Zacks Small-Cap Research
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David Bautz, PhD
(312) 265-9471
dbautz@zacks.com

scr.zacks.com
10 S. Riverside Plaza, Chicago, IL 60606

Imunon, Inc.

(IMNN-NASDAQ)

IMNN: Manuscript Preprint on COVID-19 DNA Vaccine Published…

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 (08/22/23)	$1.12
Valuation	**$15.00**

OUTLOOK

On August 10, 2023, Imunon, Inc. (IMNN) announced financial results for the second quarter of 2023 and provided a business update. The company recently announced the publication of a manuscript preprint titled “Strong immunogenicity & protection in mice with PlaCCine: A COVID-19 DNA vaccine formulated with a functional polymer”. The study analyzed the company’s COVID-19 vaccine that targets two SARS-CoV-2 spike protein variants, both alone and in combination. Results of the study showed that the DNA vaccine was stable for up to a year at 4ºC, the vaccine induced spike-specific neutralizing antibodies and cytotoxic T cells, the vaccine suppressed viral replication in vivo, multiple different inserts can be cloned into the PlaCCine backbone, and the proprietary formulation of functionalized polymer protected the DNA from degradation. The company remains on track to file an IND with the U.S. FDA for a seasonal COVID-19 booster vaccine in the first quarter of 2024.

SUMMARY DATA

52-Week High	**$2.43**
52-Week Low	**$1.08**
One-Year Return (%)	**-51.72**
Beta	**2.09**
Average Daily Volume (sh)	**21,966**
Shares Outstanding (mil)	**9**
Market Capitalization ($mil)	**$10**
Short Interest Ratio (days)	**N/A**
Institutional Ownership (%)	**5**
Insider Ownership (%)	**4**
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	**-0.6**

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 A	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	-$0.61 A	-$0.70 E	-$0.74 E	-$2.73 E
2024					-$2.84 E
2025					-$2.85 E

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WHAT'S NEW

Business Update

Manuscript Preprint on COVID-19 Vaccine Published

On August 7, 2023, Imunon, Inc. (IMNN) announced the publication of a preprint manuscript titled "Strong immunogenicity & protection in mice with PlaCCine: A COVID-19 DNA vaccine formulated with a functional polymer" (Sood *et al*., 2023). The study analyzed three DNA vaccines expressing spike proteins from SARS-CoV-2 variants D614G (pVAC15), Delta (pVAC16), or a D614G + Delta combination (pVAC17). The results from the study showed that:

- The functionalized polymer protected the DNA from degradation (as demonstrated by stability over 12 months at 4ºC and one month at 25 ºC) and led to long term *in vivo* expression (up to 85 days).
- The formulation allows for device-free delivery and requires only an intramuscular needle injection.
- IM immunization with pVAC15, pVAC16, or pVAC17 resulted in spike-specific humoral and cellular immune responses, with antibody responses observed after one immunization.
- The immune responses in vaccinated mice were maintained for up to 14 months after vaccination.
- In an immunization and challenge study of K18 hACE2 transgenic mice, immunization with pVAC15, pVAC16, or pVAC17 induced immune responses that decreased viral loads in the lung by >90%.
- Multiple different inserts can be effectively cloned into the PlaCCine backbone.

These data show that the PlaCCine technology can be utilized in a 'Plug-and-Play' fashion that could be utilized to formulate vaccines for specific seasonal variants each year. In addition, the ability to target multiple antigens in a single plasmid could allow for a more broad-acting vaccine in the case of multiple circulating variants. Lastly, the stability afforded by the PlaCCine technology at standard refrigerated temperatures is very advantageous, particularly in those geographies that lack the infrastructure to support the storage of less stable vaccine formulations (e.g., mRNA vaccines).

We anticipate the company filing an Investigation New Drug (IND) application with the FDA for a seasonal COVID-19 booster vaccine in the first quarter of 2024. The FDA has confirmed that the company's 'Plug-and-Play' strategy for their platform was acceptable. This will allow the rapid production and development of any vaccine simply by cloning in different antigen coding cassettes. Lastly, we anticipate the company formally announcing the next pathogen target in the near future.

New cGMP Manufacturing Facility

In June 2023, Imunon announced its new current Good Manufacturing Practices (cGMP) production facility on the Huntsville campus of the HudsonAlpha Institute for Biotechnology. This facility will enable Imunon to exert additional control over the quantities and costs of manufacturing non-viral DNA-based materials that are utilized in its R&D activities. The facility can support batch sizes up to 80,000 vials and will be utilized to produce plasmid DNA and DNA facilitating agents to support Phase 1 clinical studies.

Financial Update

On August 10, 2023, Imunon announced financial results for the second quarter of 2023. As expected, the company did not report any revenue during the second quarter of 2023. R&D expenses in the second quarter of 2023 were $3.1 million compared to $3.2 million in the second quarter of 2022. The decrease was primarily due to lower costs associated with the OVATION 2 study, the OPTIMA study, and other clinical and regulatory costs partially offset by increases in costs associated with the Placcine DNA vaccine technology platform and CMC cost increases. G&A expenses in the secon quarter of 2023 were $2.3 million compared to $2.9 million for the second quarter of 2022. The decrease was primarily due to lower non-cash stock based compensation partially offset by higher professional fees, compensation expenses, and staffing costs.

As of June 30, 2023, Imunon had approximately $24.1 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 9.4 million common shares outstanding and, when factoring in stock options and warrants, a fully diluted share count of approximately 10.6 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.

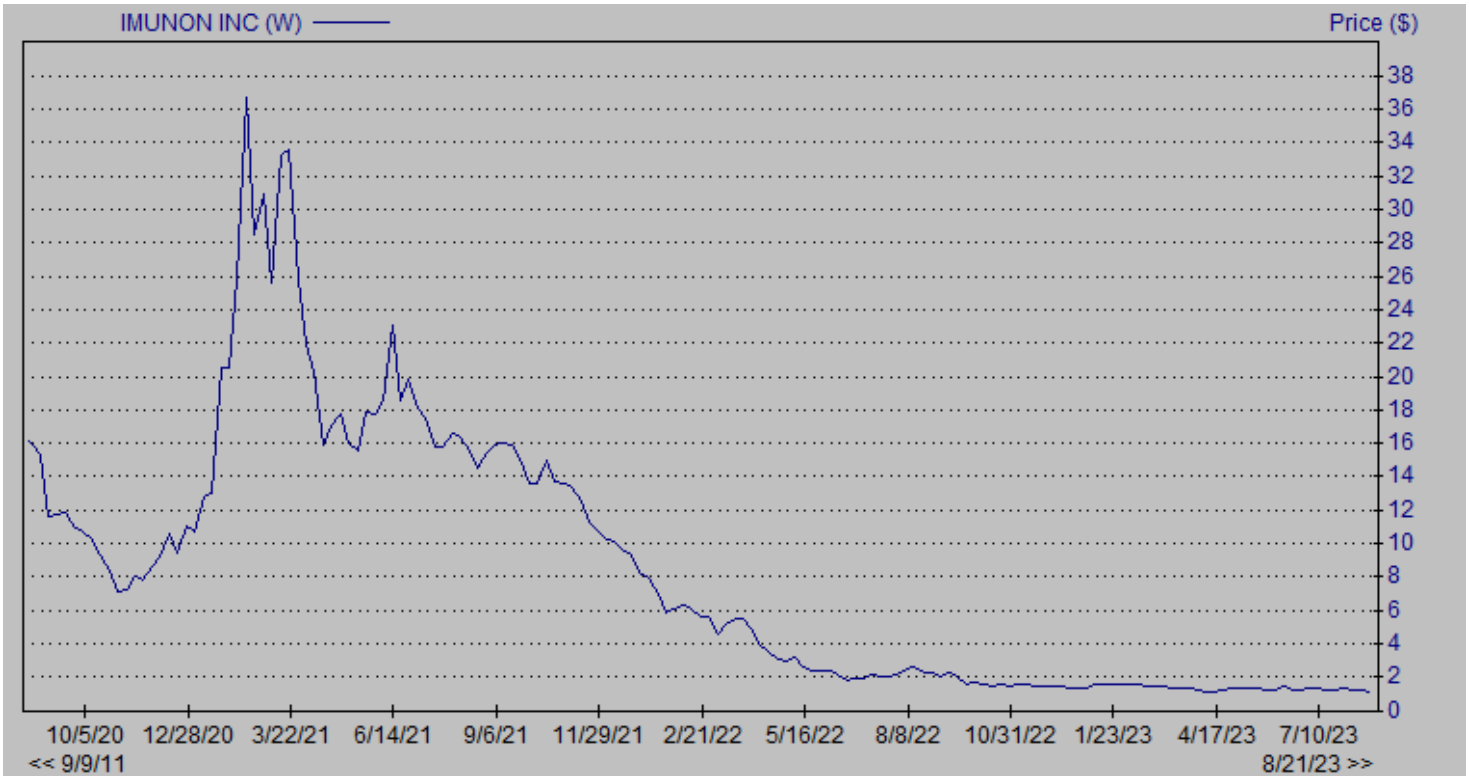
PROJECTED FINANCIALS

Imunon, Inc.	2022 A	Q1 A	Q2 A	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	$3.1	$3.1	$3.3	$12.2	$13.5	$14.0
SG&A	$13.7	$3.1	$2.3	$3.5	$3.7	$12.6	$14.3	$14.5
Operating Income	($24.9)	($5.7)	($5.5)	($6.6)	($7.0)	($24.8)	($27.8)	($28.5)
Operating Margin	-	-	-	-	-	-	-	-
Interest & Other Income	($12.5)	$0.1	$0.1	$0.0	$0.0	$0.0	$0.0	$0.0
Pre-Tax Income	($37.5)	($5.6)	($5.6)	($6.6)	($7.0)	($24.8)	($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)	($5.6)	($6.6)	($7.0)	($24.8)	($27.8)	($28.5)
Reported EPS	**($5.03)**	**($0.68)**	**($0.61)**	**($0.70)**	**($0.74)**	**($2.73)**	**($2.84)**	**($2.85)**
Weighted Shares Outstanding	7.1	8.3	9.1	9.4	9.5	9.1	9.8	10.0

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

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HISTORICAL STOCK PRICE



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