REFINITIV

DELTA REPORT

10-Q

IMUX - IMMUNIC, INC.

10-Q - SEPTEMBER 30, 2024 COMPARED TO 10-Q - JUNE 30, 2024

The following comparison report has been automatically generated

TOTAL DELTAS	427
CHANGES	186
DELETIONS	116
ADDITIONS	125

REFINITIV

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended **June 30, 2024** **September 30, 2024**

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission File Number: **001-36201**

Immunic, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**56-2358443**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

1200 Avenue of the Americas
Suite 200
New York, **NY** **10036**
(Address of principal executive offices) (Zip Code)

(332) 255-9818
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading symbol(s)	Name of each exchange on which registered
Common Stock, $0.0001 par value	IMUX	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☒
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

On July 31, 2024 October 31, 2024, 90,079,016 shares of common stock, $0.0001 par value, were outstanding.

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IMMUNIC, INC.

Condensed Consolidated Balance Sheets

(In thousands, except share and per share amounts)

	June 30, 2024	December 31, 2023
	September 30, 2024	December 31, 2023
	(Unaudited)	
Assets		
Assets		
Assets		
Current assets:		
Current assets:		
Current assets:		
Cash and cash equivalents		
Cash and cash equivalents		
Cash and cash equivalents		
Other current assets and prepaid expenses		
Other current assets and prepaid expenses		
Other current assets and prepaid expenses		
Total current assets		
Property and equipment, net		
Right-of-use assets		
Total assets		
Total assets		
Right-of-use assets, net		

Total assets		
Liabilities and Stockholders' Equity		
Current liabilities:		
Current liabilities:		
Current liabilities:		
Accounts payable		
Accounts payable		
Accounts payable		
Accrued expenses		
Other current liabilities		
Total current liabilities		
Long term liabilities		
Operating lease liabilities		
Operating lease liabilities		
Operating lease liabilities		
Total long-term liabilities		
Total liabilities		
Commitments and contingencies (Note 4)	Commitments and contingencies (Note 4)	Commitments and contingencies (Note 4)
Stockholders' equity:		
Preferred stock, $0.0001 par value; 20,000,000 authorized and no shares issued or outstanding as of June 30, 2024 and December 31, 2023		
Preferred stock, $0.0001 par value; 20,000,000 authorized and no shares issued or outstanding as of June 30, 2024 and December 31, 2023		
Preferred stock, $0.0001 par value; 20,000,000 authorized and no shares issued or outstanding as of June 30, 2024 and December 31, 2023		
Common stock, $0.0001 par value; 500,000,000 and 130,000,000 shares authorized as of June 30, 2024 and December 31, 2023, respectively, and 90,079,016 and 45,177,730 shares issued and outstanding as of June 30, 2024 and December 31, 2023, respectively		
Preferred stock, $0.0001 par value; 20,000,000 authorized and no shares issued or outstanding as of September 30, 2024 and December 31, 2023		
Preferred stock, $0.0001 par value; 20,000,000 authorized and no shares issued or outstanding as of September 30, 2024 and December 31, 2023		
Preferred stock, $0.0001 par value; 20,000,000 authorized and no shares issued or outstanding as of September 30, 2024 and December 31, 2023		
Common stock, $0.0001 par value; 500,000,000 and 130,000,000 shares authorized as of September 30, 2024 and December 31, 2023, respectively, and 90,079,016 and 45,177,730 shares issued and outstanding as of September 30, 2024 and December 31, 2023, respectively.		
Additional paid-in capital		
Accumulated other comprehensive income		
Accumulated deficit		
Total stockholders' equity		
Total liabilities and stockholders' equity		

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

IMMUNIC, INC.

Condensed Consolidated Statements of Operations

(In thousands, except share and per share amounts)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,		Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023	2024	2023	2024	2023
Operating expenses:								
Research and development								
Research and development								
Research and development								

General and administrative	
Total operating expenses	
Loss from operations	
Other income (expense):	
Interest income	
Interest income	
Interest income	
Change in fair value of the tranche rights	
Other income (expense), net	
Total other income (expense)	
Net loss	
Net loss per share, basic and diluted	
Net loss per share, basic and diluted	
Net loss per share, basic and diluted	
Weighted-average common shares outstanding, basic and diluted	
Weighted-average common shares outstanding, basic and diluted	
Weighted-average common shares outstanding, basic and diluted	

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

IMMUNIC, INC.

Condensed Consolidated Statements of Comprehensive Loss

(In thousands)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,		Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023	2024	2023	2024	2023
Net loss								
Other comprehensive income (loss):								
Foreign currency translation								
Foreign currency translation								
Foreign currency translation								
Total comprehensive loss								
Total comprehensive loss								
Total comprehensive loss								

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

IMMUNIC, INC.
Condensed Consolidated Statements of Stockholders' Equity
(In thousands, except share amounts)
(Unaudited)

	Six Months Ended June 30, 2024					Nine Months Ended September 30, 2024				
	Common Stock	Additional Paid-In Capital	Accumulated Other Comprehensive Income (loss)	Accumulated Deficit	Total Stockholders' Equity	Common Stock	Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total Stockholders' Equity
Balance at January 1, 2024										
Balance at January 1, 2024										
Balance at January 1, 2024										
Net loss										
Stock-based compensation										
Foreign exchange translation adjustment										

Issuance of common stock and pre-funded warrants - January 2024 Financing, net of issuance costs of $4,037												
Conversion of tranche rights liability to equity												
Issuance of common stock - At The Market Sales Agreement net of issuance costs of $6												
Balance at March 31, 2024												
Net loss												
Stock-based compensation												
Foreign exchange translation adjustment												
Balance at June 30, 2024												
Net loss												
Stock-based compensation												
Foreign exchange translation adjustment												
Balance at September 30, 2024												

	Six Months Ended June 30, 2023						Nine Months Ended September 30, 2023					
	Common Stock Shares	Common Stock	Additional Paid-In Capital	Accumulated Other Comprehensive Income	Accumulated Deficit	Total Stockholders' Equity	Common Stock	Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total Stockholders' Equity
Balance at January 1, 2023											
Balance at January 1, 2023											
Balance at January 1, 2023											
Net loss											
Stock-based compensation											
Foreign exchange translation adjustment											
Shares issued from exercise of pre-funded warrants											
Balance at March 31, 2023											
Net loss											
Stock-based compensation											
Foreign exchange translation adjustment											
Shares issued in connection with the Company's Employee stock purchase plan											
Shares issued in connection with the Company's Employee Stock Purchase Plan											
Balance at June 30, 2023											
Net loss											
Stock-based compensation											
Issuance of common stock - At The Market Sales Agreement net of issuance costs of $9											
Foreign exchange translation adjustment											
Balance at September 30, 2023											

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

IMMUNIC, INC.

Condensed Consolidated Statements of Cash Flows

(In thousands)
(Unaudited)

	Six Months Ended June 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Cash flows from operating activities:				

Net loss
Net loss
Net loss
Adjustments to reconcile net loss to net cash used in operating activities:
Depreciation and amortization
Depreciation and amortization
Depreciation and amortization
Unrealized foreign currency (gain) loss
Stock-based compensation
Stock-based compensation
Stock-based compensation
Change in fair value of tranche rights
Fees expensed as part of January 2024 Financing
Changes in operating assets and liabilities:
Other current assets and prepaid expenses
Other current assets and prepaid expenses
Other current assets and prepaid expenses
Accounts payable
Accrued expenses
Other liabilities
Net cash used in operating activities
Cash flows from investing activities:
Sale of investments - other
Sale of investments - other
Sale of investments - other
Purchases of property and equipment
Purchases of property and equipment
Purchases of property and equipment
Net cash provided by (used in) investing activities
Net cash provided by (used in) investing activities
Purchases of property and equipment
Sale of investments - Other
Net cash provided by (used in) investing activities
Cash flows from financing activities:
Proceeds from public offering of common stock through At The Market Sales Agreement, net
Proceeds from public offering of common stock through At The Market Sales Agreement, net
Proceeds from public offering of common stock through At The Market Sales Agreement, net
Proceeds from January 2024 Financing, net of issuance costs
Proceeds from shares issued in connection with the Company's employee stock purchase plan
Proceeds from the exercise of pre-funded warrants
Proceeds from shares issued in connection with the Company's Employee Stock Purchase Plan
Net cash provided by financing activities
Net cash provided by financing activities
Net cash provided by financing activities
Effect of exchange rate changes on cash and cash equivalents
Net change in cash and cash equivalents
Cash and cash equivalents, beginning of period
Cash and cash equivalents, end of period
Supplemental disclosure of noncash investing and financing activities:
Supplemental disclosure of noncash investing and financing activities:
Supplemental disclosure of noncash investing and financing activities:

Conversion of tranche rights liability to equity upon increase in authorized shares

Conversion of tranche rights liability to equity upon increase in authorized shares

Conversion of tranche rights liability to equity upon increase in authorized shares

Operating lease right-of use asset obtained in exchange for lease obligation

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

IMMUNIC, INC.

Notes to Condensed Consolidated Financial Statements
(Unaudited)

1. Description of Business and Basis of Financial Statements

Description of Business

Immunic, Inc. ("Immunic" or the "Company") is a biotechnology company developing a clinical pipeline of selective oral immunology therapies focused on treating chronic inflammatory and autoimmune diseases. The Company is headquartered in New York City with its main operations in Gräfelfing near Munich, Germany. The Company had approximately 85 employees as of August 1, 2024 November 1, 2024.

The Company is pursuing clinical development of orally administered, small molecule programs, each of which has unique features intended to directly address the unmet needs of patients with serious chronic inflammatory and autoimmune diseases. These include the vidofludimus calcium (IMU-838) program, which is in Phase 3 and Phase 2 clinical development for patients with relapsing and progressive multiple sclerosis (“MS”), respectively, and which has shown therapeutic activity in Phase 2 clinical trials in patients suffering from relapsing-remitting MS, progressive MS and moderate-to-severe ulcerative colitis (“UC”); the IMU-856 program, which is targeted to regenerate bowel epithelium and restore intestinal barrier function, which could potentially be applicable in numerous gastrointestinal diseases, such as celiac disease, inflammatory bowel disease and Graft-versus-Host-Disease; Graft-versus-Host-Disease ("GvHD"); and the IMU-381 program, which is a next generation molecule being developed to specifically address the needs of gastrointestinal diseases.

The Company's business, operating results, financial condition and growth prospects are subject to significant risks and uncertainties, including the failure of its clinical trials to meet their endpoints, failure to obtain regulatory approval and needing additional funding to complete the development and commercialization of the Company's three development programs.

Financial Condition, Liquidity and Going Concern Financial Condition

Immunic has no products approved for commercial sale and has not generated any revenue from product sales. It has never been profitable and has incurred operating losses in each year since inception in 2016. The Company has an accumulated deficit of approximately $461.9 million $486.2 million as of June 30, 2024 September 30, 2024 and $410.9 million as of December 31, 2023. Substantially all of Immunic's operating losses resulted from expenses incurred in connection with its research and development programs and from general and administrative costs associated with its operations.

Immunic expects to incur significant expenses and increasing operating losses for the foreseeable future as it initiates and continues the development of its product candidates and adds personnel necessary to advance its pipeline of product candidates. Immunic expects that its operating losses will fluctuate significantly from quarter-to-quarter and year-to-year due to timing of development programs.

From inception through June 30, 2024 September 30, 2024, Immunic has raised net cash of approximately $430.9 million from private and public offerings of preferred stock, common stock, pre-funded warrants and tranche rights. As of June 30, 2024 September 30, 2024, the Company had cash and cash equivalents of approximately $79.7 million $59.1 million. With these funds, the Company does not have adequate liquidity to fund its operations for at least twelve months from the issuance of these consolidated financial statements without raising additional capital, and but such actions are not solely within the control of the Company. If the Company is unable to obtain additional capital, it would have a material adverse effect on the operations of the Company, its clinical development program, and the Company may have to cease operations altogether. These factors raise substantial doubt about the Company’s ability to continue as a going concern.

Basis of Presentation and Consolidation

The accompanying condensed consolidated financial statements have been prepared in conformity with United States generally accepted accounting principles ("U.S. GAAP") and include the accounts of Immunic and its wholly-owned subsidiaries, Immunic AG and Immunic Australia Pty Ltd. All intercompany accounts and transactions have been eliminated in consolidation. Immunic manages its operations as a single reportable segment for the purposes of assessing performance and making operating decisions.

Unaudited Interim Financial Information

Immunic has prepared the accompanying interim unaudited condensed consolidated financial statements in accordance with United States generally accepted accounting principles, (“US GAAP”), for interim financial information and with the instructions to Form 10-Q and Regulation S-X of the SEC. Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for complete financial statements. These interim unaudited condensed consolidated financial statements reflect all adjustments consisting of normal recurring accruals which, in the opinion of management, are necessary to present fairly Immunic’s consolidated financial position, consolidated results of operations, consolidated statement of stockholders’ equity and consolidated cash flows for the periods and as of the dates presented. The Company’s fiscal year ends on December 31. The condensed consolidated balance sheet as of December 31, 2023 was derived from audited consolidated financial statements but does not include all disclosures required by U.S. GAAP. These condensed consolidated financial statements should be read in conjunction with the annual consolidated financial statements and the notes thereto included on the Company's Annual Report on Form 10-K filed on February 22, 2024. The nature of Immunic’s business is such that the results of any interim period may not be indicative of the results to be expected for the entire year or for corresponding interim periods in any subsequent year.

2. Summary of Significant Accounting Policies

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires the Company to make certain estimates and assumptions that affect the reported amounts of assets, liabilities, expenses and the disclosure of contingent assets and liabilities in the Company's consolidated financial statements. The most significant estimates in the Company's financial statements and accompanying notes relate to clinical trial expenses and stock-based compensation. Management believes its estimates to be reasonable under the circumstances. Actual results could differ materially from those estimates and assumptions.

Foreign Currency Translation and Presentation

The Company's reporting currency is United States ("U.S.") dollars. Immunic AG is located in Germany with the euro Euro being its functional currency. Immunic Australia Pty Ltd.'s functional currency is the Australian dollar. All amounts in the financial statements where the functional currency is not the U.S. dollar are translated into U.S. dollar equivalents at exchange rates as follows:

- assets and liabilities at reporting period-end rates;
- income statement accounts at average exchange rates for the reporting period; and
- components of equity at historical rates.

Gains and losses from translation of the financial statements into U.S. dollars are recorded in stockholders' equity as a component of accumulated other comprehensive income (loss). Realized and unrealized gains and losses resulting from foreign currency transactions denominated in currencies other than the functional currency are reflected as general and administrative expenses in the Consolidated Statements of Operations. Foreign currency transaction gains and losses related to long-term intercompany loans that are payable in the foreseeable future are recorded in Other Income (Expense). The Consolidated Statements of Cash Flows were prepared by using the average exchange rate in effect during the reporting period which reasonably approximates the timing of the cash flows.

Cash and Cash Equivalents

The Company considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Cash and cash equivalents consist of cash on hand and deposits in banks located in the U.S. of approximately $57.3 million, $40.6 million, Germany of approximately $20.9 million $15.6 million and Australia of approximately $1.5 million $2.9 million as of June 30, 2024 September 30, 2024. The Company maintains cash and cash equivalent balances denominated in Euro and U.S. dollars with major financial institutions in the U.S. and Germany in excess of the deposit limits insured by the government. Management periodically reviews the credit standing of these financial institutions. The Company currently deposits its cash and cash equivalents with two large financial institutions. Cash and cash equivalents in the U.S. are held at JP Morgan and are primarily held in a U.S. Government money market fund account earning interest at a rate of 5.2% during the period ended June 30, 2024 4.8% as of September 30, 2024. Cash and cash equivalents in Germany are earning interest at a rate of 3.5% 3.25% to 3.75% during the period ended June 30, 2024 as of September 30, 2024.

Fair Value Measurement

Fair value is defined as the price that would be received to sell an asset or be paid to transfer a liability in an orderly transaction between market participants on the measurement date. Accounting guidance establishes a fair value hierarchy that requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1—Quoted prices in active markets for identical assets or liabilities. Level 1 assets consisted of money market funds for the periods presented. The Company had no Level 1 liabilities for the periods presented.

Level 2—Inputs other than observable quoted prices for the asset or liability, either directly or indirectly; these include quoted prices for similar assets or liabilities in active markets and quoted prices for identical or similar assets or liabilities in markets that are not active. The Company had no Level 2 assets or liabilities for the periods presented.

Level 3—Unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of assets or liabilities. The Company had no Level 3 assets or liabilities for the periods presented. The Company did have tranche rights that were at level 3 during the first quarter of 2024.

The carrying value of cash and cash equivalents, other current assets and prepaid expenses, accounts payable, accrued expenses, and other current liabilities approximates fair value due to the short period of time to maturity.

Property and Equipment

Property and equipment is stated at cost. Depreciation is computed using the straight-line method based on the estimated service lives of the assets, which range from three to thirteen years. Depreciation expense was $31,000 $42,000 and $22,000 $34,000 for the three months ended June 30, 2024 September 30, 2024 and 2023, respectively respectively. Depreciation expense was $99,000 and $57,000 and $54,000 $88,000 for the six nine months ended June 30, 2024 September 30, 2024 and 2023, respectively.

Impairment of Long-Lived Assets

The Company records impairment losses on long-lived assets used in operations when indicators of impairment are present and the undiscounted cash flows estimated to be generated by those assets are less than the assets' carrying amount. Impaired assets are then recorded at their estimated fair value. There were no impairment losses during the six three and nine months ended June 30, 2024 September 30, 2024 and 2023.

Research and Development Expenses

These costs primarily include external development expenses and internal personnel expenses for its development programs, vidofludimus calcium and IMU-856. Immunic has spent the majority of its research and development resources on vidofludimus calcium, the Company's lead development program, for clinical trials in MS and UC.

Research and development expenses consist of expenses incurred in research and development activities, which include clinical trials, contract research services, certain milestone payments, salaries and related employee benefits, allocated facility costs and other outsourced services. Research and development expenses are charged to operations as incurred.

The Company enters into agreements with contract research organizations (“CROs”) to provide clinical trial services for individual studies and projects by executing individual work orders governed by a Master Service Arrangement (“MSA”). The MSAs and associated work orders provide for regular recurrent payments and payments upon the completion of certain milestones. The Company regularly assesses the timing of payments against actual costs incurred to ensure a proper accrual of related expenses in the appropriate accounting period.

Collaboration Arrangements

Certain collaboration and license agreements may include payments to or from the Company of one or more of the following: non-refundable or partially refundable upfront or license fees; development, regulatory and commercial milestone payments; payment for manufacturing supply services; partial or complete reimbursement of research and development costs; and royalties on net sales of licensed products. The Company assesses whether such contracts are within the scope of Financial Accounting Standards Board (FASB) Accounting Standards Update (“ASU”) 2014-09 “*Revenue from Contracts with Customers*” and ASU No. 2018-18, “*Collaborative Arrangements”* ("ASU 2018-18"). ASU 2018-18, clarifies that certain elements of collaborative arrangements could qualify as transactions with customers in the scope of ASC 606.

In October 2018, the Company entered into an option and license agreement (the "Daiichi Sankyo Agreement") with Daiichi Sankyo Co., Ltd. ("Daiichi Sankyo") which granted the Company the right to license a group of compounds, designated by the Company as IMU-856, as a potential new oral treatment option for gastrointestinal diseases such as celiac disease, inflammatory bowel disease, irritable bowel syndrome with diarrhea and other barrier function associated diseases. During the option period, the Company performed agreed upon research and development activities for which it was reimbursed by Daiichi Sankyo up to a maximum agreed-upon limit. Such reimbursement was recorded as other income. There are no additional research and development reimbursements expected under this agreement.

On January 5, 2020, the Company exercised its option to obtain the exclusive worldwide right to commercialization of IMU-856. Among other things, the option exercise grants Immunic AG the rights to Daiichi Sankyo’s patent application related to IMU-856, for which the Company received a notice of allowance from the U.S. Patent & Trademark Office in August 2022. In connection with the option exercise, the Company paid a one-time upfront licensing fee to Daiichi Sankyo. Under the Daiichi Sankyo Agreement, Daiichi Sankyo is also eligible to receive future development, regulatory and sales milestone payments, as well as royalties related to IMU-856.

Government assistance

Government assistance relating to research and development performed by Immunic Australia is recorded as a component of other (income) expense. This government assistance is recognized at a rate of 43.5% of the qualified research and development expenditures which are incurred. We also receive government assistance from the German Government for reimbursement of research and development expenses up to one 3.5 million Euros per year. We recognized $3,000 $0.7 million and $301,000 for the three months ended June 30, 2024 and 2023, respectively and $39,000 and $2.1 $0.7 million of other income related to research activities performed during the six three and nine months ended June 30, 2024 September 30, 2024, respectively and 2023, $0.2 million and $2.3 million related to research activities performed during the three and nine months ended September 30, 2023, respectively.

General and Administrative Expenses

General and administrative expenses consist primarily of salaries and related costs for personnel in executive, finance, business development and other support functions. Other general and administrative expenses include, but are not limited to, stock-based compensation, insurance costs, professional fees for legal, accounting and tax services, consulting, related facility costs and travel.

Stock-Based Compensation

The Company measures the cost of employee and non-employee services received in exchange for equity awards based on the grant-date fair value of the award recognized generally as an expense (i) on a straight-line basis over the requisite service period for those awards whose vesting is based upon a service condition, and (ii) on an accelerated method for awards whose vesting is based upon a performance condition, but only to the extent it is probable that the performance condition will be met. Stock-based compensation is (i) estimated at the date of grant based on the award’s fair value for equity classified awards and (ii) final measurement date for liability classified awards. Forfeitures are recorded in the period in which they occur.

The Company estimates the fair value of stock options using the Black-Scholes-Merton option-pricing model ("BSM"), which requires the use of estimates and subjective assumptions, including the risk-free interest rate, the fair value of the underlying common stock, the expected dividend yield of the Company’s common stock, the expected volatility of the price of the Company’s common stock, and the expected term of the option. These estimates involve inherent uncertainties and the application of management’s judgment. If factors change and different assumptions are used, the Company’s stock-based compensation expense could be materially different in the future.

Leases

The Company leases office space and office equipment. The underlying lease agreements have lease terms of less than 12 months and up to 60 months. Leases with terms of 12 months or less at inception are not included in the operating lease right of use asset and operating lease liability.

The Company has three existing leases for office and laboratory space. At inception of a lease agreement, the Company determines whether an agreement represents a lease and at commencement each lease agreement is assessed as to classification as an operating or financing lease. The Company's leases have been classified as operating leases

and an operating lease right-of-use asset and an operating lease liability have been recorded on the Company's balance sheet. A right-of-use lease asset represents the Company's right to use the underlying asset for the lease term and the lease obligation represents its commitment to make the lease payments arising from the lease. Right-of-use lease assets and obligations are recognized at the commencement date based on the present value of remaining lease payments over the lease term. As the Company's leases do not provide an implicit rate, the Company has used an estimated incremental borrowing rate based on the information available at the commencement date in determining the present value of lease payments. The right-of-use lease asset includes any lease payments made prior to commencement and excludes any lease incentives. The lease term used in estimating future lease payments may include options to extend when it is reasonably certain that the Company will exercise that option. Operating lease expense is recognized on a straight-line basis over the lease term, subject to any changes in the lease or changes in expectations regarding the lease term. Variable lease costs such as common area costs and property taxes are expensed as incurred. Leases with an initial term of twelve months or less are not recorded on the balance sheet.

Comprehensive Income (Loss)

Comprehensive income (loss) is defined as the change in equity during a period from transactions and other events and circumstances from non-owner sources. Accumulated other comprehensive income (loss) has been reflected as a separate component of stockholders' equity in the accompanying Consolidated Balance Sheets and consists of foreign currency translation adjustments.

Income Taxes

The Company is subject to corporate income tax laws and regulations in the U.S., Germany and Australia. Tax regulations within each jurisdiction are subject to the interpretation of the related tax laws and regulations and require significant judgment in their application.

The Company utilizes the asset and liability method of accounting for income taxes which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the consolidated financial statements. Deferred income tax assets and liabilities are determined based on the differences between the financial statement and tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. The effect of changes in tax rates on deferred tax assets and liabilities is recognized in operations in the period that includes the enactment date. Deferred taxes are reduced by a valuation allowance when, in the opinion of management, it is more likely than not some portion or the entire deferred tax asset will not be realized. As of June 30, 2024 September 30, 2024 and 2023, respectively, the Company maintained a full valuation allowance against the balance of deferred tax assets.

It is the Company's policy to provide for uncertain tax positions and the related interest and penalties based upon management's assessment of whether a tax benefit is more likely than not to be sustained upon examination by tax authorities. The Company recognizes interest and penalties accrued on any unrecognized tax benefits as a component of income tax expense. The Company is subject to U.S. federal, New York, California, Texas, German and Australian income taxes. The Company is subject to U.S. federal or state income tax examination by tax authorities for tax returns filed for the years 2003 and forward due to the carryforward of NOLs. Tax years 2019 through 2023 are subject to audit by German and Australian tax authorities. The Company is not currently under examination by any tax jurisdictions.

Warrants and Tranche Rights

The Company accounts for issued financial instruments either as a liability or equity in accordance with ASC 480-10, Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity ("ASC 480-10") or ASC 815-40, Accounting for Derivative Financial Instruments Indexed to, and Potentially Settled in, a Company's Own Stock ("ASC 815-40"). If financial instruments do not meet liability classification under ASC 480-10, the Company considers the requirements of ASC 815-40 to determine whether the financial instruments should be classified as a liability or as equity. Liability-classified financial instruments are measured at fair value on the issuance date and at the end of each reporting period. Any change in the fair value of the financial instruments after the issuance date is recorded in the consolidated statements of operations as a gain or loss. If financial instruments do not require liability classification under ASC 815-40, the instrument is classified in permanent equity. Equity-classified financial instruments are accounted for at fair value on the issuance date with no changes in fair value recognized after the issuance date.

Net Loss Per Share

Basic net loss per share attributable to common stockholders is calculated by dividing the net loss by the weighted-average number of common shares outstanding for the period, without consideration for common stock equivalents. Diluted net loss per share attributable to common stockholders is computed by dividing the net loss by the weighted-average number of common shares and, if dilutive, common stock equivalents outstanding for the period determined using the treasury-stock method. For all periods presented, there is no difference in the number of shares used to calculate basic and diluted shares outstanding due to the Company's net loss position. The weighted average shares outstanding calculation for basic and diluted earnings per share for the three and six nine months ended June 30, 2024 September 30, 2024 includes 11,193,564 pre-funded warrants that remain unexercised as of June 30, 2024 September 30, 2024.

Potentially dilutive securities, not included in the calculation of diluted net loss per share attributable to common stockholders because to do so would be anti-dilutive, are as follows:

	As of June 30,	
	2024	2023
Options to purchase common stock	10,819,558	5,770,076

	As of September 30,	
	2024	2023
Options to purchase common stock	11,546,138	6,263,910

Recently Issued and/or Adopted Accounting Standards

There are no recently issued accounting standards that would have a significant impact on the Company's company's consolidated financial statements.

3. Balance Sheet Details

Other Current Assets and Prepaid Expenses

Other Current Assets and Prepaid Expenses consist of (in thousands):

	June 30, 2024	June 30, 2024	June 30, 2024	December 31, 2023	September 30, 2024	September 30, 2024	September 30, 2024	December 31, 2023
Prepaid clinical and related costs								
VAT receivable								
Australian research and development tax incentive								
Research grant								
Prepaid insurance								
Prepaid Insurance								
Other								
Total								

Accounts Payable

Accounts Payable consist of (in thousands):

	June 30, 2024	June 30, 2024	June 30, 2024	December 31, 2023	September 30, 2024	September 30, 2024	September 30, 2024	December 31, 2023
Clinical costs								
Legal and audit costs								
Other								
Other								
Other								
Total								

Accrued Expenses

Accrued expenses consist of (in thousands):

	June 30, 2024	June 30, 2024	June 30, 2024	December 31, 2023	September 30, 2024	September 30, 2024	September 30, 2024	December 31, 2023
Accrued clinical and related costs								
Accrued legal and audit costs								
Accrued compensation								
Accrued other								
Total								

Other Current Liabilities

Other Current Liabilities consist of (in thousands):

	June 30, 2024	June 30, 2024	June 30, 2024	September 30, 2024	September 30, 2024	September 30, 2024
Lease liabilities						
Lease liabilities						
Lease liabilities						
Other						
Other						
Other						
Total						
Total						
Total						

4. Commitments and Contingencies

Operating Leases

The Company leases certain office space under non-cancelable operating leases. The leases terminate on July 31, 2025 for the New York City office, June 30, 2025 for the Gräfelfing, Germany office and November 30, 2028 for the research laboratory in Planegg, Germany. These agreements include both lease (e.g., fixed rent) and non-lease components (e.g., common-area and other maintenance costs). The non-lease components are deemed to be executory costs and are therefore excluded from the minimum lease payments used to determine the present value of the operating lease obligation and related right-of-use asset. The New York City lease was extended on December 22, 2022 for an additional 27 months resulting in the new lease termination date of July 31, 2025. The New York City lease has a renewal option, but this was not included in calculating the right of use asset and liabilities. On April 7, 2020, the Company signed a five year lease for its facility in Gräfelfing, Germany. On March 1, 2021 and August 1, 2022 the Company added additional lease space at the Gräfelfing, Germany office. Renewal options were not included in calculating the right of use asset and liabilities for this facility. In February 2023, the Company leased space in Germany for a research laboratory. The leases do not have concessions, leasehold improvement incentives or other build-out clauses. Further, the leases do not contain contingent rent provisions. The New York City lease had a six month rent holiday at the beginning of the lease as well as a three month rent holiday upon the 27 month extension starting May 2023. There were net additions of $544,000 related to the addition of new laboratory space in Planegg, Germany in February 2023.

The leases do not provide an implicit rate and, due to the lack of a commercially salable product, the Company is generally considered unable to obtain commercial credit. Therefore, the Company estimated its incremental interest rate to be 6% for the original leases and 8% for the New York City extension and German laboratory, considering the quoted rates for the lowest investment-grade debt and the interest rates implicit in recent financing leases. Immunic used its estimated incremental borrowing rate and other information available at the lease commencement date in determining the present value of the lease payments.

Immunic's operating lease costs and variable lease costs were $270,000 $260,000 and $238,000 $209,000 for the three months ended June 30, 2024 September 30, 2024 and 2023, respectively and $527,000 $787,000 and $434,000 $642,000 for the six nine months ended June 30, 2024 September 30, 2024 and 2023, respectively. Variable lease costs consist primarily of common area maintenance costs, insurance and taxes which are paid based upon actual costs incurred by the lessor.

Maturities of the operating lease obligation are as follows as of June 30, 2024 September 30, 2024 (in thousands):

2024
2025
2026
2027
2028
Thereafter
Total
Interest
Present value of obligation
Present Value of obligation

Contractual Obligations

As of June 30, 2024 September 30, 2024, the Company has non-cancelable contractual obligations under certain agreements related to its development programs for vidofludimus calcium and IMU-856 totaling approximately $1.8 $3.2 million, all of which is expected to be paid in 2024 and 2025.

Other Commitments and Obligations

Daiichi Sankyo Agreement

On January 5, 2020, the Company exercised its option to obtain the exclusive worldwide right to commercialization of IMU-856. Among other things, the option exercise grants Immunic AG the rights to Daiichi Sankyo's patent application related to IMU-856, for which the Company received a notice of allowance from the U.S. Patent & Trademark Office in August 2022. In connection with the option exercise, the Company paid a one-time upfront licensing fee to Daiichi Sankyo. Under the Daiichi Sankyo Agreement, Daiichi Sankyo is also eligible to receive future development, regulatory and sales milestone payments, as well as royalties related to IMU-856.

Legal Proceedings

The Company is not currently a party to any litigation, nor is it aware of any pending or threatened litigation, that it believes would materially affect its business, operating results, financial condition or cash flows. However, its industry is characterized by frequent claims and litigation including securities litigation, claims regarding patent and other intellectual property rights and claims for product liability. As a result, in the future, the Company may be involved in various legal proceedings from time to time.

5. Fair Value

The following fair value hierarchy tables present information about each major category of the Company's financial assets and liabilities measured at fair value on a recurring basis (in thousands):

	Fair Value Measurement at June 30, 2024				Fair Value Measurement at September 30, 2024			
	Fair Value	Level 1	Level 2	Level 3	Fair Value	Level 1	Level 2	Level 3
Assets								
Money market funds								
Money market funds								
Money market funds								
Total assets at fair value								

	Fair Value Measurement at Fair Value Measurement at December 31, 2023				Fair Value Measurement at December 31, 2023			
	Fair Value	Fair Value	Level 1	Level 2	Level 3	Fair Value	Level 1	Level 2	Level 3
Assets									
Money market funds									
Money market funds									
Money market funds									
Total assets at fair value									
Total assets									

There were no transfers between Level 1, Level 2 or Level 3 assets during the periods presented.

For the Company's money market funds which are included as a component of cash and cash equivalents on the consolidated balance sheet, realized gains and losses are included in interest income on the consolidated statements of operations.

Our money market fund account is held in our bank in the U.S. and was earning interest at a rate of 5.2% 4.8% in a U.S. Government money market fund.

The Company has cash balances in banks in excess of the maximum amount insured by the FDIC and other international agencies as of June 30, 2024 September 30, 2024. The Company has not historically experienced any credit losses with balances in excess of FDIC limits.

The Company recorded tranche rights of $23.6 million at January 8, 2024 as a result of the January 2024 Financing (see note 6). The fair value measurement of the tranche rights associated with the January 2024 Financing was classified as Level 3 under the fair value hierarchy. The fair value of the the tranche rights was determined using a Black Scholes Option Pricing Model. The inputs to this model included a risk-free rate range of 3.93%-4.36%, a stock price volatility range of 105-115%, an expected dividend rate of —% and remaining term of 1.81-4.81 years. This liability was revalued on March 4, 2024, upon stockholder approval to increase its authorized shares of common stock from 130 million to 500 million, which resulted in the reclassification of the tranche rights from a liability to equity. This revaluation resulted in an increase in the tranche rights liability of $4.8 million using a Black Scholes Option Pricing Model. The inputs to this model as of the date of the reclassification included a risk-free rate range of 4.16%-4.63%, a stock price volatility range of 90-105%, an expected dividend rate of —% and remaining term of 1.66-4.66 years. The inputs used in the determination of fair value of the liability are level 3 inputs. A rollforward of the fair value of the tranche rights is as follows (in thousands):

December 31, 2023	$	—
Fair value as of January 8, 2024	$	23,600
Change in fair value through March 4, 2024	$	4,796
Reclassification to equity	$	(28,396)
March 31, 2024	$	—

The carrying amounts of other current assets and prepaid expenses, accounts payable, accrued expenses, and other current liabilities approximate their fair values due to their short-term nature. The fair value and book value of the money market funds presented in the table above are the same.

6. Common Stock

Shelf Registration Statement

In December 2020, the Company filed a Prospectus Supplement to the shelf registration statement on Form S-3 filed on November 13, 2020 and declared effective on November 24, 2020 (the "2020 Shelf Registration Statement") for the offering, issuance and sale of up to a maximum aggregate offering price of $50.0 million of common stock that may be issued and sold under an at-the-market sales agreement with SVB Leerink LLC (now Leerink Partners LLC) as agent ("December 2020 ATM"). The Company used the net proceeds from the December 2020 ATM to fund the ongoing clinical development of our product candidates and for other general corporate purposes, including funding existing and potential new clinical programs and product candidates. The December 2020 ATM terminated in May 2024.

In May 2022, the Company filed a Prospectus Supplement to the 2020 Shelf Registration Statement for the offering, issuance and sale of up to a maximum aggregate offering price of $80.0 million of common stock to be issued and sold under another at-the-market sales agreement ("May 2022 ATM") with Leerink Partners LLC (formerly SVB Leerink LLC) as agent. The 2020 Shelf Registration Statement expired in November 2023. The $80.0 million of unsold common stock from the May 2022 ATM was rolled-over to the May 2024 ATM through the filing in May 2024 of a Prospectus Supplement to the 2023 Shelf Registration Statement.

In November 2023, we filed a shelf registration statement on Form S-3 (the "2023 Shelf Registration Statement"). The 2023 Shelf Registration Statement permits the offering, issuance and sale of up to $250.0 million of common stock, preferred stock, warrants, debt securities, and/or units in one or more offerings and in any combination of the foregoing. This registration statement was declared effective on May 31, 2024. Unsold securities from the expired 2020 shelf registration statement can continue to be sold under the 2023 Shelf Registration Statement resulting in a total S-3 shelf availability of $412.3 million as of June 30, 2024 September 30, 2024.

In May 2024, we filed a Prospectus Supplement to the 2023 Shelf Registration Statement for the offering, issuance and sale of up to a maximum aggregate offering price of $80.0 million of common stock that may be issued and sold under an at-the-market sales agreement with Leerink Partners LLC as agent ("May 2024 ATM"). , which rolls over the $80.0 million of unsold common stock from the May 2022 ATM. We intend to use the net proceeds from the May 2024 ATM to continue to fund the ongoing clinical development of our product candidates and for other general corporate purposes, including funding existing and potential new clinical programs and product candidates. The May 2024 ATM will terminate upon the earlier of (i) the issuance and sale of all of the shares through Leerink Partners LLC on the terms and subject to the conditions set forth in the May 2024 ATM or (ii) termination of the May 2024 ATM as otherwise permitted thereby. The May 2024 ATM may be terminated at any time by either party upon ten days' prior notice, or by Leerink Partners LLC at any time in certain circumstances, including the occurrence of a material adverse effect on us. As of June 30, 2024 September 30, 2024, $80.0 million in capacity remains under the May 2024 ATM.

The Company has agreed to pay Leerink Partners LLC a commission equal to 3.0% of the gross proceeds from the sales of common shares stock pursuant to the May 2024 ATM and has agreed to provide Leerink Partners LLC with customary indemnification and contribution rights.

For the three and six nine months ended June 30, 2024 September 30, 2024, we the Company raised gross proceeds of $0.2 million pursuant to the December 2020 ATM through the sale of 150,000 shares of common stock at a weighted average price of $1.31 per share. The net proceeds from the December 2020 ATM were $0.2 million after deducting sales agent commissions of $6,000.

The Company did not have any ATM activity during for the three or six months ended June 30, 2023 September 30, 2024.

In the three and nine months ended September 30, 2023, the Company raised gross proceeds of $0.3 million pursuant to the December 2020 ATM through the sale of 107,012 shares of common stock at a weighted average price of $2.72 per share. The net proceeds from the December 2020 ATM were $0.3 million after deducting underwriter commissions of $9,000.

Equity Offerings

Private Placement of up to $240 million (the "January 2024 Financing")

On January 4, 2024, Immunic entered into a Securities Purchase Agreement with select accredited investors, pursuant to which the Company agreed to issue and sell to the Investors in a three-tranche private placement shares of the Company's common stock, $0.0001 par value per share, or in lieu thereof, pre-funded warrants to purchase shares of Common Stock. The Pre-Funded Warrants are exercisable immediately for $0.0001 per share and until exercised in full.

- The first tranche, which closed on January 8, 2024, resulted in the purchase by the Investors of an aggregate of $80 million of Common Stock (or pre-funded warrants) from the Company at a price of $1.43 per share;

- The second tranche is a conditional mandatory purchase by the Investors of an additional $80 million of Common Stock (or pre-funded warrants) from the Company at a price of $1.716 per share, equal to 120% of the price paid in the first tranche and is subject to the satisfaction of three conditions:

- release by the Company of topline data from its Phase 2b clinical trial of vidofludimus calcium (IMU-838) in progressive multiple sclerosis, which data is currently expected in or around April 2025;
- the 10-day volume-weighted average price of the Common Stock is at least $8.00 per share during the 6 months following the data release; and
- aggregate trading volume during the same 10-day period is at least $100 million.

- The third tranche must occur no later than three years after the second tranche and is conditioned on the same volume-weighted average share price and minimum trading volumes as the second tranche. The third tranche provides for the issuance of $80 million of shares of common stock (or pre-funded warrants) at the same price per share as the second tranche, but permits investors to fund their purchase obligations on a “cashless” or net settlement basis, which would reduce the cash proceeds to be raised by the Company in the January 2024 Financing.

Any of the conditions in the second or third tranches can be waived by holders of a majority of the outstanding securities (including the lead investor). The fair value methodology used by the Company assumed the conditions will be waived if the trading price of the stock exceeds the purchase price.

The January 2024 Financing resulted in gross proceeds to the Company of approximately $80 million in the first tranche, and an additional $80 million if and when the second tranche occurs. If the second tranche is completed and conditions for the third tranche are satisfied or waived, the Company could receive up to an additional $80 million in the third tranche.

As of the closing date of the transaction of January 8, 2024, the Company did not have enough authorized shares to be able to issue the potential shares for tranche 2 and tranche 3 (collectively referred to hereafter as "the tranche rights"). Therefore, the Company recorded the value associated to the tranche rights as a liability of $23.6 million and allocated the remainder of the $80 million received (or $56.4 million) with the common stock and pre-funded warrants to equity. On March 4, 2024, the stockholders voted to increase the Company's authorized common stock from 130 million to 500 million shares. As a result of the ability to issue shares in satisfaction of the tranche rights, the instrument was reclassified to stockholders' equity. The Company allocated the transaction costs across the instruments on a relative fair value basis at the grant date. As a result $4.0 million was netted against the equity proceeds and $1.7 million was recorded in other expense in the Consolidated Statements of Operations for the six nine months ended June 30, 2024 September 30, 2024.

The Company registered for resale by the investors in the January 2024 Financing up to 55,944,850 shares of common stock issued (or issuable upon exercise of pre-funded warrants) in the first tranche. The Company will not receive any proceeds from the sale of these shares of common stock. These shares are registered on a registration statement on Form S-3 (registration No. 333-277040).

Common Stock

On March 4, 2024, the stockholders of the Company voted to increase the authorized shares of the Company from 130,000,000 shares of common stock to 500,000,000 shares of common stock, par value of $0.0001 per share. The voting, dividend and liquidation rights of the holders of the Company’s common stock are subject to and qualified by the rights, powers and preferences of any holders of preferred stock.

Each share of common stock entitles the holder to one vote on all matters submitted to a vote of the Company’s stockholders. Common stockholders are entitled to receive dividends, as may be declared by the Board of Directors, if any. Through June 30, 2024 September 30, 2024, no cash dividends had been declared or paid.

Pre-funded Warrants

The Company issued 11,193,564 pre-funded warrants in connection with the January 2024 Financing, which all remain outstanding as of June 30, 2024 September 30, 2024.

Preferred Stock

The Company’s certificate of incorporation, as amended and restated, authorizes the Company to issue 20 million shares of $0.0001 par value preferred stock, with such voting powers (if any), designations, powers, preferences, and relative, participating, optional or other rights, if any, and any qualifications, limitations or restrictions thereof, as shall be set by the Board of Directors. No preferred shares were issued or outstanding as of June 30, 2024 September 30, 2024.

Stock Reserved for Future Issuance

Shares reserved for future issuance at June 30, 2024 September 30, 2024 are as follows:

	Number of Shares
Common stock reserved for issuance for:	
2021 Employee stock purchase plan Stock Purchase Plan	1,000,011
Pre-funded stock warrants	11,193,564
Outstanding stock options	10,819,558 11,546,138
Shares Common shares reserved for tranche 2 rights	46,620,046
Maximum common shares reserved for tranche 3 rights	46,620,046
Common stock options available for future grant:	
2017 Inducement Equity Incentive Plan	46,250
2019 Omnibus Equity Incentive Plan	8,630,271 7,903,691
Total common shares reserved for future issuance	124,929,746

7. Stock-Based Compensation Plans

2021 Employee Stock Purchase Plan

On April 25, 2021, the Company adopted the 2021 Employee Stock Purchase Plan ("ESPP"), which was approved by stockholder vote at the 2021 Annual Meeting of Stockholders held on June 10, 2021. The ESPP provides eligible employees of the Company with an opportunity to purchase common stock of the Company through accumulated payroll deductions, which are included in other current liabilities until they are used to purchase Company shares. Eligible employees participating in the bi-annual offering period can choose to have up to the lesser of 15% of their annual base earnings or the IRS annual share purchase limit of $25,000 in aggregate market value to purchase shares of the Company's common stock. The purchase price of the stock is the lesser of (i) 85% of the closing market price on the date of purchase and (ii) the closing market price at the beginning of the bi-annual offering period. The maximum number of shares initially reserved for delivery under the plan was 200,000 shares. An increase of 1 million shares to 1.2 million shares was approved by stockholders of the Company at the Company's Special Meeting of stockholders held on March 4, 2024.

The first enrollment period under the plan commenced on August 1, 2021 and the Company has issued 199,989 shares life-to-date under the ESPP. The Company recognized no expense related to the plan during the three and six months ended June 30, 2024, respectively. The Company recognized $37,000 and $83,000 $24,000 of expense related to the plan during the three and six nine months ended June 30, 2023 September 30, 2024. The Company recognized $19,000 and $102,000 of expense related to the plan during the three and nine months ended September 30, 2023, respectively.

Stock Option Programs

In July 2019, the Company's stockholders approved the 2019 Omnibus Equity Incentive Plan, (as amended, the "2019 Plan"), which was adopted by the Board of Directors (the "Board") with an effective date of June 14, 2019. The 2019 Plan allows for the grant of equity awards to employees, consultants and non-employee directors. An initial maximum of 1,500,000 shares of the Company's common stock were available for grant under the 2019 Plan. The 2019 Plan included an evergreen provision that allowed for the annual addition of up to 4% of the Company's fully-diluted outstanding stock, with a maximum allowable increase of 4,900,000 shares over the term of the 2019 Plan. In accordance with this provision, the shares available for grant were increased in 2020 through 2023 by a total of 4,408,871 shares. At the Company's Annual Stockholders meeting on June 28, 2023, stockholders voted to increase the allowable shares under the 2019 plan by 4,440,000 shares as well as to eliminate the evergreen provision. On March 4, 2024, the stockholders voted at the Company's Special Meeting to increase the allowable shares under the 2019 plan by 9,100,000. The 2019 Plan (as amended on June 28, 2023 and March 4, 2024) is currently administered by the Board, or, at the discretion of the Board, by a committee of the Board, which determines the exercise prices, vesting schedules and other restrictions of awards under the 2019 Plan at its discretion. Options to purchase stock may not have an exercise price that is less than the fair market value of underlying shares on the date of grant, and may not have a term greater than ten years. Incentive stock options granted to employees typically vest over four years. Non-statutory options granted to employees, officers, members of the Board, advisors, and consultants of the Company typically vest over three or four years.

Shares that are expired, terminated, surrendered or canceled under the 2019 Plan without having been fully exercised will be available for future awards.

Stock Option Repricing

On March 4, 2024, the Company's stockholders voted to approve the repricing of outstanding stock options having an exercise price above $3.00 per share to $1.72 per share. All other terms of the grant remained the same. There were 3,317,596 stock options that were repriced to $1.72 per share. The repricing will result in $1.2 million of stock compensation being recognized by the Company over the remaining term of the repriced grants and $17,000 $86,000 and $1.0 million of this amount was recognized in the three months and six nine months ended June 30, 2024 September 30, 2024, respectively.

Movements during the year

The following table summarizes stock option activity for the six nine months ended June 30, 2024 September 30, 2024 and 2023, respectively, for the 2019 Plan:

	Options	Options	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value	Options	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value
Outstanding as of January 1, 2024									
Granted									
Granted									
Granted									
Exercised									
Exercised									
Exercised									
Repricing Modification									

Repricing Modification									
Repricing Modification									
Repricing modification									
Repricing modification									
Repricing modification									
Forfeited or expired									
Forfeited or expired									
Forfeited or expired									
Outstanding as of June 30, 2024									
Outstanding as of June 30, 2024									
Outstanding as of June 30, 2024									
Options vested and expected to vest as of June 30, 2024									
Options exercisable as of June 30, 2024									
Outstanding as of September 30, 2024									
Outstanding as of September 30, 2024									
Outstanding as of September 30, 2024									
Options vested and expected to vest as of September 30, 2024									
Options exercisable as of September 30, 2024									

	Options	Options	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value	Options	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value
Outstanding as of January 1, 2023									
Granted									
Granted									
Granted									
Exercised									
Exercised									
Exercised									
Forfeited or expired									
Forfeited or expired									
Forfeited or expired									
Outstanding as of June 30, 2023									
Outstanding as of June 30, 2023									
Outstanding as of June 30, 2023									
Options vested and expected to vest as of June 30, 2023									
Options exercisable as of June 30, 2023									
Outstanding as of September 30, 2023									
Outstanding as of September 30, 2023									
Outstanding as of September 30, 2023									
Options vested and expected to vest as of September 30, 2023									
Options exercisable as of September 30, 2023									

Measurement

The weighted-average assumptions used in the BSM option pricing model to determine the fair value of the employee and non-employee stock option grants relating to the 2019 Plan were as follows:

Risk-Free Interest Rate

The risk-free rate assumption is based on U.S. Treasury instruments with maturities similar to the expected term of the stock options.

Expected Dividend Yield

The Company has not issued any dividends and does not expect to issue dividends over the life of the options. As a result, the Company has estimated the dividend yield to be zero.

Expected Volatility

Due to the Company's limited operating history and a lack of company specific historical and implied volatility data, the Company estimates expected volatility based on the historical volatility of its own stock combined with a group of comparable companies that are publicly traded. The historical volatility data was computed using the daily closing prices for the selected companies' shares during the equivalent period of the calculated expected term of the stock-based awards.

Expected Term

The expected term of options is estimated considering the vesting period at the grant date, the life of the option and the average length of time similar grants have remained outstanding in the past.

The weighted-average grant date fair value of stock options granted under the 2019 Plan during the six nine months ended June 30, 2024 September 30, 2024 and 2023 was $0.98 $0.99 and $1.17, $1.32, respectively. The following are the underlying assumptions used in the Black-Scholes Black-Scholes-Merton option pricing model to determine the fair value of stock options granted to employees and to non-employees under this stock plan:

	Six Months Ended June 30,	
	2024	2023
Risk-free interest rate	4.10%	3.93%
Expected dividend yield	0%	0%
Expected volatility	99.6%	101.6%
Expected term of options (years)	5.95	5.99

	Nine Months Ended September 30,	
	2024	2023
Risk-free interest rate	4.11%	4.00%
Expected dividend yield	0%	0%
Expected volatility	100.0%	96.0%
Expected term of options (years)	5.95	6.01

Stock-Based Compensation Expense

Total stock-based compensation expense for all stock awards recognized in the accompanying unaudited condensed consolidated statements of operations is as follows:

	Three Months Ended June 30,		Six Months Ended June 30,		Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023	2024	2023	2024	2023
Research and development								
General and administrative								
Total								

As of June 30, 2024 September 30, 2024, there was $11.9 $10.8 million in total unrecognized compensation expense relating to the 2019 Plan including $0.2 million related to repriced stock options, to be recognized over a weighted average period of 2.88 2.82 years. There was $9,000 and $8,000 of stock-based compensation expense during the three months ended June 30, 2024 related to the repricing included in general and administrative and research and development expense respectively. There was $0.6 million and $0.3 million of stock-based compensation expense during the six months ended June 30, 2024 related to the repricing included in general and administrative and research and development expense, respectively.

Summary of Equity Incentive Plans Assumed from Vital Therapies

On April 12, 2019, we assumed the equity incentive plans of Vital Therapies, Inc. ("Vital") following an exchange transaction (the "Transaction") with Immunic AG.In the Transaction, holders of ordinary shares of Immunic AG exchanged all of their shares for shares of our common stock, resulting in Immunic AG becoming our wholly owned subsidiary. Following the Transaction, we changed our name to Immunic, Inc. Upon completion of the Transaction with Vital Therapies ("Vital") on April 12, 2019, Vital's 2012 Stock Option Plan (the "2012 Plan"), Vital's 2014 Equity Incentive Plan (the "2014 Plan") and Vital's 2017

Inducement Equity Incentive Plan (the "Inducement Plan"), were assumed by the Company. All awards granted under these plans have either been forfeited or expired.

There are no longer any shares available for grant under the 2014 Plan as of June 30, 2024 September 30, 2024.

In On September 2017, Vital's board of directors approved the Inducement Plan, which was amended and restated in November 2017. Under the Inducement Plan 46,250 shares of Vital's common stock were reserved to be used exclusively for non-qualified grants to individuals who were not previously employees or directors as an inducement material to a grantee's entry into employment within the meaning of Rule 5635(c)(4) of the Nasdaq Listing Rules.

No expense was recorded for the plans assumed from Vital during the three or six and nine months ended June 30, 2024 September 30, 2024 and 2023, respectively.

8. Related Party Transactions

Executive Chairman Agreement with Duane Nash

On April 15, 2020, the compensation committee of the Board of Directors of the Company independently reviewed and approved entering into an employment agreement with the Executive Chairman of the Board, Duane Nash, MD, JD, MBA (the "Executive Chairman Agreement") and pursuant to such approval, on April 17, 2020, the Company and Dr. Nash entered into the Executive Chairman Agreement. The Executive Chairman Agreement establishes an "at will" employment relationship. On December 28, 2022, the Company and Dr. Nash entered into Addendum No. Four, which extended the term of employment from December 31, 2022 to December 31, 2023 with a base salary of $30,250 per month. On October 17, 2023, Immunic, Inc. and Dr. Duane Nash entered into Addendum Number 5 to the Executive Chairman Agreement to extend the term of Dr. Nash's employment as Executive Chairman of the Board of Directors of the Company to December 31, 2024. In connection with Addendum Number 5, the Company increased Dr. Nash's monthly base salary to $32,368 from $30,250 (which includes the cash retainer payable for serving on the Company's Board or for acting as the Chairman of the Board). On August 29, 2024, Immunic, Inc. and Dr. Duane Nash entered into Addendum Number 6 to the Executive Chairman Agreement to extend the term of Dr. Nash's employment as Executive Chairman of the Board of Directors of the Company to December 31, 2025. In connection with Addendum Number 6, the Company increased Dr. Nash's monthly base salary to $33,986 from $32,368 (which includes the cash retainer payable for serving on the Company's Board or for acting as the Chairman of the Board) All other terms of the Executive Chairman Agreement remain the same.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of financial condition and results of operations should be read in conjunction with our unaudited interim condensed consolidated financial statements and notes thereto included in Item 1 "Financial Statements" in this Quarterly Report and audited Consolidated Financial Statements for the years ended December 31, 2023 and 2022 of Immunic, Inc. filed with the Securities and Exchange Commission ("SEC"), on in our Annual Report on Form 10-K on February 22, 2024. As used in this report, unless the context suggests otherwise, "we," "us," "our," "the Company" or "Immunic" refer to Immunic, Inc. and its subsidiaries.

Forward-Looking Statements

In addition to historical information, this Quarterly Report includes forward-looking statements within the meaning of federal securities laws. Forward-looking statements are subject to certain risks and uncertainties, many of which are beyond our control. Such statements include, but are not limited to, statements preceded by, followed by or that otherwise include the words, "believe," "may," "might," "can," "could," "will," "would," "should," "estimate," "continue," "anticipate," "intend," "seek," "plan," "project," "expect," "potential," "predicts," or similar expressions and the negatives of those terms.

Forward-looking statements discuss matters that are not historical facts. Our forward-looking statements involve assumptions that, if they ever materialize or prove correct, could cause our results to differ materially from those expressed or implied by such forward-looking statements. In this Quarterly Report, for example, we make forward-looking statements, among others, regarding potential strategic options; financial estimates and projections; and the sufficiency of our capital resources to fund our operations.

The inclusion of any forward-looking statements in this Quarterly Report should not be regarded as a representation that any of our plans will be achieved. Our actual results may differ from those anticipated in our forward-looking statements as a result of various factors, including those noted below under the caption "Part II, Item 1A-Risk Factors," and the differences may be material. These risk factors include, but are not limited to statements relating to our two development programs and the targeted diseases; the potential for vidofludimus calcium and IMU-856 to safely and effectively target diseases; the nature, strategy and focus of the Company; expectations regarding our capitalization and financial resources; the development, timing and commercial potential of any product candidates of the Company; and our ability to attract and retain certain personnel important to our ongoing operations and to maintain effective internal control over financial reporting.

Although our forward-looking statements reflect the good faith judgment of our management, these statements are based only on facts and factors currently known by us. As a result, investors are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. All forward-looking statements are qualified in their entirety by this cautionary statement, and we undertake no obligation to revise or update such statements to reflect events or circumstances after the date hereof, except as required by law.

Overview

Immunic, Inc. ("Immunic," "we," "us," "our" or the "Company") is a biotechnology company developing a clinical pipeline of selective oral immunology therapies focused on treating chronic inflammatory and autoimmune diseases. We are headquartered in New York City with our main operations in Gräfelfing near Munich, Germany. We had approximately 85 employees as of August 1, 2024 November 1, 2024.

We are pursuing clinical development of orally administered, small molecule programs, each of which has unique features intended to directly address the unmet needs of patients with serious chronic inflammatory and autoimmune diseases. These include the vidofludimus calcium (IMU-838) program, which is in Phase 3 and Phase 2 clinical development for patients with relapsing and progressive multiple sclerosis ("MS"), respectively, and which has shown therapeutic activity in Phase 2 clinical trials in patients suffering from relapsing-remitting MS, progressive MS and moderate-to-severe ulcerative colitis ("UC"); the IMU-856 program, which is targeted to regenerate bowel epithelium and restore

intestinal barrier function, which could potentially be applicable in numerous gastrointestinal diseases, such as celiac disease, inflammatory bowel disease (“IBD”) and Graft-versus-Host-Disease; Graft-versus-Host-Disease ("GvHD"); and the IMU-381 program, which is a next generation molecule being developed to specifically address the needs of gastrointestinal diseases.

The following table summarizes the potential indications, clinical targets and clinical development status of our three product candidates:


pipeline_20241017_2000px.jpg

Our most advanced drug candidate, vidofludimus calcium (IMU-838), is being tested in several ongoing MS trials as part of its overall clinical program in order to support a potential approval for patients with MS in major markets. The Phase 3 ENSURE program of vidofludimus calcium in relapsing multiple sclerosis (“RMS”), comprising twin studies evaluating efficacy, safety, and tolerability of vidofludimus calcium versus placebo, and the Phase 2 CALLIPER trial of vidofludimus calcium in progressive multiple sclerosis (“PMS”), designed to corroborate vidofludimus calcium’s neuroprotective potential, are ongoing. On October 9, 2023, we announced positive interim data from the CALLIPER trial, showing biomarker evidence that vidofludimus calcium’s activity extends beyond the previously observed anti-inflammatory effects, thereby further reinforcing its neuroprotective potential. Top-line data from the CALLIPER trial, for which the recruitment of in total 467 patients was completed in August 2023, is expected to be available in April 2025. Moreover, on October 22, 2024, we currently expect to report announced a positive outcome of an interim futility analysis of the ENSURE program, in with an unblinded Independent Data Monitoring Committee ("IDMC") confirming that the fourth quarter predetermined futility criteria have not been met and recommending that both ENSURE trials should continue without changes, including no need for a potential upsizing of 2024. the sample size. Completion of the first of the ENSURE trials is currently anticipated in the second quarter of 2026; and the second ENSURE trial in the second half of 2026. Although we currently believe that each of these goals is achievable, they are each dependent on numerous factors, most of which are not under our direct control and can be difficult to predict. We plan to periodically review this assessment and provide updates of material changes as appropriate.

If approved, we believe that vidofludimus calcium, with combined neuroprotective, anti-inflammatory, and antiviral effects, has the potential to be a unique treatment option targeted to the complex pathophysiology of MS. Preclinical data showed that vidofludimus calcium activates the neuroprotective transcription factor nuclear receptor related 1 (“Nurr1”), which is associated with direct neuroprotective properties and may enhance the potential benefit for patients. Additionally, vidofludimus calcium is a known inhibitor of the enzyme dihydroorotate dehydrogenase (“DHODH”), which is a key enzyme in the metabolism of overactive immune cells and virus-infected cells. This mechanism is associated with the anti-inflammatory and antiviral effects of vidofludimus calcium. We believe that the combined mechanisms of vidofludimus calcium are unique in the MS space and support the therapeutic performance shown in our Phase 2 EMPhASIS trial in relapsing-remitting MS patients, in particular, via data illustrating the potential to reduce magnetic resonance imaging (“MRI”) lesions, prevent relapses, reduce the rate of disability progression, and reduce levels of serum neurofilament light chain (“NfL”), an important biomarker of neuronal damage. Vidofludimus calcium has shown in clinical trials reported to date a consistent pharmacokinetic, safety and tolerability profile and has already been exposed to more than 1,800 human subjects and patients in either of the drug’s formulations.

IMU-856 is an orally available and systemically acting small molecule modulator that targets Sirtuin 6 (“SIRT6”), a protein which serves as a transcriptional regulator of intestinal barrier function and regeneration of bowel epithelium. Based on preclinical data, we believe this compound may represent a unique treatment approach, as the mechanism of action targets the restoration of the intestinal barrier function and bowel wall architecture in patients suffering from gastrointestinal diseases such as celiac disease, IBD, Graft-versus-Host-Disease GvHD and other intestinal barrier function associated diseases. Based on preclinical investigations demonstrating no suppression of immune cells, IMU-856 may have the potential to maintain immune surveillance for patients during therapy, which would be an important advantage versus immunosuppressive medications and may allow the potential for combination with available treatments in gastroenterological diseases.

Data from a Phase 1b clinical trial in celiac disease patients during periods of gluten-free diet and gluten challenge demonstrated positive effects for IMU-856 over placebo in four key dimensions of celiac disease pathophysiology: protection of the gut architecture, improvement of patients’ symptoms, biomarker response, and enhancement of nutrient absorption. IMU-856 was also observed to be safe and well-tolerated in this trial. We are currently preparing clinical Phase 2 testing of IMU-856 in patients with ongoing active celiac disease (“OACD”) despite gluten-free diet, while also considering further potential clinical applications in other gastrointestinal disorders.

Immunic has selected IMU-381 as a development candidate to specifically address the needs of gastrointestinal diseases. IMU-381 is a next generation molecule with improved overall properties, supported by a series of chemical derivatives. IMU-381 is currently in preclinical testing.

Additional research and development activities remain ongoing through preclinical research examining the potential to treat a broad set of neuroinflammatory, autoimmune and viral diseases with new molecules leveraging our chemical and pharmacological research platform as well as generated intellectual property in these areas.

We expect to continue to lead most of our research and development activities from our Gräfelfing, Germany location, where dedicated scientific, regulatory, clinical and medical teams conduct their activities. Due to these teams' key relationships with local and international service providers, we anticipate that this should result in more timely and cost-effective execution of our development programs. In addition, we are using our subsidiary in Melbourne, Australia to perform research and development activities in the Australasia region. We also conduct preclinical work in Halle/Saale, Germany through a collaboration with the Fraunhofer Institute.

Our business, operating results, financial condition and growth prospects are subject to significant risks and uncertainties, including delays in clinical trials, the failure of our clinical trials to meet their endpoints, failure to obtain regulatory approval and failure to obtain needed additional funding on acceptable terms, if at all, to complete the development and commercialization of our three development programs.

Strategy

We are focused on the development of new molecules that maximize the therapeutic benefits for patients by uniquely addressing biologically relevant immunological targets. We take advantage of our established research and development infrastructure and operations in Germany and Australia to more efficiently develop our product candidates in indications of high unmet need and where the product candidates have the potential to elevate the standard of care for the benefit of patients. Given the mechanisms of action and the data generated for our product candidates, to date, we continue to execute on the clinical development of our programs for established indications as well as explore additional indications where patients could potentially benefit from the unique profiles of each product candidate.

We are currently focused on maximizing the potential of our development programs through the following strategic initiatives:

- Executing the ongoing Phase 3 ENSURE and Phase 2 CALLIPER clinical trial programs of vidofludimus calcium in RMS and PMS, respectively.
- Executing the IMU-856 development program, including preparation of a Phase 2 clinical trial.
- Continuing preclinical research to complement the existing clinical activities, explore additional indications for future development and generating additional molecules for potential future development.
- Facilitating readiness for potential commercial launch of our product candidates through targeted and stage-appropriate pre-commercial activities.
- Evaluating potential strategic collaborations for each product candidate in order to complement our existing research and development capabilities and to facilitate potential commercialization of these product candidates by taking advantage of the resources and capabilities of strategic collaborators in order to enhance the potential and value of each product candidate.

Financial Condition, Liquidity and Going Concern

We have no products approved for commercial sale and have not generated any revenue from product sales. We have never been profitable and have incurred operating losses in each year since inception in 2016. We have an accumulated deficit of approximately $461.9 million $486.2 million as of June 30, 2024 September 30, 2024 and $410.9 million as of December 31, 2023. Substantially all of our operating losses resulted from expenses incurred in connection with our research and development programs and from general and administrative costs associated with our operations.

We expect to incur significant expenses and increasing operating losses for the foreseeable future as we initiate and continue the development of our product candidates and add personnel necessary to advance our pipeline of product candidates. We expect that our operating losses will fluctuate significantly from quarter-to-quarter and year-to-year due to timing of development programs.

From inception through June 30, 2024 September 30, 2024, we have raised net cash of approximately $430.9 million from private and public offerings of preferred stock, common stock, pre-funded warrants and tranche rights. As of June 30, 2024 September 30, 2024, we had cash and cash equivalents of approximately $79.7 million $59.1 million. With these funds, the Company does not have adequate liquidity to fund its operations for at least twelve months from the issuance of these consolidated financial statements without raising additional capital and but, such actions are not solely within the control of the Company. If the Company is unable to obtain additional capital, it would have a material adverse effect on the operations of the Company, its clinical development program, and the Company may have to cease operations altogether. These factors raise substantial doubt about the Company's ability to continue as a going concern.

Key Status Updates

Private Placement of up to $240 Million (the "January 2024 Financing")

On January 4, 2024, Immunic entered into a Securities Purchase Agreement with select accredited investors, pursuant to which the Company agreed to issue and sell to the Investors in a three-tranche private placement shares of the Company's common stock, $0.0001 par value per share or in lieu thereof, pre-funded warrants to purchase shares of Common Stock. The Pre-Funded Warrants are exercisable immediately for $0.0001 per share until exercised in full.

- The first tranche, which closed on January 8, 2024, resulted in the purchase by the Investors of an aggregate of $80 million of Common Stock (or pre-funded warrants) from the Company at a price of $1.43 per share;

- The second tranche is a conditional mandatory purchase by the Investors of an additional $80 million of Common Stock (or pre-funded warrants) from the Company at a price of $1.716 per share, equal to 120% of the price paid in the first tranche and is subject to the satisfaction of three conditions:
  - release by the Company of topline data from its Phase 2b clinical trial of vidofludimus calcium (IMU-838) in progressive multiple sclerosis, which data is currently expected in or around April 2025;
  - the 10-day volume-weighted average price of the Common Stock is at least $8.00 per share during the 6 months following the data release; and
  - aggregate trading volume during the same 10-day period is at least $100 million.
- The third tranche must occur no later than three years after the second tranche and is conditioned on the same volume-weighted average share price and minimum trading volumes as the second tranche. The third tranche provides for the issuance of $80 million of shares of common stock (or pre-funded warrants) at the same price per share as the second tranche, but permits investors to fund their purchase obligations on a "cashless" or net settlement basis, which would reduce the cash proceeds to be raised by the Company in the January 2024 Financing.

Any of the conditions in the second or third tranches can be waived by holders of a majority of the outstanding securities (including the lead investor). The fair value methodology used by the Company assumed the conditions will be waived if the trading price of the stock exceeds the purchase price.

The January 2024 Financing resulted in gross proceeds to the Company of approximately $80 million in the first tranche, and an additional $80 million if and when the second tranche occurs. If the second tranche is completed and conditions for the third tranche are satisfied or waived, the Company could receive up to an additional $80 million in the third tranche. However, the amount of cash received in the third tranche would depend on the extent to which the Investors elect to fund the third tranche through a "cashless" or net settlement basis. Therefore, total gross proceeds from the offering to the Company could actually be between $80 million and $240 million. Gross proceeds to the Company will be reduced by fees paid to the placement agents, capital markets advisors and payments of transaction expenses. The Company intends to use the net proceeds from the January 2024 Financing to fund the ongoing clinical development of its three lead product candidates, vidofludimus calcium (IMU-838), IMU-856 and IMU-381, and for other general corporate purposes.

As of the closing date of the transaction of January 8, 2024, the Company did not have enough authorized shares to be able to issue the potential shares for tranche 2 and tranche 3 (collectively referred to hereafter as "the tranche rights"). Therefore, the Company recorded the value associated to the tranche rights as a liability of $23.6 million and allocated the remainder of the $80 million received (or $56.4 million) with from the common stock and pre-funded warrants to equity. On March 4, 2024, the stockholders voted to

increase the Company's authorized common shares from 130 million to 500 million shares. As a result of the ability to issue shares in satisfaction of the tranche rights, the instrument was reclassified to stockholders' equity. The Company allocated the transaction cost across the instruments on a relative fair value basis. As a result $4.0 million was netted against the equity proceeds and $1.7 million was recorded in other expense in the Consolidated Statements of Operation for the six nine months ended June 30, 2024 September 30, 2024.

The financing was led by BVF Partners L.P., and included participation from new and existing investors, including Avidity Partners, Janus Henderson Investors, Soleus Capital, RTW Investments and Adage Capital Partners LP. Leerink Partners acted as the lead placement agent and Ladenburg Thalmann acted as a placement agent in connection with the offering. Piper Sandler, B. Riley Securities and Brookline Capital Markets, a division of Arcadia Securities, LLC, acted as capital markets advisors to the Company.

The Company registered for resale by the investors in the January 2024 Financing up to 55,944,850 shares of common stock issued (or issuable upon exercise of pre-funded warrants) in the first tranche. The Company will not receive any proceeds from the sale of these shares of common stock. These shares are registered on a registration statement on Form S-3 (registration No. 333-277040), which was declared effective by the SEC on April 30, 2024.

Notice of Allowance for Composition-of-Matter Patent of a Specific Polymorph of Vidofludimus Calcium in the United States

On March 20, 2024, we announced Notice of Allowance from the United States Patent and Trademark Office (“USPTO”) for patent application 16/981,122, entitled, “Calcium salt polymorphs as anti-inflammatory, immunomodulatory and anti-proliferative agents,” covering the composition-of-matter of a specific polymorph of vidofludimus calcium and a related method of production of the material. The claims are expected to provide protection into 2039, unless extended further. The patent was previously granted to the company in Australia, Canada, Indonesia, Japan and Mexico.

Publication of Extended Data From Phase 2 EMPhASIS Trial of Vidofludimus Calcium in Relapsing-Remitting Multiple Sclerosis in the Peer Reviewed Journal, Neurology® Neuroimmunology & Neuroinflammation

On April 30, 2024, we announced that data from our phase Phase 2 EMPhASIS trial of vidofludimus calcium in patients with relapsing-remitting MS has been published online on April 25, 2024 in Neurology® Neuroimmunology & Neuroinflammation, an official journal of the American Academy of Neurology. The paper, lead authored by coordinating investigator, Robert J. Fox, M.D., Staff Neurologist, Mellen Center for Multiple Sclerosis, Vice-Chair for Research, Neurological Institute, Cleveland Clinic, Cleveland, Ohio, is entitled, “Safety and Dose-Response of Vidofludimus Calcium in Relapsing Multiple Sclerosis: Extended Results of a Placebo-Controlled Phase 2 Trial.”

Appointment of Jason Tardio as Chief Operating Officer and President and Promotion of Werner Gladdines to Chief Development Officer

On July 9, 2024, we announced that seasoned biopharmaceutical executive, Jason Tardio, will be joining the company as Chief Operating Officer and President, effective July 12, 2024. In the newly created role, Mr. Tardio leads internal efforts to prepare for the potential launch of vidofludimus calcium. Jason also works closely with Patrick Walsh, Chief Business Officer, to prepare the Company for a range of potential partnership outcomes for vidofludimus calcium, as well as our other drug candidates.

On July 9, 2024, we also reported that Werner Gladdines, former Vice President, Program Management & Clinical Development Operations, has been promoted to Chief Development Officer. In his new role, Mr. Gladdines takes over additional strategic and operational responsibility for our overall clinical operations functions.

Appointment of Simona Skerjanec to Board of Directors

On July 24, 2024, we announced the appointment of Simona Skerjanec, M.Pharm, MBA, a thought-leader in brain health with decades of experience in drug development and commercialization, as a member of our Board of Directors, effective as of July 22, 2024. As a Class I director, Ms. Skerjanec’s term lasts until the Company’s 2027 annual meeting of stockholders.

First Patient Enrolled in Investigator-Sponsored Phase 2 Clinical Trial of Vidofludimus Calcium in Patients with Post COVID Syndrome

On September 4, 2024, we announced enrollment of the first patient in an investigator-sponsored Phase 2 clinical trial of vidofludimus calcium, entitled, “Randomized Adaptive Assessment of Post COVID Syndrome Treatments_Reducing Inflammatory Activity in Patients with Post COVID Syndrome (RAPID_REVIVE).” The Phase 2 RAPID_REVIVE trial, for which Immunic is providing study medication, is a randomized, placebo-controlled, double-blind, parallel group trial sponsored by the Goethe University Frankfurt, which received trial funding via a grant from the German Federal Ministry of Education and Research.

Hosted Two Multiple Sclerosis R&D Days in New York City and San Francisco

At two MS R&D Days, on September 10, 2024 in New York City and on April 9, 2024 in San Francisco, management discussed the latest developments in the MS landscape, along with recent mode of action, preclinical and clinical data supporting the combined neuroprotective, anti-inflammatory and antiviral profile of vidofludimus calcium.

Presented Key Vidofludimus Calcium Data at the 40th Congress of ECTRIMS, Highlighting Its Therapeutic Potential in Multiple Sclerosis

On September 18, 2024, we announced the presentation of key data at the 40th Congress of the European Committee for Treatment and Research in Multiple Sclerosis (“ECTRIMS”), highlighting vidofludimus calcium’s therapeutic potential in MS. The data was presented in an oral poster presentation and three ePosters at this conference in Copenhagen, Denmark.

Positive Outcome of Interim Analysis of Phase 3 ENSURE Program of Vidofludimus Calcium in Relapsing Multiple Sclerosis

On October 22, 2024, we announced a positive outcome of an interim analysis of our Phase 3 ENSURE program, investigating vidofludimus calcium for the treatment of RMS. An unblinded IDMC confirmed that the predetermined futility criteria have not been met and recommended that both ENSURE trials should continue without changes. The IDMC

considered if a sample size adjustment would be appropriate for either of the two trials based on factors that include statistical analysis and ultimately recommended that the sample sizes for both trials remain unchanged.

Components of Results of Operations

Revenue

To date, we have not generated any revenue from product sales and do not expect to generate any revenue from the sale of products in the foreseeable future. If our development efforts for our product candidates are successful and result in regulatory approval, we may generate revenue in the future from product sales. We cannot predict if, when, or to what extent we will generate revenue from the commercialization and sale of our product candidates. We may never succeed in obtaining regulatory approval for any of our product candidates or achieving market acceptance and commercial success for any product that does receive regulatory approval.

Research and Development Expenses

Research and development expenses consist of costs associated with our research activities, including our product discovery efforts and the development of our product candidates. Our research and development expenses include:

- external research and development expenses and milestone payments incurred under arrangements with third parties, such as CROs, contract manufacturing organizations, collaborations with partners, consultants, and our scientific advisors; and
- internal personnel expenses.

We expense research and development costs as incurred. Non-refundable advance payments for goods and services that will be used in future research and development activities are capitalized as prepaid expenses and expensed when the service has been performed or when the goods have been received.

Since our inception in March 2016, we have spent a total of approximately $335.1 million $356.5 million in research and development expenses through June 30, 2024 September 30, 2024.

These costs primarily include external development expenses and internal personnel expenses for the three development programs, vidofludimus calcium, IMU-856 and IMU-381. We have spent the majority of our research and development resources on vidofludimus calcium, our lead development program, for clinical trials in MS and UC.

In August 2019, Immunic AG received a grant of up to approximately $726,000 from the German Federal Ministry of Education and Research, in support of the InnoMuNiCH (Innovations through Munich-Nippon Cooperation in Healthcare) project. The grant funds have been used to fund a three-year research project relating to autoimmune diseases by us and our three project partners. Since the inception of the grant, we have recorded $726,000 of income in total which was classified in Other Income in the accompanying consolidated statement of operations. No income was recorded for the periods ending June 30, 2024 ended September 30, 2024 and 2023. The funding of this grant is now completed.

Our research and development expenses are expected to increase in the foreseeable future as we continue to conduct ongoing research and development activities, initiate new preclinical and clinical trials and build our pipeline of product candidates. Our research and development expenses may also increase in the foreseeable future due to the current inflationary environment as well as supply chain shortages, which result in increased costs. The process of conducting clinical trials and preclinical studies necessary to obtain regulatory approval is costly and time consuming. We may never succeed in achieving regulatory approval for any of our product candidates.

Successful development of product candidates is highly uncertain and may not result in approved products. Completion dates and completion costs can vary significantly for each product candidate and are difficult to predict. We anticipate that we will make determinations as to which programs to pursue and how much funding to direct to each program on an ongoing basis in response to the development and regulatory success of each product candidate, and ongoing assessments as to each product candidate's commercial potential.

General and Administrative Expenses

General and administrative expenses consist primarily of personnel expenses, professional fees for legal, accounting, tax and business consulting services, insurance premiums and stock-based compensation.

Other Income (Expense), Net

Interest Income

Interest income consists of interest earned on our money market funds and bank accounts which are a portion of our cash and cash equivalents balance. Our interest income is expected to decrease as our money market funds balance has been increasing throughout 2023 decreased and 2024 as global U.S. interest rates have been increasing. started to and are expected to continue to decrease in the near future.

Change in the Fair Value of the Tranche Rights

The change in fair value of the tranche rights is a non-cash charge related to the change in fair value of the tranche 2 and tranche 3 rights associated with the January 2024 Financing from January 8, 2024 until March 4, 2024.

Other Income (Expense), Net

Other income (expense) consists of (i) deal costs from the January 2024 Financing related to tranche rights that were established at the time of the deal closing (ii) a research and development tax incentive related to clinical trials performed in Australia, (iii) a German Government research and development grant and (iv) foreign currency transaction gains and losses.

Results of Operations

Comparison of the Three Months Ended June 30, 2024 September 30, 2024 and 2023

The following table summarizes our operating expenses for the three months ended June 30, 2024 September 30, 2024 and 2023:

	Three Months Ended June 30,		Change	
	2024	2023	$	%
(dollars in thousands)	(dollars in thousands)	(unaudited)	(dollars in thousands)	
Operating expenses:				
Research and development				
Research and development				
Research and development				
Research and development				
Research and development				
Research and development				
Research and development				
Research and development				
Research and development	$ 18,323	$ 21,172	$ (2,849)	(13)
General and administrative	General and administrative 4,491	3,849	642	17
Total operating expenses				
Total operating expenses				
Total operating expenses	22,814	25,021	(2,207)	(9)
Loss from operations	Loss from operations (22,814)	(25,021)	2,207	(9)
Other income:				
Interest income				
Interest income				
Interest income	998	968	30	3
Other income, net				
Other income, net				
Other income, net	436	54	382	707
Total other income	Total other income 1,434	1,022	412	40
Net loss	Net loss $ (21,380)	$ (23,999)	$ 2,619	(11)

Research and development expenses decreased increased by $2.8 million $1.6 million during the three months ended June 30, 2024 September 30, 2024, as compared to the three months ended June 30, 2023 September 30, 2023. The decrease increase reflects (i) a $1.8 million decrease $1.4 million increase in external development costs related to the vidofludimus calcium trials, (ii) a $0.3 million increase in external development costs related to IMU-856, (iii) $0.3 million increase in personnel costs due to the completion of the phase 1 trial an increase in celiac disease, (ii) headcount and (iv) a $0.3 million increase related costs across numerous categories. The increases were offset by a decrease of $1.0 million $0.7 million from deprioritizing the izumerogant program in psoriasis and castration-resistant prostate cancer and (iii) a $0.5 million decrease in related costs across numerous categories. The decreases were offset by a $0.5 million increase in external development costs related to the vidofludimus calcium programs.cancer.

General and administrative expenses increased by $0.6 million during the three months ended June 30, 2024 September 30, 2024, as compared to the three months ended June 30, 2023 September 30, 2023. The increase was primarily due to (i) a $0.3 million $0.6 million increase in personnel expense in general and administrative, $0.1 million $0.2 million of which is related to non-cash stock compensation expense and the remainder of which is related to an increase in headcount, (ii) a $0.1 million increase in legal and consultancy expenses and (iii) a $0.2 million increase related to costs across numerous categories. headcount.

Interest income remains unchanged at $1.0 million $0.8 million during the three months ended June 30, 2024 September 30, 2024, as compared to the three months ended June 30, 2023 September 30, 2023.

Other income increased by $0.4 million $0.5 million during the three months ended June 30, 2024 September 30, 2024, as compared to the three months ended June 30, 2023 September 30, 2023. The increase was primarily attributable by to a $0.7 million $0.6 million increase in foreign exchange gains. The increase was offset by (i) a $0.2 million decrease in other grants which we received in 2023 and (ii) a $0.1 million decrease in research and development tax incentives for clinical trials in Australia as a result of decreased spending on clinical trials in Australia.

Comparison of the Six Nine Months Ended June 30, 2024 September 30, 2024 and 2023

The following table summarizes our operating expenses for the six nine months ended June 30, 2024 September 30, 2024 and 2023:

	Six Months Ended June 30,		Change	
	2024	2023	$	%
(dollars in thousands)	(dollars in thousands)	(unaudited)	(dollars in thousands)	
Operating expenses:				
Research and development				
Research and development				
Research and development				
Research and development				
Research and development				
Research and development				
Research and development				
Research and development				
Research and development	$ 37,059	$ $ 44,135	$ $ (7,076)	(16) (16)
General and administrative	General and administrative	9,636	8,137 8,137	1,499 1,499	18
Total operating expenses				
Total operating expenses				
Total operating expenses	$ 46,695	$ $ 52,272	$ $ (5,577)	(11) (11)
Loss from operations	Loss from operations	(46,695)	(52,272) (52,272)	5,577 5,577	(11)

Other income (expense):																			
Interest income																			
Interest income																			
Interest income			2,185		1,768			1,768		417			417			24			
Change in fair value of the tranche rights	Change in fair value of the tranche rights		(4,796)		—			—		(4,796)			(4,796)			N/A			
Other income (expense), net	Other income (expense), net		(1,658)		1,233			1,233		(2,891)			(2,891)			(234)			
Total other income (expense)	Total other income (expense)		(4,269)		3,001			3,001		(7,270)			(7,270)			(242)			
Net loss	Net loss	$	(50,964)		$		$	(49,271)		$			$	(1,693)			3			3

Research and development expenses decreased by $7.1 million $5.5 million during the six nine months ended June 30, 2024 September 30, 2024, as compared to the six nine months ended June 30, 2023 September 30, 2023. The decrease reflects (i) a decrease of $3.4 million $4.1 million from deprioritizing the izumerogant program in psoriasis and castration-resistant prostate cancer, (ii) a $2.9 million $2.6 million decrease in external development costs related to IMU-856 due to the completion of the phase 1 clinical trial in celiac disease and (iii) a $0.9 million $0.5 million decrease in external development costs related to the vidofludimus calcium programs and (iv) a $0.8 million decrease in related costs across numerous categories. The decreases were offset by (i) a $0.9 million $1.2 million increase in personnel costs, $0.2 million of which is related to non-cash stock compensation and the remainder of which is due to an increase in headcount. headcount and (ii) a $0.5 million increase in external development costs related to the vidofludimus calcium program.

General and administrative expenses increased by $1.5 million $2.1 million during the six nine months ended June 30, 2024 September 30, 2024, as compared to the six nine months ended June 30, 2023 September 30, 2023. The increase was primarily due to (i) a $1.1 million $1.7 million increase in personnel expense in general and administrative, $0.6 million $0.9 million of which is related to non-cash stock compensation expense and the remainder of which is related to an increase in headcount, (ii) a $0.2 million increase $0.3 million in legal and consultancy expenses and (iii) a $0.2 million $0.1 million increase related to costs across numerous categories.

Interest income increased by $0.4 million during the six nine months ended June 30, 2024 September 30, 2024, as compared to the six nine months ended June 30, 2023 September 30, 2023 due to higher interest rates.

The change in fair value of the tranche rights of $4.8 million is was a non-cash charge related to the change in value of the tranche rights associated with the January 2024 Financing from January 8, 2024 until March 4, 2024.These tranches were initially classified as a liability but were reclassified to equity on March 4, 2024, when stockholders approved the increase in our authorized shares from 130 million to 500 million shares of common stock and therefore the tranche 2 and tranche 3 rights needed to be revalued to fair value upon the reclass to equity.

Other income (expense) decreased by $2.9 million $2.3 million during the six nine months ended June 30, 2024 September 30, 2024, as compared to the six nine months ended June 30, 2023 September 30, 2023. The decrease was primarily attributable to (i) a $1.7 million expense related to the portion of deal costs from the January 2024 Financing related to the tranche rights that were established at the time of thedeal closing, (ii) the German Federal Ministry of Finance grant of $1.1 million being recognizedin the fourth quarter of 2023 which was one quarter earlier than in the prior year when the grant that was recognized in the first quarter of 2023 (iii) a $0.5 million decrease in research and development tax incentives for clinical trials in Australia as a result of decreased spending on clinical trials in Australia and (iv) (iii) a $0.4 million decrease in other grants which we were received in 2023. The decrease was offset by a $0.8 million $0.9 million increase in foreign exchange gains.

Liquidity and Capital Resources

Financial Condition, Liquidity and Going Concern

We have no products approved for commercial sale and have not generated any revenue from product sales. We have never been profitable and have incurred operating losses in each year since inception in 2016. We have an accumulated deficit of approximately $461.9 million $486.2 million as of June 30, 2024 September 30, 2024 and $410.9 million as of December 31, 2023. Substantially all of our operating losses resulted from expenses incurred in connection with our research and development programs and from general and administrative costs associated with our operations.

We expect to continue to incur significant expenses and increasing operating losses for the foreseeable future as we initiate and continue the preclinical and clinical development of our product candidates and add personnel necessary to operate as a company with an advanced clinical pipeline of product candidates. To the extent additional funds are necessary to meet long-term liquidity needs as we continue to execute our business strategy, we anticipate that they will be obtained through the incurrence of indebtedness, additional equity financings or a combination of these potential sources of funds, although we can provide no assurance that these sources of funding will be available on reasonable terms, if at all.

From inception through June 30, 2024 September 30, 2024, we have raised net cash of approximately $430.9 million from private and public offerings of preferred stock, common stock, prefunded pre-funded warrants and tranche rights. As of June 30, 2024 September 30, 2024, we had cash and cash equivalents of approximately $79.7 million $59.1 million. With these funds, the Company does not have adequate liquidity to fund its operations for at least twelve months from the issuance of these consolidated financial statements without raising additional capital and such actions are not solely within the control of the Company. If the Company is unable to obtain additional capital, it would have a material adverse effect on the operations of the Company, its clinical development program, and the Company may have to cease operations altogether. These factors raise substantial doubt about the Company's ability to continue as a going concern.

In December 2020, the Company filed a Prospectus Supplement to the shelf registration statement on Form S-3 filed on November 13, 2020 and declared effective on November 24, 2020 (the "2020 Shelf Registration Statement") for the offering, issuance and sale of up to a maximum aggregate offering price of $50.0 million of common stock that may be issued and sold under an at-the-market sales agreement with SVB Leerink LLC (now Leerink Partners LLC) as agent ("December 2020 ATM"). The Company used the net proceeds from the December 2020 ATM to fund the ongoing clinical development of our product candidates and for other general corporate purposes, including funding existing and potential new clinical programs and product candidates. The December 2020 ATM terminated in May 2024.

In May 2022, the Company filed a Prospectus Supplement to the 2020 Shelf Registration Statement for the offering, issuance and sale of up to a maximum aggregate offering price of $80.0 million of common stock to be issued and sold under another at-the-market sales agreement ("May 2022 ATM") with Leerink Partners LLC (formerly SVB Leerink LLC) as agent. The 2020 Shelf Registration Statement expired in November 2023. The $80.0 million of unsold common stock from the May 2022 ATM was rolled-over to the May 2024 ATM through the filing in May 2024 of a Prospectus Supplement to the 2023 Shelf Registration Statement.

In November 2023, we filed a shelf registration statement on Form S-3 (the "2023 Shelf Registration Statement"). The 2023 Shelf Registration Statement permits the offering, issuance and sale of up to $250.0 million of common stock, preferred stock, warrants, debt securities, and/or units in one or more offerings and in any combination of the foregoing. The 2023 Registration Statement was declared effective on May 31, 2024. Unsold securities from the expired 2020 Shelf Registration Statement can continue to be sold under the 2023 Shelf Registration Statement resulting in a total S-3 shelf availability of $412.3 million as of June 30, 2024 September 30, 2024.

In May 2024, we filed a Prospectus Supplement to the 2023 Shelf Registration Statement for the offering, issuance and sale of up to a maximum aggregate offering price of $80.0 million of common stock that may be issued and sold under an at-the-market sales agreement with Leerink Partners LLC as agent ("May 2024 ATM"). , which rolls over the $80.0 million of unsold common stock from the May 2022 ATM. We intend to use the net proceeds from the May 2024 ATM to continue to fund the ongoing clinical development of our product candidates and for other general corporate purposes, including funding existing and potential new clinical programs and product candidates. The May 2024 ATM will terminate upon the earlier of (i) the issuance and sale of all of the shares through Leerink Partners LLC on the terms and subject to the conditions set forth in the May 2024 ATM or (ii) termination of the May 2024 ATM as otherwise permitted thereby. The May 2024 ATM may be terminated at any time by either party upon ten days' prior notice, or by Leerink Partners

LLC at any time in certain circumstances, including the occurrence of a material adverse effect on us. As of June 30, 2024 September 30, 2024, $80.0 million in capacity remains under the May 2024 ATM.

We agreed to pay Leerink Partners LLC a commission equal to 3.0% of the gross proceeds from the sales of common shares pursuant to the May 2024 ATM and have agreed to provide Leerink Partners LLC with customary indemnification and contribution rights.

For the six nine months ended June 30, 2024 September 30, 2024, we raised gross proceeds of $0.2 million pursuant to the December 2020 ATM through the sale of 150,000 shares of common stock at a weighted average price of $1.31 per share. The net proceeds from the December 2020 ATM were $0.2 million after deducting sales agent commissions of $6,000. We did not have any ATM activity for the three months ended June 30, 2024 September 30, 2024.

We did not have any ATM activity during In the six three and nine months ended June 30, 2023. September 30, 2023, we raised gross proceeds of $0.3 million pursuant to the December 2020 ATM through the sale of 107,012 shares of common stock at a weighted average price of $2.72 per share. The net proceeds from the December 2020 ATM were $0.3 million after deducting underwriter commissions of $9,000.

Equity Offerings

Private Placement of up to $240 Million

On January 4, 2024, Immunic entered into a Securities Purchase Agreement with select accredited investors, pursuant to which the Company agreed to issue and sell to the Investors in a three-tranche private placement shares of the Company's common stock, $0.0001 par value per share or in lieu thereof, pre-funded warrants to purchase shares of Common Stock. The pre-funded warrants are exercisable immediately for $0.0001 per share and until exercised in full.

The first tranche, which closed on January 8, 2024, resulted in the purchase by the Investors of an aggregate of $80 million of Common Stock (or pre-funded warrants) from the Company at a price of $1.43 per share; The second tranche is a conditional mandatory purchase by the Investors of an additional $80 million of Common Stock (or pre-funded warrants) from the Company at a price of $1.716 per share, equal to 120% of the price paid in the first tranche and is subject to the satisfaction of three conditions:

- release by the Company of topline data from its Phase 2b clinical trial of vidofludimus calcium (IMU-838) in progressive multiple sclerosis, which data is currently expected in or around April 2025;
- the 10-day volume-weighted average price of the Common Stock is at least $8.00 per share during the 6 months following the data release; and
- aggregate trading volume during the same 10-day period is at least $100 million.

The third tranche must occur no later than three years after the second tranche and is conditioned on the same volume-weighted average share price and minimum trading volumes as the second tranche. The third tranche provides for the issuance of $80 million of shares of common stock (or pre-funded warrants) at the same price per share as the

second tranche, but permits investors to fund their purchase obligations on a “cashless” or net settlement basis, which would reduce the cash proceeds to be raised by the Company in the January 2024 Financing.
Any of the conditions in the second or third tranches can be waived by holders of a majority of the outstanding securities (including the lead Investor). The fair value methodology used by the Company assumed the conditions will be waived if the trading price of the stock exceeds the purchase price.

The January 2024 Financing resulted in gross proceeds to the Company of approximately $80 million in the first tranche, and an additional $80 million if and when the second tranche occurs. If the second tranche is completed and conditions for the third tranche are satisfied or waived, the Company could receive up to an additional $80 million in the third tranche. However, the amount of cash received in the third tranche would depend on the extent to which the Investors elect to fund the third tranche through a “cashless” or net settlement basis. Therefore, total gross proceeds from the offering to the Company could actually be between $80 million and $240 million. Gross proceeds to the Company will be reduced by fees paid to the placement agents, capital markets advisors and payments of transaction expenses. The Company intends to use the net proceeds from the January 2024 Financing to fund the ongoing clinical development of its three lead product candidates, vidofludimus calcium (IMU-838), IMU-856 and IMU-381, and for other general corporate purposes.

Future Capital Requirements

As noted above, we have not generated any revenue from product sales and we do not know when, or if, we will generate any revenue from product sales. We will not be able to generate any revenue from product sales unless and until we obtain regulatory approval for and commercialize any of our product candidates. We expect our expenses to continue to increase as we continue the ongoing research, development, manufacture and clinical trials of, and seek regulatory approval for, our product candidates. We also incur additional costs associated with operating as a public company. In addition, subject to obtaining regulatory approval of any of our product candidates, we anticipate that we will need substantial additional funding in connection with our continuing operations.

Our future expenses and capital requirements are difficult to forecast and will depend on many factors, including, but not limited to:

- the timing and structure of any strategic options and transactions, if any;
- personnel-related expenses, including salaries, benefits, stock-based compensation expense and other compensation expenses related to retention and termination of personnel;
- the scope, progress, duration, results and costs of research and development and ongoing clinical trials;
- the cost and timing of future regulatory submissions;
- the cost and timing of developing and validating the manufacturing processes for any potential product candidates;
- the cost and timing of any commercialization activities, including reimbursement, marketing, sales and distribution costs;
- our ability to establish new collaborations, licensing or other arrangements and the financial terms of such agreements;
- the number and characteristics of any future product candidates we pursue;
- the costs involved with being a public company;
- the costs involved in preparing, filing, prosecuting, maintaining, defending and enforcing patents, including litigation costs and the outcome of such litigation;
- the cost, timing and outcome of any future litigation; and
- the timing, receipt and amount from the sales of, or royalties on, any future products.

Until such time, if ever, as we can generate substantial product revenues, we expect to finance our cash needs through a combination of stock offerings, debt financings, strategic alliances, collaborations and licensing arrangements. We do not expect to achieve revenue from product sales prior to the use of all the net proceeds from our public and private offerings to date. We do not have any committed external source of funds. Additional funds may not be available on acceptable terms, if at all. To the extent that we raise additional capital through the sale of equity securities, the ownership interest of our stockholders will be diluted and it may be on terms that are not favorable to us or our stockholders. Sales of equity securities will also be more difficult for at least the foreseeable future because of general volatility in the equity markets for companies like us. Debt financing, if available, may involve covenants restricting our operations or our ability to incur additional debt or other terms that are not favorable to us or our stockholders. Also, the cost of debt financing has increased due to the rise in interest rates over the past few years. If we raise additional funds through collaborations and licensing arrangements with third parties, we would expect to relinquish substantial rights to our technologies or our future products, or grant licenses on terms that may not be favorable to us. If we were to complete a merger, or other business combination, we may relinquish all control over the organization and could experience detrimental tax effects. If we are unable to raise adequate funds, we may have to curtail our product development programs and liquidate some or all of our assets. Any of these factors could harm our operating results and could result in substantial declines in the trading price of our common stock.

As of June 30, 2024 September 30, 2024, we had cash and cash equivalents of approximately $79.7 million $59.1 million.

Cash Flows

The following table shows a summary of our cash flows for the six nine months ended June 30, 2024 September 30, 2024 and 2023:

		Six Months Ended June 30,		Nine Months Ended September 30,	
		2024	2023	2024	2023
(in thousands)	(in thousands)	(unaudited)	(in thousands)	(unaudited)	
Cash (used in) provided by:					
Operating activities					

Operating activities

Operating activities

Investing activities

Financing activities

Operating activities

During the six nine months ended June 30, 2024 September 30, 2024, operating activities used $41.0 million $61.8 million of cash. The use of cash primarily resulted from (i) our net loss of $51.0 million $75.3 million adjusted for non-cash charges of $9.3 million $6.6 million related to stock-based compensation and depreciation and amortization, $4.8 million related to a $4.8 million change in the fair value of the tranche rights, $4.6 million $1.7 million for stock-based compensation and $0.1 million related to unrealized foreign currency loss and depreciation and amortization as well as fees expensed as part of the January 2024 Financing financing and (ii) a $1.1 million net decrease increase in our operating assets and liabilities. liabilities of $0.5 million. Changes in our operating assets and liabilities during the six nine months ended June 30, 2024 September 30, 2024 consisted primarily of (i) a $1.4 million decrease $1.5 million increase in our other current liabilities partially offset by an increase in other current assets and prepaid expenses and (ii) a decrease of $0.3 million. $1.0 million in our other current liabilities.

During the six nine months ended June 30, 2023 September 30, 2023, operating activities used $39.5 million $56.8 million of cash. The use of cash primarily resulted from (i) our net loss of $49.3 million $72.0 million adjusted for non-cash charges of $4.5 million $6.3 million related to $0.7 million for an unrealized foreign currency loss and $3.8 million $5.6 million related to stock-based compensation and depreciation and amortization as well as and a $5.3 million $9.0 million net increase in our operating assets and liabilities. Changes in our operating assets and liabilities during the six nine months ended June 30, 2023 September 30, 2023 consisted primarily of (i) a $5.0 million $3.9 million increase in our current liabilities and an increase in other current assets and prepaid expenses and (ii) an increase of $0.3 million. $5.1 million in our other current liabilities.

Investing activities

During the six nine months ended June 30, 2024 September 30, 2024, net investing activities used $0.2 million $0.3 million due to the purchase of property and equipment.

During the six nine months ended June 30, 2023 September 30, 2023, net investing activities provided $9.7 million $9.6 million of cash, primarily due to the sale of $9.8 million of time deposits partially offset by the purchase of $125,000 $169,000 of property and equipment.

Financing Activities

Net cash provided by financing activities was $74.4 million during the six nine months ended June 30, 2024 September 30, 2024 primarily consisting of net cash proceeds from the January 2024 Financing. Financing and $0.2 million of net proceeds from sale of common stock through our At The Market Sales Agreement.

Net cash provided by financing activities was $147,000 $0.4 million during the six nine months ended June 30, 2023 September 30, 2023 consisting primarily of net cash proceeds of $51,000 from the issuance sale of common stock related to the exercise of pre-funded warrants and $96,000 related to the issuance of shares related to under our Employee stock purchase plan. 2020 ATM facility.

Off-Balance Sheet Arrangements

Through June 30, 2024 September 30, 2024, we have not entered into and did not have any relationships with unconsolidated entities or financial collaborations, such as entities often referred to as structured finance or special purpose entities, established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purpose.

Contractual Obligations

Maturities of the operating lease obligation are as follows as of June 30, 2024 September 30, 2024:

2024
2025
2026
2027
2028
Thereafter
Total
Interest
Present value of obligation
Present Value of obligation

As of June 30, 2024 September 30, 2024, we had have non-cancelable contractual obligations under certain agreements related to our development programs for vidofludimus calcium IMU-838, IMU-935 and IMU-856 totaling approximately $1.8 million, $3.2 million, all of which is expected to be paid in 2024 and 2025.

Critical Accounting Policies and Estimates

Our unaudited condensed consolidated financial statements are prepared in conformity with U.S. GAAP. The preparation of our unaudited condensed consolidated financial statements and related disclosures requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, costs and expenses, and the disclosure of contingent assets and liabilities in our financial statements. We base our estimates on historical experience, known trends and events and various other factors that we believe are

reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. We evaluate our estimates and assumptions on an ongoing basis. Our actual results may differ from these estimates under different assumptions or conditions. We have reviewed these critical accounting policies and related disclosures with the Audit Committee of our Board.

During the first three months of 2024, we updated our warrants and tranche rights accounting policy which is described along with our other significant accounting policies in more detail in (i) Note 2 to our unaudited condensed consolidated financial statements included elsewhere in this Quarterly Report and (ii) Note 2 to our audited consolidated financial statements for the years ended December 31, 2023 and 2022 filed in our Annual Report on Form 10-K on February 22, 2024.

Recently Issued Accounting Standards

There are no recently issued accounting standards that would have a significant impact on the Company's company's consolidated financial statements.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Interest Rate Sensitivity

We had cash and cash equivalents of $79.7 million $59.1 million as of June 30, 2024 September 30, 2024, which were held for working capital purposes. We do not enter into investments for trading or speculative purposes. We do not believe that we have any material exposure to changes in the fair value of these investments as a result of changes in interest rates due to their short-term nature. Decreases or increases in interest rates, however, will reduce or increase future investment income, respectively, to the extent we have funds available for investment.

Foreign Currency Exchange Risk

Our primary research and development operations are conducted in our facilities in Germany. We have entered into and may continue to enter into international agreements, primarily related to our clinical studies. Accordingly, we have exposure to foreign currency exchange rates and fluctuations between the U.S. dollar and foreign currencies, primarily the euro Euro and the Australian dollar, which could adversely affect our financial results, including income and losses as well as assets and liabilities. To date, we have not entered into, and do not have any current plans to enter into, any foreign currency hedging transactions or derivative financial transactions. Our exposure to foreign currency risk will fluctuate in future periods as our research and clinical development activities in Europe and Australia change. We currently maintain a significant amount of our assets outside of the U.S.

The functional currencies of our foreign subsidiaries are the applicable local currencies. Accordingly, the effects of exchange rate fluctuations on the net assets of these operations are accounted for as translation gains or losses in accumulated other comprehensive income (loss) within stockholders' equity. Foreign currency transaction gains and losses related to long-term intercompany loans that are payable in the foreseeable future are recorded in Other Income (Expense). Our German subsidiary is currently a significant portion of our business and, accordingly, a change of 10% in the currency exchange rates, primarily the euro, Euro, could have a material impact on our financial position or results of operations.

Although operating in local currencies may limit the impact of currency rate fluctuations on the results of operations of our German and Australian subsidiaries, rate fluctuations may impact the consolidated financial position as the assets and liabilities of our foreign operations are translated into U.S. dollars in preparing our condensed consolidated balance sheets. As of June 30, 2024 September 30, 2024, our German and Australian subsidiaries had net current assets liabilities (defined as current assets less current liabilities), subject to foreign currency translation risk, of $5.4 million $0.5 million. A decrease An increase of approximately $0.5 million $50,000 in net current assets liabilities would result as of June 30, 2024 September 30, 2024, from a hypothetical 10% adverse change in quoted foreign currency exchange rates, primarily due to the euro. Euro. In addition, a 10% change in the foreign currency exchange rates for the six nine months ended June 30, 2024, September 30, 2024 would have impacted our net loss by approximately $3.7 million $5.8 million, primarily due to the euro. Euro.

Effects of Inflation

We have experienced a general increase in costs as a result of global inflation, however, we do not believe that inflation and changing prices had a material impact on our results of operations for any periods presented herein.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

An evaluation was carried out, under the supervision of and with the participation of our management, including our Chief Executive Officer and our Principal Financial Officer, of the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15 (e)) under the Securities Exchange Act of 1934, as amended ("the Exchange Act"), as of the end of the period covered by this report. Based on such evaluation, our Chief Executive Officer and our Principal Financial Officer have concluded that our disclosure controls and procedures are effective to ensure that the information required to be disclosed by us in the reports we file or submit under the Exchange Act was recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms.

Changes in Internal Control over Financial Reporting

There was no change in our internal control over financial reporting that occurred during the six nine months ended June 30, 2024 September 30, 2024 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Part II - OTHER INFORMATION

Item 1. Legal Proceedings

We are not currently a party to any litigation, nor are we aware of any pending or threatened litigation against us, that we believe would materially affect our business, operating results, financial condition or cash flows. Our industry is characterized by frequent claims and litigation including securities litigation, claims regarding patent and other intellectual property rights and claims for product liability. As a result, in the future, we may be involved in various legal proceedings from time to time.

Item 1A. Risk Factors

You should carefully consider the risk factors included in Item 1A. of our Annual Report on Form 10-K for the year ended December 31, 2023 filed with the SEC on February 22, 2024 and the other information in this Report, including the section of this report titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our financial statements and related notes. If any of the events described in our Annual Report, and the following risk factor and the risks described in our Form 10-K and elsewhere in this Report occur, our business, operating results and financial condition could be seriously harmed. This Report also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in the forward-looking statements as a result of factors that are described in our Annual Report and elsewhere in this Report.

Clinical failure can occur at any stage of clinical development. because the results of earlier clinical trials are not necessarily predictive of future results, any product candidate we advance through clinical trials may not have favorable results in later clinical trials or receive marketing approval.

Clinical failure can occur at any stage of clinical development. The results of preclinical studies and early clinical trials of our product candidates may not be predictive of the results of later-stage clinical trials. Product candidates in later stages of clinical trials may fail to show the desired safety and efficacy traits despite having progressed through preclinical studies and initial clinical trials.

A number of pharmaceutical companies have suffered significant setbacks in advanced clinical trials due to lack of efficacy or adverse safety profiles, notwithstanding promising results in earlier trials. Clinical trials may produce negative or inconclusive results, and we may decide, or regulators may require us, to conduct additional clinical or preclinical testing. For example, we announced in October 2022 the analysis of interim group-level data of our Phase 1b clinical trial of IMU-935 in patients with moderate-to-severe psoriasis did not separate from placebo. Following this announcement, our stock price declined significantly, which caused us to record a full impairment of our goodwill in the quarter ended December 31, 2022. Data obtained from trials are susceptible to varying interpretations, and regulators may not interpret our data as favorably as we do, which may delay, limit or prevent marketing approval of our product candidates. In addition, the design of a clinical trial can determine whether its results will support approval of a product, or approval of a product for desired indications, and flaws or shortcomings in the design of a clinical trial may not become apparent until the clinical trial is well advanced. We have limited experience in designing clinical trials and may be unable to properly design and execute a clinical trial to support marketing approval for our desired indications. Further, clinical trials of product candidates often reveal that it is not practical or feasible to continue development efforts. If one of our product candidates is found to be unsafe or lack efficacy, we will not be able to obtain marketing approval for such product candidate and our business would be harmed. If the results of our clinical trials of our product candidates do not achieve pre-specified endpoints, we are unable to provide primary or secondary endpoint measurements deemed acceptable by the FDA or comparable foreign regulators, or we are unable to demonstrate an acceptable level of safety relative to the efficacy associated with our proposed indications, the prospects for approval of our product candidates would be materially and adversely affected. A number of companies in the pharmaceutical industry, including those with greater resources and experience than we, have suffered significant setbacks in Phase 2 and Phase 3 clinical trials, even after seeing promising results in earlier clinical trials.

In October 2024, an independent data monitoring committee, or IDMC, conducted a non-binding, interim futility analysis of our phase IMU-838 3 ENSURE program for the treatment of RMS and reported that the trials are not futile and should continue as planned. In addition, the IDMC recommended that we continue the trials without any adjustment to the sample sizes of each trial. There can be no assurances that the observations made at the interim regarding futility will be consistent with the final study results for various reasons, including that the final study results based upon the full sample size may not be consistent with the results achieved by the limited sample size used to conduct the interim analysis and the current sample size of approximately 1,050 adult patients with active RMS patients for each trial may not be sufficiently large to demonstrate efficacy.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3. Defaults Upon Senior Securities

Not applicable.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

(a) Not applicable.

(b) Not applicable.

(c) Trading Plans.

During the quarter ended June 30, 2024 September 30, 2024, no director or Section 16 officer adopted or terminated any Rule 10b5-1 trading arrangements or non-Rule 10b5-1 trading arrangements (in each case, as defined in Item 408(a) of Regulation S-K promulgated by the SEC).

Item 6. Exhibits

Exhibit Number	Exhibit Title	Incorporated by Reference		
		Form	Exhibit	Filing Date
3.1	Amended and Restated Certificate of Incorporation.	8-K	3.1	July 17, 2019
3.2	Third Amended and Restated Bylaws.	8-K	3.1	July 17, 2019
3.3	Certificate of Amendment to the Amended and Restated Certificate of Incorporation of Immunic, Inc.	8-K	3.1	March 8, 2024
4.1	2019 Omnibus Equity Incentive Plan, as amended,	S-8	4.2	August 21, 2023
4.2+	Amended and Restated 2021 Employee Stock Purchase Plan.	S-8	10.3	July 28, 2021
4.4	Form of Pre-Funded Warrant	8-K	4.1	January 4, 2024
10.1	Addendum No. 5, dated October 17, 2023, to Employment Agreement, dated April 17, 2020, between Immunic, Inc. and Duane Nash.	8-K	10.1	October 17, 2023
10.2	Employment Agreement, dated December 18, 2023, between Immunic, Inc. and Dr. Andreas Muehler.	8-K	10.3	December 18, 2023
10.3	Fifth Addendum, dated December 18, 2023, to Service Agreement between Immunic AG and Dr. Daniel Vitt.	8-K	10.1	December 18, 2023

EXHIBITS

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		Form	Exhibit	Filing Date
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3.2	Third Amended and Restated Bylaws.	8-K	3.1	July 17, 2019
3.3	Certificate of Amendment to the Amended and Restated Certificate of Incorporation of Immunic, Inc.	8-K	3.1	March 8, 2024
4.1	2019 Omnibus Equity Incentive Plan, as amended,	S-8	4.2	August 21, 2023
4.2+	Amended and Restated 2021 Employee Stock Purchase Plan.	S-8	10.3	July 28, 2021
4.4	Form of Pre-Funded Warrant	8-K	4.1	January 4, 2024
10.1	Addendum No. 6, dated August 29, 2024, to Employment Agreement, dated April 17, 2020, between Immunic, Inc. and Duane Nash.	8-K	10.1	September 3, 2024
10.2	Employment Agreement, dated December 18, 2023, between Immunic, Inc. and Dr. Andreas Muehler.	8-K	10.3	December 18, 2023
10.3	Fifth Addendum, dated December 18, 2023, to Service Agreement between Immunic AG and Dr. Daniel Vitt.	8-K	10.1	December 18, 2023
10.4	Fifth Addendum, dated December 18, 2023, to Service Agreement between Immunic AG and Dr. Andreas Muehler.	8-K	10.2	December 18, 2023
10.5	Fifth Addendum, dated December 18, 2023, to Service Agreement between Immunic AG and Dr. Hella Kohlhof.	8-K	10.4	December 18, 2023
10.6	Securities Purchase Agreement, dated January 4, 2024, by and among the Company and the Investors.	8-K	10.1	January 4, 2024
10.7	Form of Indemnification Agreement.	8-K	10.4	July 17, 2019
10.8	Service Agreement, dated August 22, 2016, between Immunic AG and Dr. Andreas Muehler.	10-K	10.5	February 23, 2023
10.9	Service Agreement, dated September 29, 2016, between Immunic AG and Daniel Vitt.	10-K	10.6	February 23, 2023
10.10	Employment Agreement between Dr. Daniel Vitt and Immunic AG.	8-K	10.5	July 17, 2019
10.11	Employment Agreement, dated September 4, 2019, between Immunic, Inc. and Dr. Andreas Muehler.	8-K	99.3	September 5, 2019
10.12	Employment Agreement dated April 17, 2020, between Immunic, Inc. and Duane Nash.	8-K	10.2	April 20, 2020
10.13	Employment Agreement, dated June 10, 2021 between Immunic, Inc. and Dr. Andreas Muehler	8-K	10.3	June 10, 2021
10.14	Employment Agreement, dated June 10, 2021 between Immunic, Inc. and Glenn Whaley	8-K	10.4	June 10, 2021

10.4	Fifth Addendum, dated December 18, 2023, to Service Agreement between Immunic AG and Dr. Andreas Muehler.	8-K	10.2	December 18, 2023
10.5	Fifth Addendum, dated December 18, 2023, to Service Agreement between Immunic AG and Dr. Hella Kohlhof.	8-K	10.4	December 18, 2023
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10.12	Employment Agreement dated April 17, 2020, between Immunic, Inc. and Duane Nash.	8-K	10.2	April 20, 2020
10.13	Employment Agreement, dated June 10, 2021 between Immunic, Inc. and Dr. Andreas Muehler	8-K	10.3	June 10, 2021
10.14	Employment Agreement, dated June 10, 2021 between Immunic, Inc. and Glenn Whaley	8-K	10.4	June 10, 2021
10.15	Employment Agreement, dated October 14, 2021, between Immunic, Inc. and Patrick Walsh	8-K	10.1	October 14, 2021
10.16*+	Employee Agreement, dated July 9, 2024, between Immunic, Inc. and Jason Tardio			
24.1	Power of Attorney (included on the signature page).			
31.1*	Certification of Principal Executive Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.			
31.2*	Certification of Principal Financial Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.			
32.1**	Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.			
32.2**	Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.			
101.INS*	XBRL Instance Document			
101.SCH*	XBRL Taxonomy Extension Schema Document.			
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document.			
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Database.			
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document.			
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document.			
104*	Cover Page Interactive Data File			

10.15	Employment Agreement, dated October 14, 2021, between Immunic, Inc. and Patrick Walsh	8-K	10.1	October 14, 2021
10.16*+	Employee Agreement, dated July 9, 2024, between Immunic, Inc. and Jason Tardio			
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104*	Cover Page Interactive Data File			

+ Indicates a management contract or compensatory plan or arrangement.

* Filed herewith

** In accordance with Item 601(b)(32)(ii) of Regulation S-K and SEC Release No. 33-8238 and 34-47986, Final Rule: Management's Reports on Internal Control Over Financial Reporting and Certification of Disclosure in Exchange Act Periodic Reports, the certifications furnished in Exhibits 32.1 and 32.2 hereto are deemed to accompany this Form 10-Q and will not be deemed "filed" for purposes of Section 18 of the Exchange Act. Such certifications will not be deemed to be incorporated by reference into any filings under the Securities Act or the Exchange Act, except to the extent that the registrant specifically incorporates it by reference.

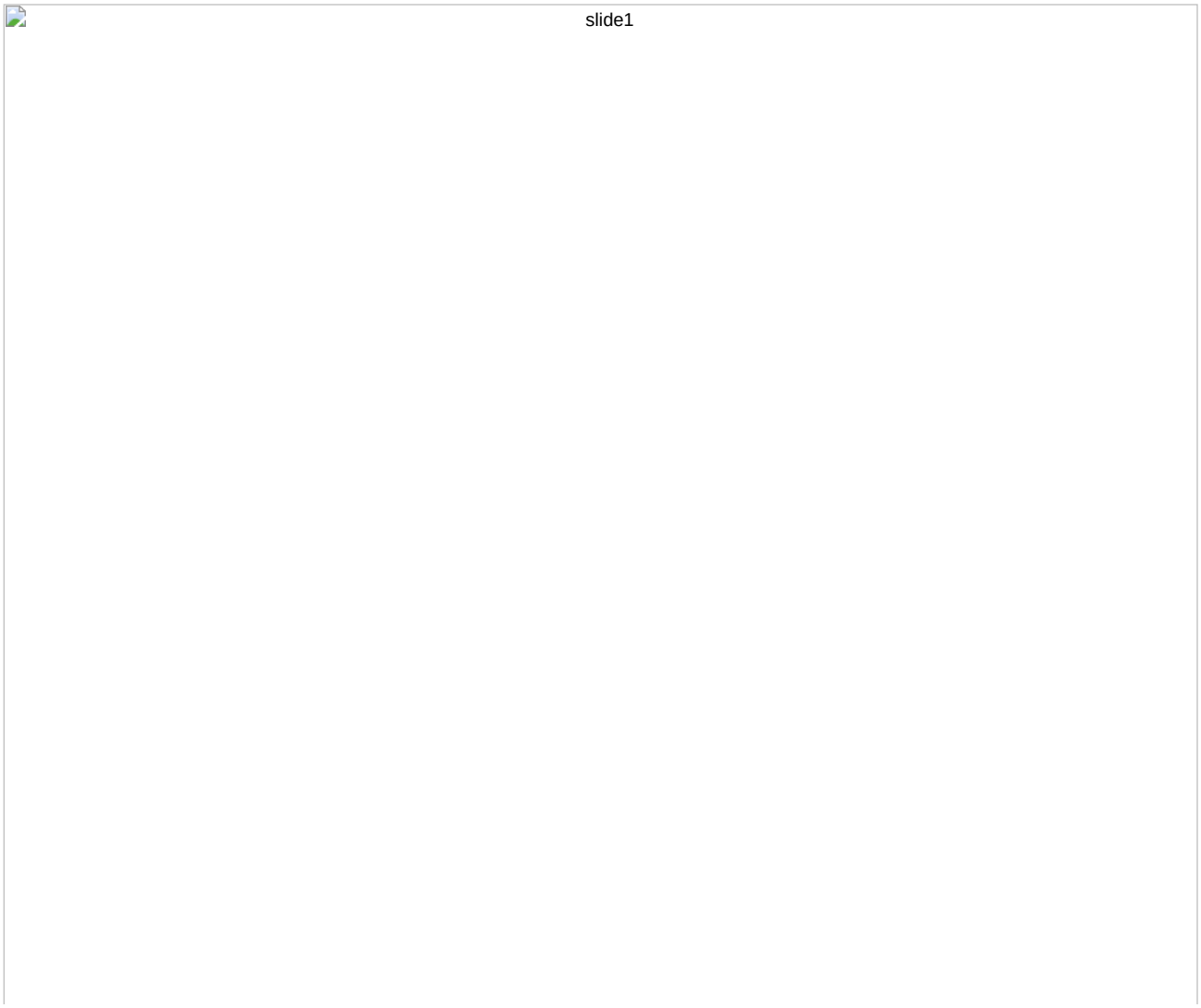
SIGNATURES

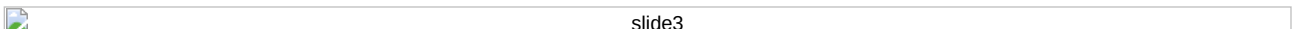
Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

IMMUNIC, INC.

Date: August 8, 2024 November 7, 2024

By: /s/ Daniel Vitt
Daniel Vitt
Chief Executive Officer and President





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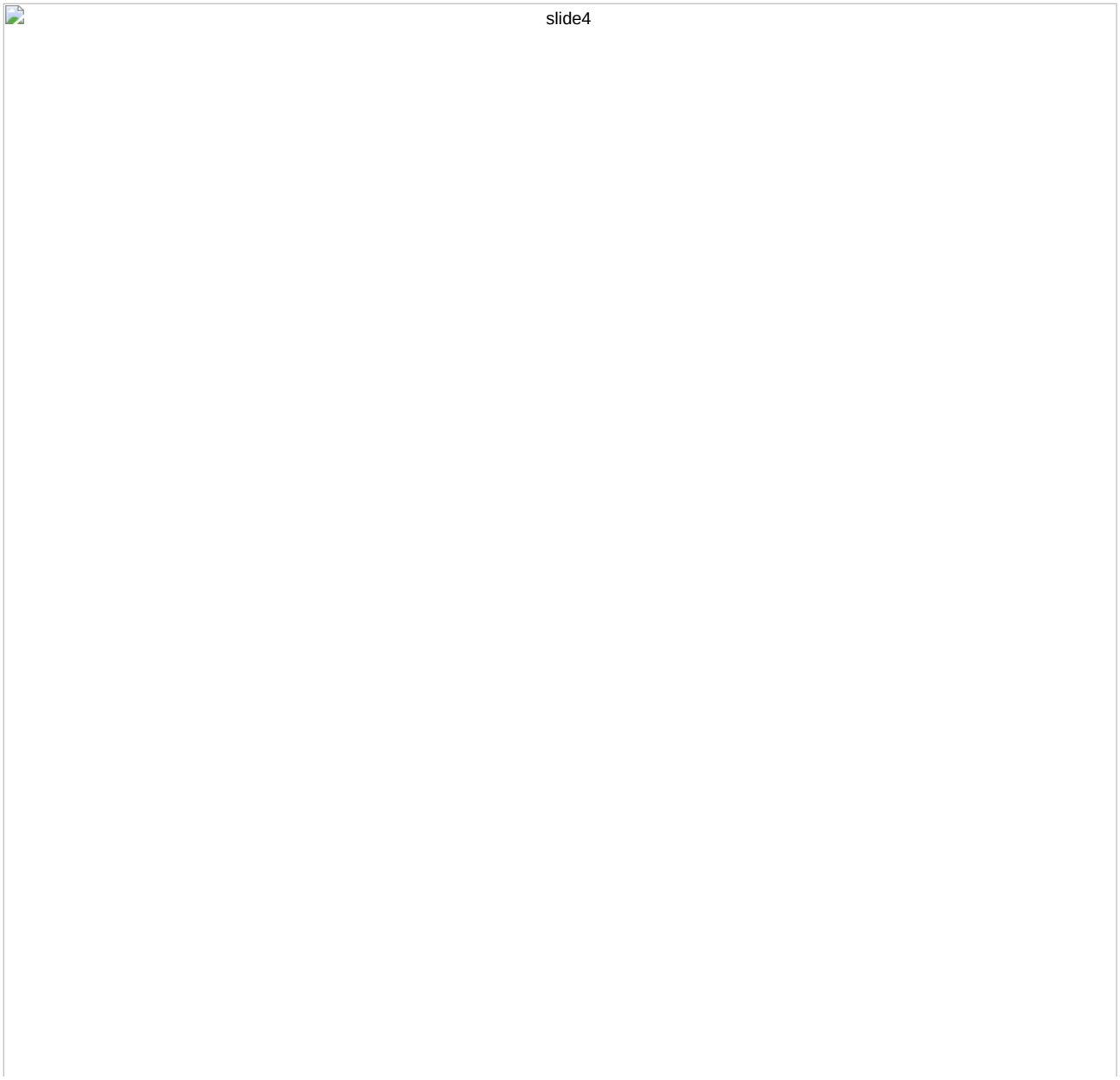

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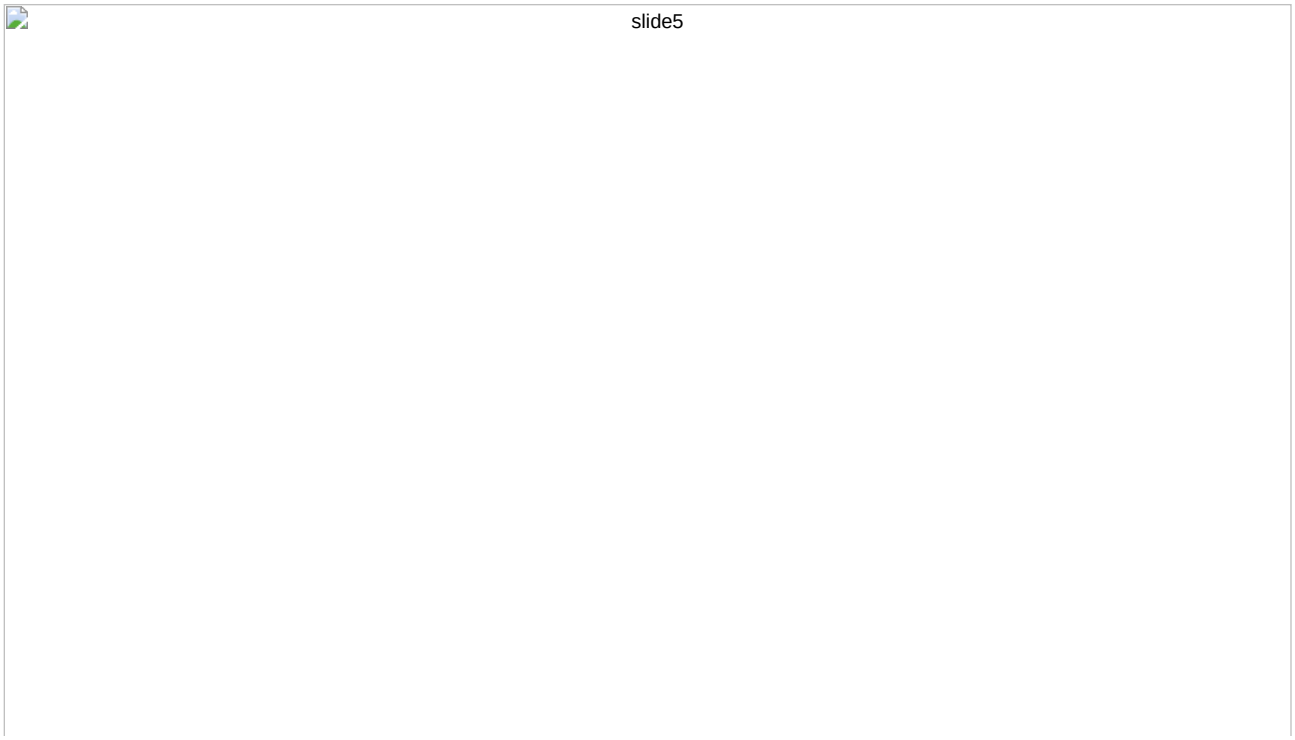

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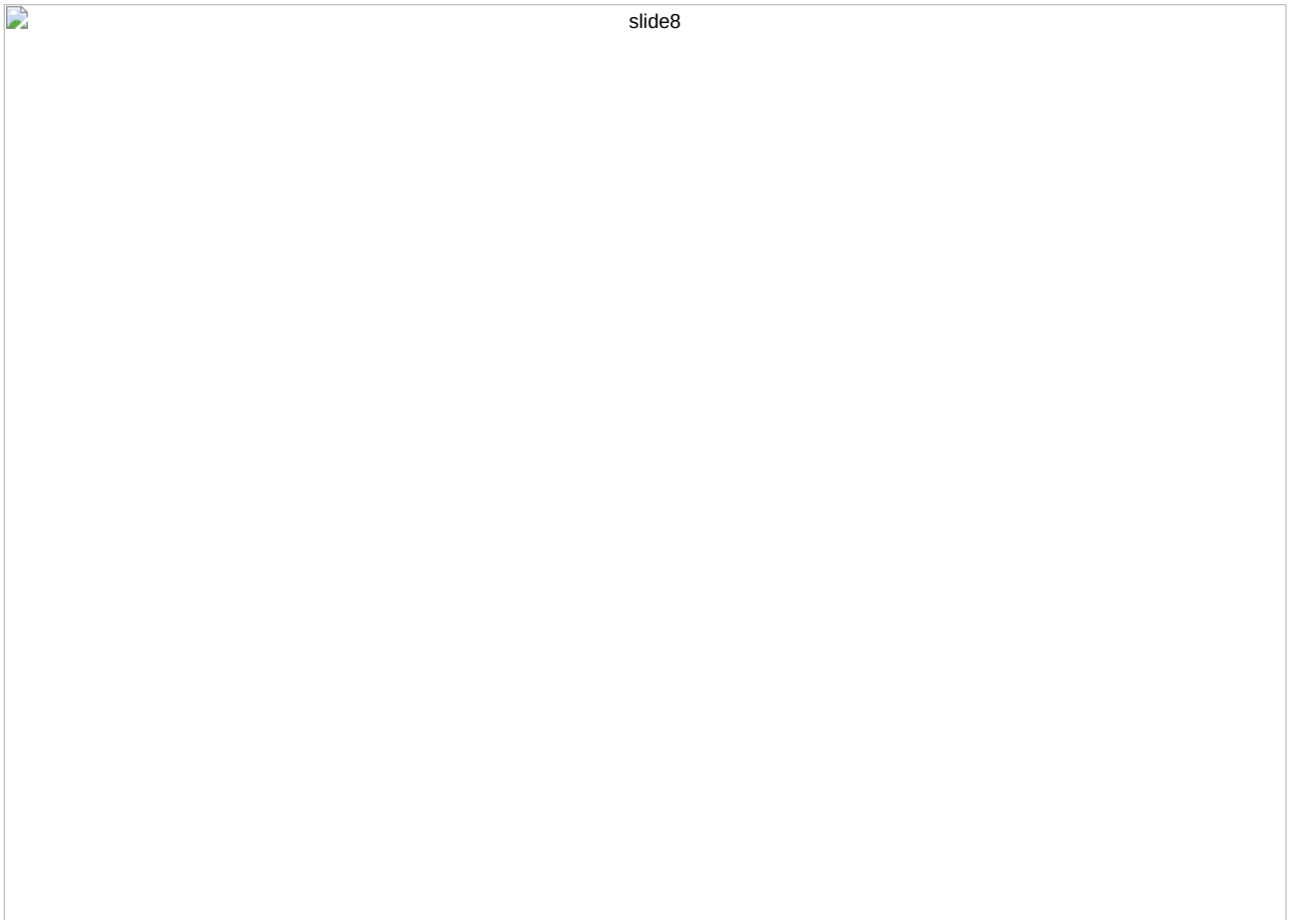

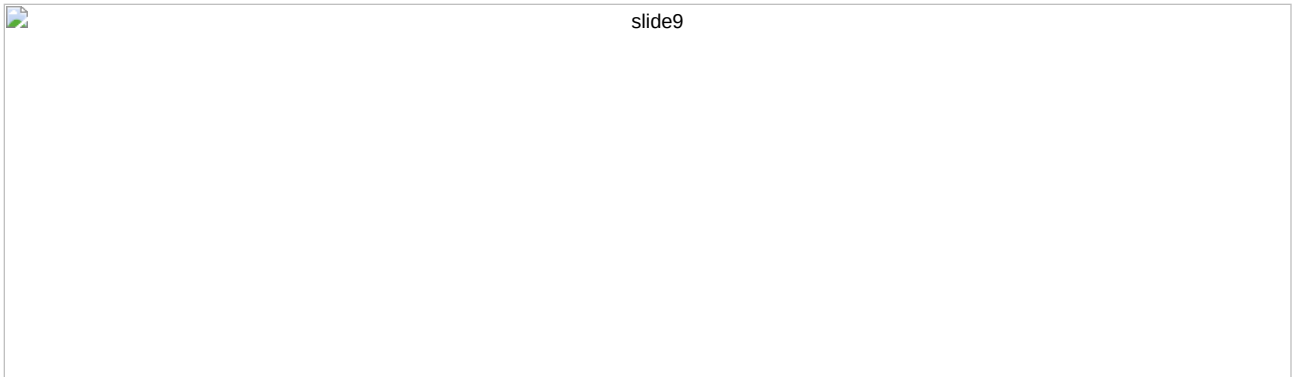

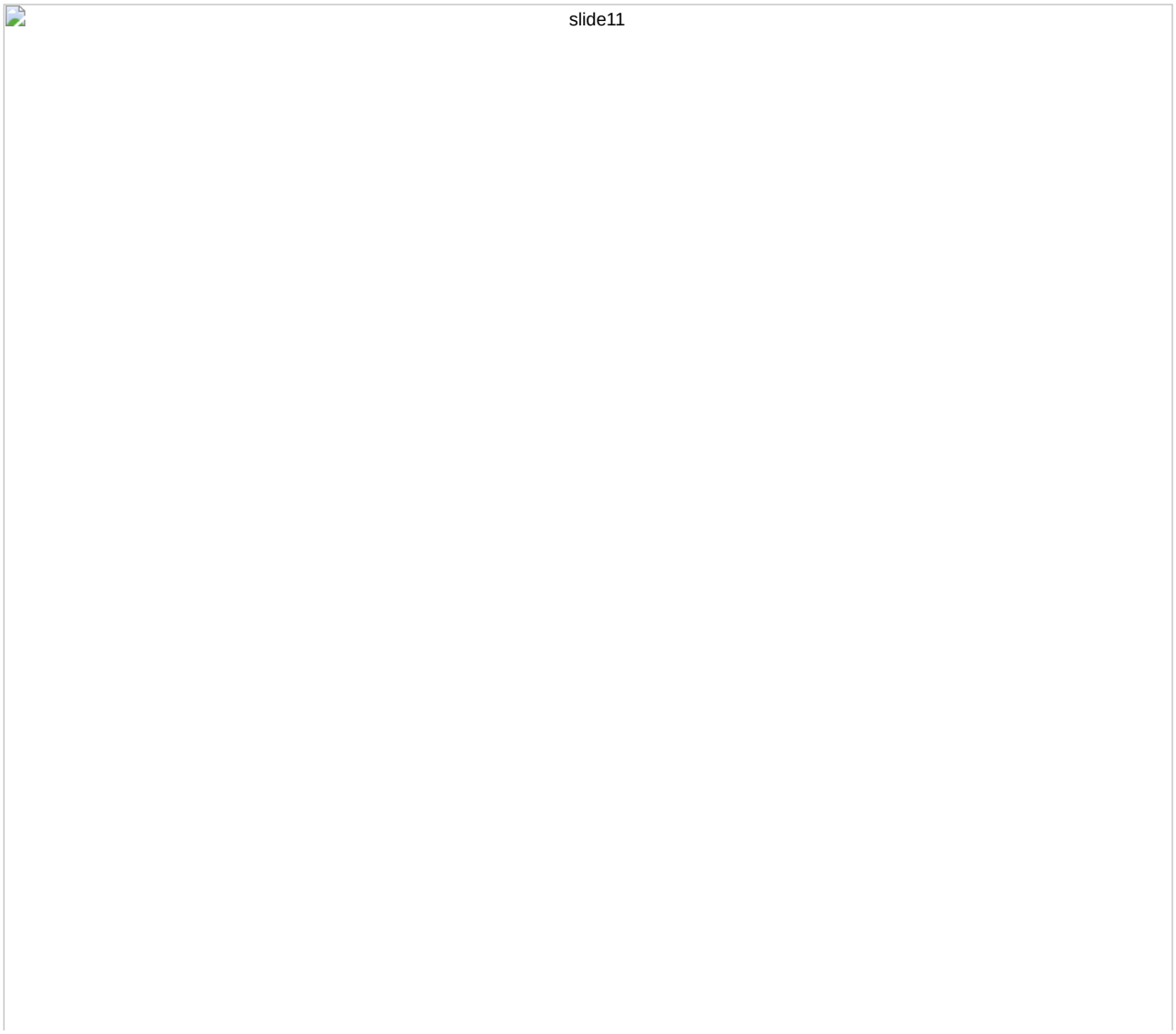

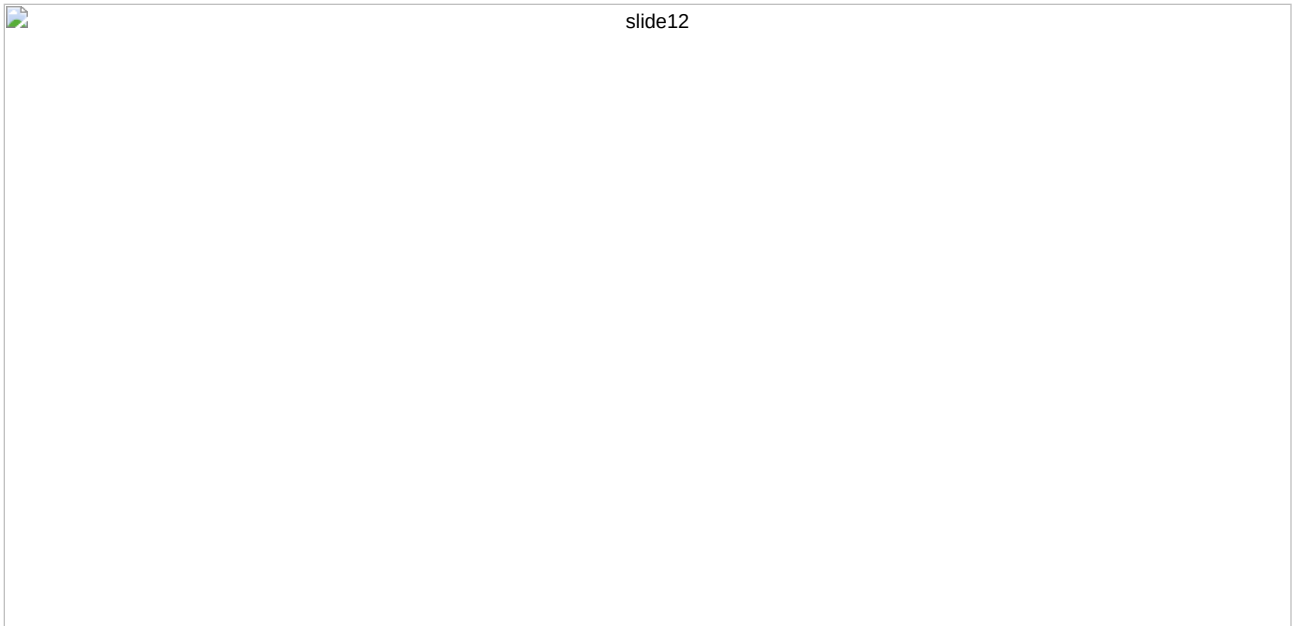

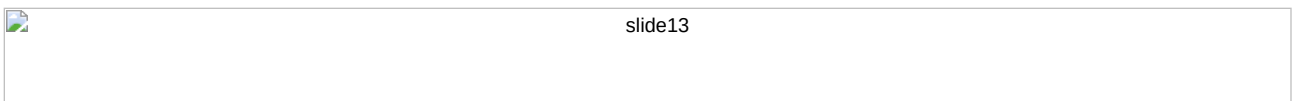

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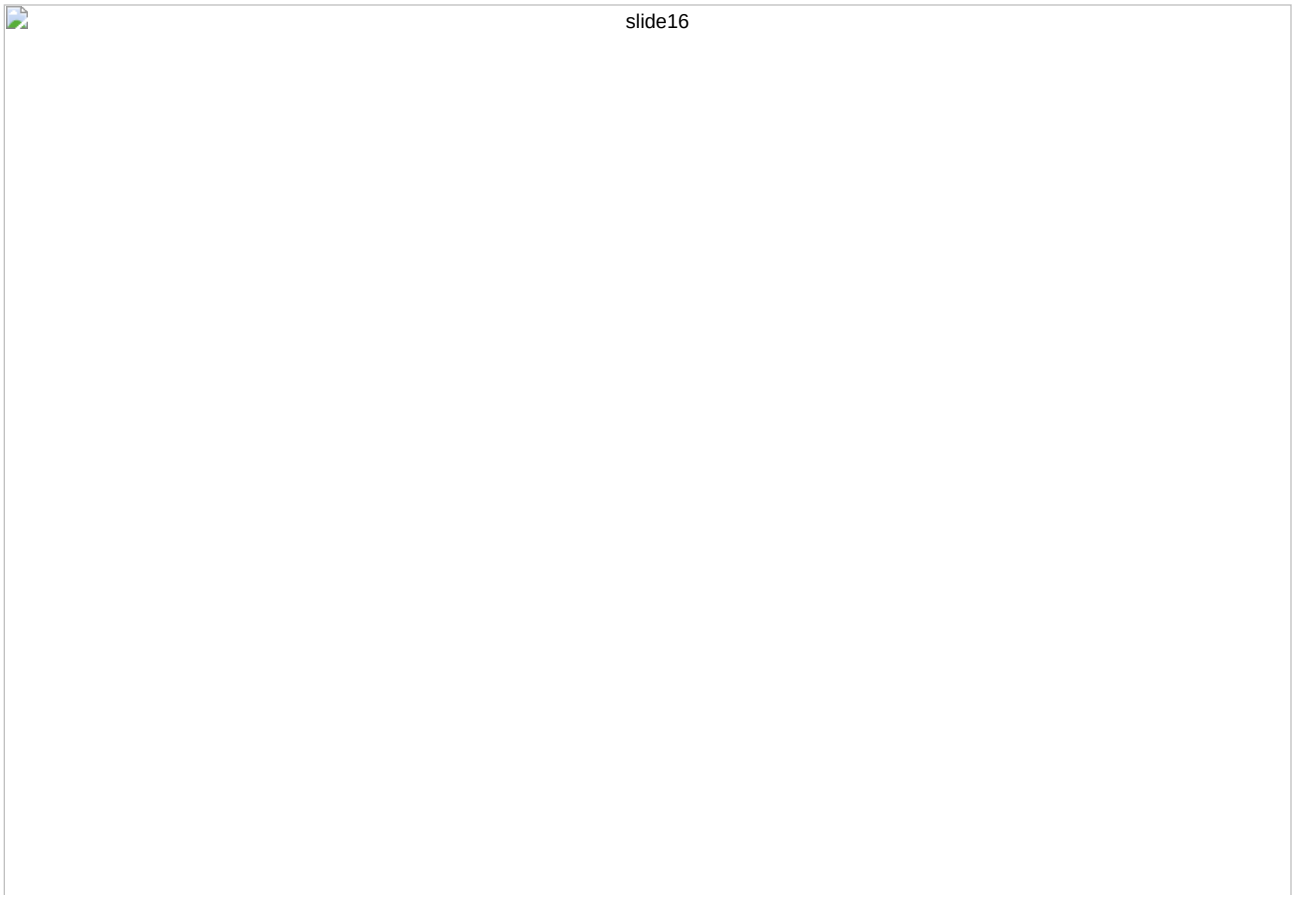

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Exhibit 31.1

CERTIFICATIONS

I, Daniel Vitt, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Immunic, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c)Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 8, 2024 November 7, 2024

By: /s/ Daniel Vitt

Daniel Vitt

Chief Executive Officer

(Principal Executive Officer)

Exhibit 31.2

CERTIFICATIONS

I, Glenn Whaley, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Immunic, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of and for the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 8, 2024 November 7, 2024

By: /s/ Glenn Whaley

Glenn Whaley

Chief Financial Officer

(Principal Financial Officer)

Exhibit 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Immunic, Inc. (the "Company") for the period ended June 30, 2024 September 30, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, Daniel Vitt, as Chief Executive Officer of the Company, hereby certifies, pursuant to 18 U.S.C. Section 1350, that to my knowledge:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 8, 2024 November 7, 2024

By: /s/ Daniel Vitt

Daniel Vitt

Chief Executive Officer

(Principal Executive Officer)

Exhibit 32.2

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-K of Immunic, Inc. (the "Company") for the period ended June 30, 2024 September 30, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, Glenn Whaley as Chief Financial Officer of the Company, hereby certifies, pursuant to 18 U.S.C. Section 1350, that to my knowledge::

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 8, 2024 November 7, 2024

By: /s/ Glenn Whaley
Glenn Whaley
Chief Financial Officer
(Principal Financial Officer)

DISCLAIMER

THE INFORMATION CONTAINED IN THE REFINITIV CORPORATE DISCLOSURES DELTA REPORT™ IS A COMPARISON OF TWO FINANCIALS PERIODIC REPORTS. THERE MAY BE MATERIAL ERRORS, OMISSIONS, OR INACCURACIES IN THE REPORT INCLUDING THE TEXT AND THE COMPARISON DATA AND TABLES. IN NO WAY DOES REFINITIV OR THE APPLICABLE COMPANY ASSUME ANY RESPONSIBILITY FOR ANY INVESTMENT OR OTHER DECISIONS MADE BASED UPON THE INFORMATION PROVIDED IN THIS REPORT. USERS ARE ADVISED TO REVIEW THE APPLICABLE COMPANY'S ACTUAL SEC FILINGS BEFORE MAKING ANY INVESTMENT OR OTHER DECISIONS.

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