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Imunon, Inc.

(IMNN-NASDAQ)

IMNN: Preclinical Data Suggests Testing BiWeekly Dosing of IMNN-001…

Based on our probability adjusted DCF model that takes into account potential future revenues of IMNN-001 and the PLACCINE technology, IMNN is valued at $15/share. This model is highly dependent upon continued clinical success of the development candidates and will be adjusted accordingly based on future clinical results.

Current Price (05/17/23)	$1.26
Valuation	**$15.00**

OUTLOOK

On May 11, 2023, Imunon, Inc. (IMNN) announced financial results for the first quarter of 2023 and provided a business update. The company recently presented preclinical data on IMNN-001 at the 2023 AACR Annual Meeting that compared different dosing regimens in a mouse model of ovarian cancer. The results showed that once every two week dosing was superior to once every three week dosing, thus supporting the exploration of once every two week dosing in future human trials.

Imunon recently initiated a Phase 1/2 study of IMNN-001 in combination with bevacizumab in advanced ovarian cancer through a collaboration with Break *Through* Cancer. We anticipate 50 patients with Stage III/IV advanced ovarian cancer being enrolled in the trial. The company is also continuing work towards an IND for its COVID-19 vaccine, which we anticipate in the fourth quarter of 2023.

SUMMARY DATA

52-Week High	**$2.63**
52-Week Low	**$1.08**
One-Year Return (%)	**-51.54**
Beta	**2.08**
Average Daily Volume (sh)	**26,799**
Shares Outstanding (mil)	**9**
Market Capitalization ($mil)	**$11**
Short Interest Ratio (days)	**N/A**
Institutional Ownership (%)	**7**
Insider Ownership (%)	**5**
Annual Cash Dividend	**$0.00**
Dividend Yield (%)	**0.00**
5-Yr. Historical Growth Rates	
Sales (%)	**-0.5**
Earnings Per Share (%)	**N/A**
Dividend (%)	**N/A**
P/E using TTM EPS	**N/A**
P/E using 2021 Estimate	**-0.4**
P/E using 2022 Estimate	**-0.7**

Risk Level	**Above Avg.**
Type of Stock	**Small-Value**
Industry	**Med-Biomed/Gene**

ZACKS ESTIMATES

Revenue
(In millions of $)

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2022	0.1 A	0.1 A	0.1 A	0.1 A	0.5 A
2023	0.0 A	0.0 E	0.0 E	0.0 E	0.0 E
2024					0.0 E
2025					0.0 E

Earnings per Share

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2022	-$1.82 A	-$0.87 A	-$0.87 A	-$1.70 A	-$5.03 A
2023	-$0.68 A	-$0.70 E	-$0.72 E	-$0.76 E	-$2.86 E
2024					-$2.93 E
2025					-$2.94 E

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WHAT'S NEW

Business Update

Preclinical Data Suggests Testing BiWeekly Dosing of IMNN-001

In April 2023, Imunon, Inc. (IMNN) announced a poster presentation on IMNN-001 at the 2023 American Association for Cancer Research (AACR) Annual Meeting. A copy of the poster can be found here.

The purpose of the study was to investigate the dosing frequency of IMNN-001 and how it affected its anti-tumor activity in a mouse model of peritoneally disseminated ovarian cancer. Three dosing regimens were examined: weekly, every two weeks, or every three weeks. Results showed that tumor burden and mortality were similar between the weekly and once every two week regimens, which were both superior to the once every three week regimen. In addition, the every two week and every three week treatment regimens yielded similar T cell responses and both were higher than the every week treatment regimen. Taken together, these results show that IMNN-001 stimulates an immune response in this mouse model of ovarian cancer and the results support exploring the use of once every two week dosing of IMNN-001 in human studies.

IMNN-001 Combination Trial in Advanced Ovarian Cancer Underway

In February 2023, Imunon announced that patient enrollment had commenced in a Phase 1/2 clinical trial of IMNN-001 (formerly GEN-1) in combination with bevacizumab in patients with advanced ovarian cancer. The trial is being performed in collaboration with Break *Through* Cancer, a public foundation dedicated to empowering outstanding researchers and clinicians to interpret and find cures for some of the most difficult-to-treat cancers. The trial is expected to enroll 50 patients with Stage III/IV advanced ovarian cancer undergoing frontline neoadjuvant therapy who will be randomized 1:1 to receive standard chemotherapy vs. chemotherapy plus IMNN-001. The primary endpoint is detection of minimal residual disease (MRD) by second look laparoscopy (SLL) with a secondary endpoint of progression-free survival. The initial SLL data are anticipated approximately one year from the completion of enrollment and final PFS data are expected approximately three years from the completion of enrollment. Break *Through* Cancer will fund approximately two-thirds of the costs of the trial, with Imunon committed to providing approximately $2.0 million to $2.5 million in IMNN-001 product costs, data and safety monitoring, and project management services.

Financial Update

On May 11, 2023, Imunon announced financial results for the first quarter of 2023. As expected, the company did not report any revenue during the first quarter of 2023. R&D expenses in the first quarter of 2023 were $2.6 million compared to $3.1 million in the first quarter of 2022. The decrease was primarily due to lower costs associated with the OVATION 2 study along with a decrease in other clinical and regulatory costs. G&A expenses in the first quarter of 2023 were $3.1 million compared to $2.9 million for the first quarter of 2022. The increase was primarily due to higher professional fees and compensation expenses partially offset by lower non-cash stock based compensation.

As of March 31, 2022, Imunon had approximately $37.3 million in cash, cash equivalents, restricted cash, short-term investments, and interest receivable. We estimate that the company has sufficient capital to fund operations into 2025. Imunon currently has approximately 9.1 million common shares outstanding and, when factoring in stock options and warrants, a fully diluted share count of approximately 10.1 million.

Conclusion

Imunon has a strong balance sheet with projected capital to fund operations into 2025, which is important given the current volatility in the public equity markets. Over that time frame we anticipate a number of important catalysts, including additional interim data from the OVATION 2 trial, filing the IND for the SARS-CoV-2 vaccine, and additional proof-of-concept vaccine data. Our valuation currently stands at $15 per share.

PROJECTED FINANCIALS

Imunon, Inc.	2022 A	Q1 A	Q2 E	Q3 E	Q4 E	2023 E	2024 E	2025 E
GEN-1	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
SARS-CoV-2 Vaccine	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Other Income	$0.5	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Total Revenues	**$0.5**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**
CoGS	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
R&D	$11.7	$2.6	$3.0	$3.1	$3.3	$12.0	$13.5	$14.0
SG&A	$13.7	$3.1	$3.4	$3.5	$3.7	$13.7	$14.3	$14.5
Operating Income	($24.9)	($5.7)	($6.4)	($6.6)	($7.0)	($25.7)	($27.8)	($28.5)
Operating Margin	-	-	-	-	-	-	-	-
Interest & Other Income	($12.5)	$0.1	$0.0	$0.0	$0.0	$0.1	$0.0	$0.0
Pre-Tax Income	($37.5)	($5.6)	($6.4)	($6.6)	($7.0)	($25.6)	($27.8)	($28.5)
Taxes & Other	($1.6)	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Tax Rate	*0%*	*0%*	*0%*	*0%*	*0%*	*0%*	*0%*	*0%*
Net Income	($35.9)	($5.6)	($6.4)	($6.6)	($7.0)	($25.6)	($27.8)	($28.5)
Reported EPS	**($5.03)**	**($0.68)**	**($0.70)**	**($0.72)**	**($0.76)**	**($2.86)**	**($2.93)**	**($2.94)**
Weighted Shares Outstanding	7.1	8.3	9.1	9.2	9.2	8.9	9.5	9.7

Source: Zacks Investment Research, Inc. *David Bautz, PhD*

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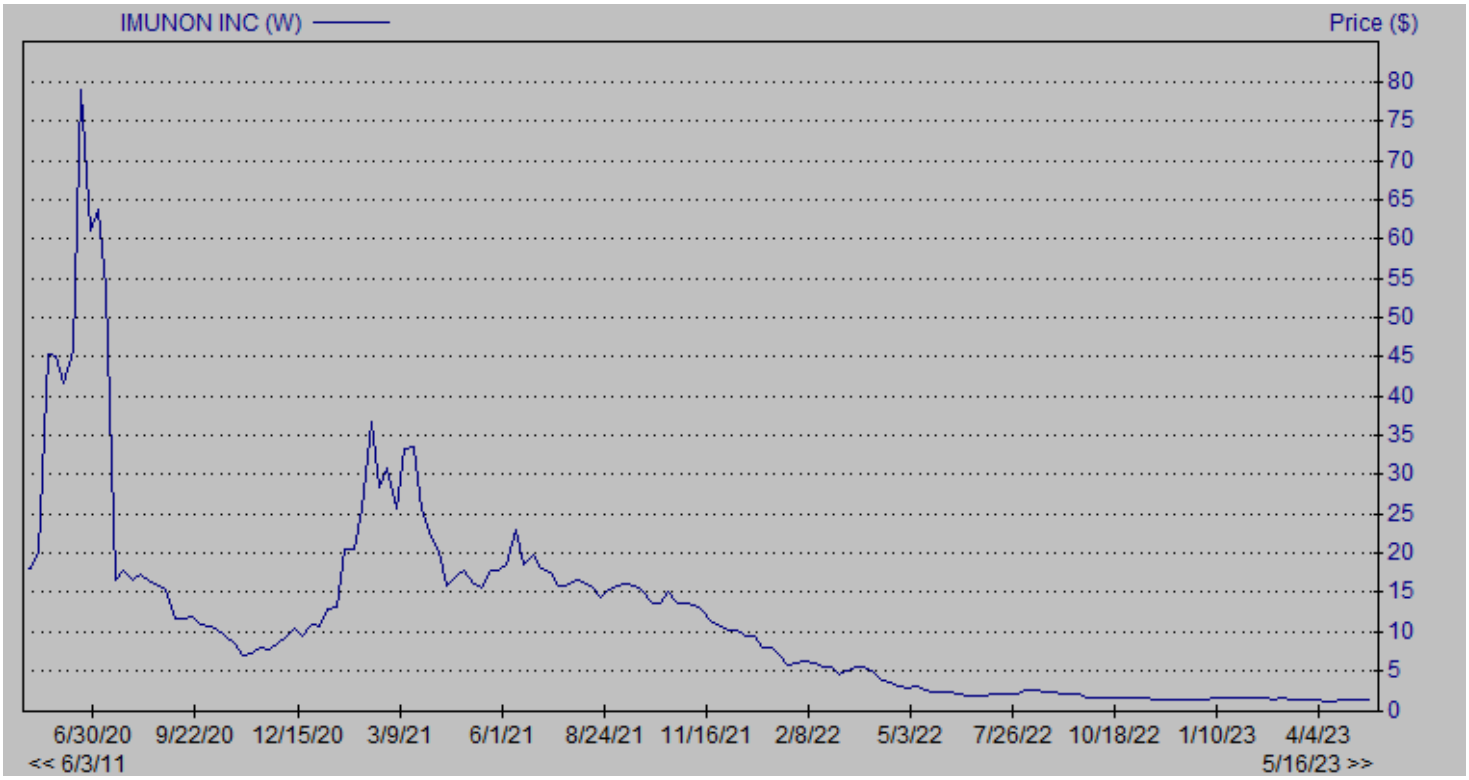
HISTORICAL STOCK PRICE



Source: Zacks Small Cap Research

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