from issue of convertible notes | | |
| 3.3 Proceeds from exercise of share options | | |
| 3.4 Transaction costs related to issues of shares, convertible notes or options | <12> | <12> |
| 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 | <12> | <12> |

| Consolidated statement of cash flows | Current quarter \$A'000 | Year to date (3 months) \$A'000 |
|---|------------------------------------|--|
| 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 | 2,229 | 2,229 |
| 4.2 Net cash from / (used in) operating activities (item 1.9 above) | <180> | <180> |
| 4.3 Net cash from / (used in) investing activities (item 2.6 above) | <3> | <3> |
| 4.4 Net cash from / (used in) financing activities (item 3.10 above) | <12> | <12> |
| 4.5 Effect of movement in exchange rates on cash held | 3 | 3 |
| 4.6 Cash and cash equivalents at end of quarter | 2,037 | 2,037 |

| 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 | 343 | 296 |
| 5.2 Call deposits | 1,694 | 1,933 |
| 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) | 2,037 | 2,229 |

| 6. Payments to directors of the entity and their associates | Current quarter \$A'000 |
|--|------------------------------------|
| 6.1 Aggregate amount of payments to these parties included in item 1.2 | 202 |
| 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 | |

This item includes payments to the CEO for remuneration (NZ\$61,923), a one-off retention payment (NZ\$132,346) and annual leave (NZ\$26,539) totalling NZ\$220,808 (i.e. A\$201,782) for the quarter.

| 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 (net of expected R&D incentive payment) | 26 |
| 9.2 Product manufacturing and operating costs | - |
| 9.3 Advertising and marketing | - |
| 9.4 Leased assets | - |
| 9.5 Staff costs | <132> |
| 9.6 Administration and corporate costs | <304> |
| 9.7 Other (provide details if material) | - |
| 9.8 Total estimated cash outflows | <410> |

| 10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above) | Acquisitions | Disposals |
|---|--|-----------|
| 10.1 Name of entity | Amplia Therapeutics Pty Ltd (Amplia) | |
| 10.2 Place of incorporation or registration | Victoria | |
| 10.3 Consideration for acquisition or disposal | Non-Cash – the consideration was paid by the issue of 18,460,308 shares in Innate Immunotherapeutics | |
| 10.4 Total net assets | Nil ¹ | |
| 10.5 Nature of business | The development of two Focal Adhesion Kinase (FAK) small molecule inhibitors (AMP886 and AMP945 - Drug Candidates) which also have potential applications in the field of combination therapies to treat a range of cancers. | |

1 Accounting book value of total net assets

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:



(Director/Company secretary)

Date: 30 July 2018

Print name:

Simon Wilkinson

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.