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ASX Announcement

Imugene to Raise A\$20.1 million

- License of US based B-cell cancer vaccine platform creating a dominant position in the R&D of B-cell peptide vaccines to include check-point inhibitors and multiple cancer target candidates
- A\$20.1m capital raising fully funds expanded clinical programs for up to 3 years
- Clinical programs to expand into US and EU centres
- Placement to institutional investors to raise A\$12 million at \$0.027 per share
- 1 for 9.5 non-renounceable rights issue of new shares at A\$0.027 per share to raise A\$8.1 million
- 1 new option for every 3 new shares issued

Placement

MELBOURNE Australia 07 June 2018: Imugene Limited (ASX: IMU) (**Imugene**), a clinical stage immuno-oncology company, today announced it has received commitments for a placement to institutional and sophisticated investors in Australia and internationally to raise approximately A\$12 million (**Placement**). The offer price for the Placement was A\$0.027 per new share (with 1 new option for every 3 new shares issued with an exercise price of A\$0.040 per new option exercisable on or before 30 November 2021). The entire Placement is subject to shareholder approval at a general meeting expected to be held on or around 9 July 2018.

Bell Potter Securities Limited (**Bell Potter**) acted as Lead Manager for the Placement with Aurenda Partners as Co-Manager and Roth Capital Partners as US Placement Agent.

Contemporaneously with the announcement of the Placement, the Board is pleased to announce that Imugene has entered into a licensing agreement in respect of the entire body of cancer vaccine work developed over 28 years by Professor Pravin Kaumaya of Ohio State University Comprehensive Cancer Centre, and The Mayo Clinic, both highly regarded, and prestigious medical institutions in the United States. Refer to ASX Release 7 June 2018 titled “Imugene Licences Extensive B-Cell Immuno-Oncology Portfolio from The Ohio State University Wexner Medical Center & Mayo Clinic” for additional information.

Professor Kaumaya has developed multiple B–cell cancer vaccines and is a recognised leader in cancer vaccine research with an emphasis on peptide vaccines for cancer. He has published over 130 peer-reviewed articles in major scientific journals.

The multiple commercial, strategic and clinical benefits of this transaction secures Imugene’s global leadership in the promising B-cell peptide cancer vaccine sector, and in particular PD-1 checkpoint inhibitors, where Ohio State University Comprehensive Cancer Centre’s pre-clinical work for a Phase I PD-1 clinical trial is well advanced.

The benefits derived from the licensing agreement include:

- substantial intellectual property estate with a broad patent portfolio including six patent families comprising 16 issued patents or pending applications for compositions of matter and/or methods of use of a large range of B-cell peptide and cancer vaccines comprising PD-1, HER1, HER2, HER3, VEGF, IGF-1R, CD28 peptides and combinations thereof;
- FDA IND-ready PD-1 checkpoint inhibitor B-cell vaccine for Phase 1 trial;
- completed two National Cancer Institute (NCI) funded and FDA approved Phase 1 clinical trials at Ohio State’s James Cancer Hospital and Solove Research Institute, Columbus, Ohio;
- ongoing NCI funded, FDA approved Phase II HER-2 clinical trial at Ohio State University; and

- expanding Imugene's R&D capability via access to Professor Kaumaya's comprehensive translational laboratory facilities at Ohio State University under a three year research contract.

The terms of the license include an initial upfront payment, milestone payments and single digit royalty payments based on future product sales, alternatively, tiered sublicensing fees which are tiered based on the stage at which Imugene may sub-license the licensed technology. Imugene does not expect the agreement to have any material impact on the company's financial results for the FY18-FY19 period.

Funds raised from the Placement and the issue of New Shares will assist in the development of these promising cancer drugs.

The Placement is to be followed by an Entitlement Offer (together, the **Equity Raising**).

Entitlement offer

The Board now offers shareholders the opportunity to increase their investment in Imugene through participation in this 1 for 9.5 non-renounceable pro rata issue of new Imugene shares (**New Shares**), and 1 option for every 3 New Shares issued (**New Options**), at a price of A\$0.027 per New Share (**Offer Price**) (**Entitlement Offer**).

The Offer Price represents a 12.0% discount to the weighted average closing price of Imugene over the past five trading days to 4 June 2018. It is also the same price offered to sophisticated and professional investors under the Placement.

Imugene intends to raise approximately A\$8.1 million (before direct offer costs) through the issue of approximately 300 million New Shares under the Entitlement Offer. In addition, if all of the available New Options under the Entitlement Offer are issued and exercised, Imugene would raise a further amount of approximately A\$4 million.

Under the Entitlement Offer, eligible shareholders with registered addresses in Australia and New Zealand will be able to subscribe for 1 New Share in Imugene for every 9.5 existing shares held at 7.00pm (AEDT) on 13 June 2018 (**Record Date**) at the Offer Price (**Entitlements**).

The Entitlement Offer is fully underwritten by Bell Potter Securities Limited.

The Board intends to use the proceeds of the Equity Raising for:

- 1 Acceleration of the newly combined Imugene pipeline of HER2, PD-1 and combinations of B- cell vaccine clinical programs acquired from Ohio State University Comprehensive Cancer Centre's (**OSU**) and Mayo B-cell Peptide IP and Clinical Portfolio;
- 2 completion of Phase 2 Trial for OSU/Mayo Clinic HER-2 Vaccine;
- 3 adaptive clinical study for PD-1 vaccine candidate;
- 4 new vaccine candidates through IND enabling studies;
- 5 R&D programs at OSU to advance additional vaccine candidates;
- 6 GMP manufacturing and GLP-preclinical studies for clinical candidates; and
- 7 general working capital.

The Entitlements are non-renounceable and will not be tradeable on ASX or otherwise transferable. Shareholders who do not take up their Entitlements will not receive any value for those Entitlements that they do not take up. Shareholders who are not eligible to receive Entitlements will not receive any value for the Entitlements they would have received had they been eligible.

Approximately 744,950,463 ordinary shares in Imugene will be issued as part of the Equity Raising. Shares issued under the Equity Raising will rank equally with existing shares.

Imugene will notify shareholders as to whether they are eligible to participate in the Entitlement Offer. Eligible shareholders will receive a prospectus including a personalised entitlement and acceptance form which will provide further details of how to participate in the Entitlement Offer.

Also, under ASX Listing Rules, Appendix 7A, Imugene will despatch a letter about the Entitlement Offer to each holder of options to subscribe for Imugene shares.

A presentation on the Entitlement Offer has been lodged with ASX today and is able to be downloaded from ASX's website, www.asx.com.au.

Offer structure

The number of issued ordinary shares of Imugene at the date of this announcement and the maximum total number of issued ordinary shares following the Equity Raising are as follows:

	Number of shares
Existing Shares on issue as at 7 June 2018 (announcement of the Equity Raising)	2,854,807,170
Approximate Shares issued under the Placement	444,444,445
Approximate New Shares to be issued under the Entitlement Offer	300,506,018
Approximate total number of Shares on issue after the Equity Raising	3,599,757,633

Key dates¹

Event	Date
Prospectus date	7 June 2018
Announcement of the Equity Raising	7 June 2018
Ex date	12 June 2018
Record Date for Entitlement Offer (7.00pm, Sydney time)	13 June 2018
Prospectus and Entitlement and Acceptance Form despatched	18 June 2018

¹All dates are indicative only and subject to change. Imugene reserve the right to withdraw or vary the timetable without notice.

Offer opens	18 June 2018
Offer closes (5.00pm, Sydney time)	3 July 2018
New Shares quoted on deferred settlement basis	4 July 2018
Announcement of results of Entitlement Offer and under-subscriptions	6 July 2018
Extraordinary general meeting to approve the issuance of shares and options under the Placement	9 July 2018
Allotment of New Shares issued under the Entitlement Offer	11 July 2018
Despatch of holding statements for New Shares issued under the Entitlement Offer	12 July 2018
Normal ASX trading for New Shares issued under the Entitlement Offer	12 July 2018
Allotment of shares issued under the Placement	13 July 2018
Despatch of holding statements for New Shares issued under the Placement	16 July 2018
Normal ASX trading for New Shares issued under the Placement	16 July 2018

For further information, please contact:

Should you have any queries in relation to the Entitlement Offer, please do not hesitate to contact the share registry on 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia) between 8.30am and 5.00pm (AEDT) Monday to Friday during the offer period.

For further information please contact:

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Summary Information

*The following disclaimer applies to this announcement and any information contained in it (the **Information**). The Information in this announcement is of general background and does not purport to be complete. It should be read in conjunction with Imugene's other periodic and continuous disclosure announcements lodged with ASX Limited, which are available at www.asx.com.au. You are advised to read this disclaimer carefully before reading or making any other use of this announcement or any Information contained in this announcement.*

Forward Looking Statements

Any forward-looking statements that may be in this announcement are subject to risks and uncertainties relating to the difficulties in Imugene's plans to develop and potentially commercialise its product candidates, the timing of the initiation and completion of preclinical studies and clinical trials, the timing of patient enrollment and dosing in any future clinical trials, the timing of the availability of data from any future clinical trials, the timing of expected regulatory filings, expectations about the plans of licensees of our technology, the clinical utility and potential attributes and benefits of our technologies and product candidates, potential future out-licenses and collaborations, our expectations regarding expenses, ongoing losses, future revenue and capital needs, the length of time over which we expect our cash and cash equivalents to be sufficient, the intellectual property position and the duration of our patent portfolio and unforeseeable events. Accordingly, you should not rely on those forward-looking statements as a prediction of actual future results.

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About Imugene (ASX:IMU)

Imugene (ASX:IMU) is a clinical stage immuno-oncology company headquartered in Melbourne, Australia. The company is developing B-cell peptide vaccines and therapeutics against validated and new oncology targets.