IMMUNICUM
INNOVATION IN IMMUNO-ONCOLOGY

ANNUAL REPORT 2017

Establishing a **unique** immuno-oncology approach by developing **allogeneic**, **off-the-shelf**, cell-based therapies

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About Immunicum

» **Immunicum is a** biopharmaceutical company in clinical stage development of a unique cell based treatment for cancer

Our treatment strengthens the patient immune system's ability to recognize and kill tumor cells. The treatment consists of intratumoral injection of activated dendritic cells that are central parts of the immune defense system.

One major advantage over other cell-based therapies is that our product, Ilixadencel, is ready to be used in different patients, and there is no need for costly adaptation to the individual patient. Ilixadencel is an off-the-shelf product originated from healthy allogeneic blood donors.

Our goal is for Ilixadencel to be included as a key component in most future combination treatments for solid tumors. Ilixadencel is currently being evaluated in three clinical trials for the treatment of various cancers.

Business concept and strategy

Immunicum's strategy is to position ilixadencel as the first choice of cancer immune primers that are to be combined with standard treatments that fight immune suppression for the effective and safe treatment of various types of cancer. The Company's clinical strategy aims at designing clinical trials in various indications where ilixadencel is combined with different types of standard treatments with the purpose to show clinical safety, confirm the mode of action in human and display the synergy in the clinical efficacy of the combination treatment.

The Company develops these immune-based therapies primarily by conducting a number of clinical trials to establish the product candidates' therapeutic potential and safety. The strategy is to build the value as these programs advance and gain clinical validation and allow the Company to pursue a broad range of corporate development options to further develop, co-develop or partner with major pharmaceutical and/or biotech companies, to ultimately deliver the product candidates to the market as efficiently as possible while building shareholder value.

History

Immunicum was founded in 2002 as a spin-off from the Sahlgrenska University Hospital in Gothenburg, Sweden. Its founders – three researchers Alex Karlsson-Parra, M.D., Ph.D., who is the Company's Chief Scientific Officer, Bengt Andersson, M.D. Ph.D. Sahlgrenska University Hospital, and Anna-Carin Wallgren, M.D. Ph.D., Karolinska University Hospital Stockholm – had been active in the field of immunology for many years and had studied the process of how the body rejects a transplanted organ. The basic idea was at first to try to inhibit this rejection process, when it however, was realized that it could instead be used to teach the body to also repel its own tumor transformed cells, and thereby cure cancer.

It was discovered that the main reason the body rejects transplanted organs is the immune response triggered by the allogeneic dendritic cells which came from the organ donor. Upon this realization the founders of Immunicum came to the conclusion that these cells could potentially be used to create cancer immune primers.

The Company founders formed a limited liability company and applied for the Company's first patent. Over the following five years, a number of in vitro and animal studies were conducted which confirmed the mechanism of action, and several articles were published in scientific journals. During 2007 and 2008, the Company expanded its management and board of directors and established a Scientific Advisory Board. Since then, a number of important milestones have been achieved.

The Company was able to attract additional funding and complete the nonclinical activities to initiate clinical studies, which was initiated in 2012 in Sweden with the first patient with metastatic kidney cancer injected with ilixadencel. Upon this important achievement, Immunicum gained recognition and completed an Initial Public Offering in 2013 to be listed on Nasdaq First North in Stockholm.

The Company raised a total of SEK 273 million from private and public investors and was able to complete the Phase I/II study in kidney cancer (RCC; Renal cell carcinoma) and initiate a Phase II study in kidney cancer and Phase I/II studies in liver cancer (HCC; hepatic cell carcinoma) and gastrointestinal cancer (GIST; gastrointestinal stromal carcinoma). Building upon these successful achievements, a new CEO was appointed in October 2016 that could lead the transition of biopharmaceutical start-up to a growth company. A Chief Medical Officer was appointed, and the team was further expanded to build Immunicum with late stage drug development, CMC and business development experience.

The management team performed extensive strategic prioritization analyses to reflect key insights in both product positioning and market developments, which culminated in the updated development plan released in August 2017. This incorporates new studies in indications of high unmet need and in combination with checkpoint inhibitors.

Strengths and competitive advantages

1

Unique approach to immune system activation through an off-the-shelf product offering personalized treatment

Immunicum's lead product ilixadencel is an immune primer produced using allogeneic cells (cells from a healthy donor) specially treated to become pro-inflammatory. The use of allogeneic cells makes the need for patient specific tumor material obsolete which allows for a scalable off-the-shelf product that can be used on all injectable, immunogenic solid tumors. Ilixadencel is then administered directly into the tumor which activates the patient's immune system.

2

Favorable positioning as backbone therapy in the future oncology toolkit of combination therapies

The future of cancer treatment is expected to lie within combination therapies, meaning that different treatment regimens will be used in combination to improve the efficacy of cancer treatments. Immunicum is aimed to be part of those combinations. Since Immunicum's lead product ilixadencel functions by activating the patient's immune system to kill the cancer, rather than eliminating the tumor's immunosuppression (as most of the big pharmaceutical companies within immune therapies do), Immunicum believes ilixadencel to be ideally positioned to become a backbone therapy in future combination therapies.

3

Advanced clinical stage projects in sizeable indications with large unmet medical need

Immunicum is currently conducting clinical trials within three indications: kidney cancer, liver cancer and gastrointestinal stromal cancer. The trial in kidney cancer, the MERECA study, is a Phase II trial whereas the trials in the other two indications are Phase I/II trials. Moreover, Immunicum has recently announced a new clinical development plan including a multi-indication Phase Ib/II study for three new indications; head and neck cancer, non-small cell lung cancer and gastric adenocarcinoma, respectively.

4

Promising data as to tumor-specific immune response and clinical efficacy

Trials conducted this far have shown promising early efficacy data. Within the Company's furthest progressed indication, newly diagnosed metastatic kidney cancer (mRCC), the results from the Phase I/II study indicated the desired immune response with a tumor-specific strong/massive infiltration of CD8+ T cells in the primary kidney tumor in the majority of patients. The study further showed that the eleven patients treated with ilixadencel (including a number of patients subsequently treated with the tyrosine kinase inhibitors (TKIs) sunitinib or pazopanib) had an overall median survival of 48 months, compared to historical data of 14.7-15.8 months for patients treated only with TKIs, including sunitinib and pazopanib.

5

Excellent safety profile with low rate of treatment-related serious adverse events

The number of serious adverse events (SAEs) in the Company's studies has been low this far. The SAEs observed have mainly been fever. Fever is a natural reaction to a stimulation of the immune system and is thus an expected outcome when patients are treated with a pro-inflammatory and immune activating substance such as ilixadencel. This is expected to compare favorably to the tolerability of currently used targeted therapies, certain combination immunotherapies, and is distant from the tolerability concerns with more severe immunotherapies such as CAR-T therapies used in certain types of blood cancer.

6

Robust development grade manufacturing in place

Immunicum has a robust development grade manufacturing process in place with a GMP certified production facility owned by BionTech IMFS GmbH in Germany. BionTech IMFS' facility offers the opportunity to quickly implement a development-grade manufacturing process that can be adjusted to production needs during clinical trials, without the need for the Company to significantly invest in own facilities or fixed manufacturing quantities. Ilixadencel has been granted an ATMP certificate following a review of manufacturing quality and non-clinical data by the EMA.

7

Management team with extensive experience of drug and business development

The Company has formed a strong management team consisting of individuals with relevant experiences within late stage drug development, CMC, regulatory, QA and business development. Previous experiences include senior positions at Nycomed/ Takeda, Novartis, Pfizer, GlaxoSmithKline, Amgen and Sahlgrenska University Hospital.

8

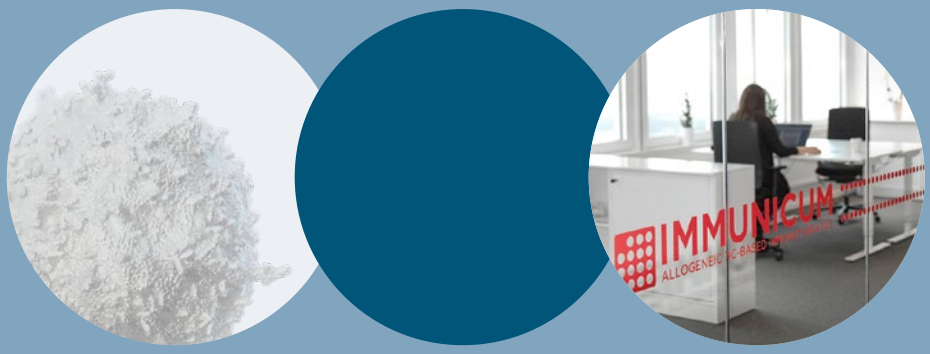
Operating within the fastest growing area for cancer treatment

Immuno-oncology, Immunicum's focus area, is currently the fastest growing pharmaceutical segment. Between 2015 and 2022 the market for immune therapies is expected to grow with a Compounded Annual Growth Rate (CAGR) of 24 percent, from USD 17 billion in 2015 to USD 76 billion in 2022.

9

Patents

Ilixadencel, SUBCUVAX®, the adenovirus vector and CD70, as well as the manufacturing process for ilixadencel and SUBCUVAX® are protected by patents and patent applications in a total of seven patents in several countries in Europe, Asia and the United States.



2017 in brief

- Immunicum announced that the Agence Nationale de Sécurite du Médicament et des Produits de Santé (ANSM) in France approved the Company's Clinical Trial Application (CTA) for ilixadencel.
- World Health Organization (WHO) approves International Nonproprietary Name (INN) ilixadencel for Immunicum's lead product, formerly known as INTUVAX®.
- Immunicum publishes data from Phase I/II study in RCC in article in Journal for ImmunoTherapy of Cancer.
- Immunicum enrolls first patient in US in ongoing Phase II MERECA study in RCC, following FDA and IND (Investigational New Drug) clearance late 2016.
- Immunicum announces updated development plan (including combination study in head and neck cancer, gastric cancer, and non-small cell lung cancer; no longer pursuing melanoma for next studies) and intent to explore funding options to enable implementation.
- Immunicum completes Phase I/II study in HCC and announces positive top-line data supporting continued development in HCC.
- Nasdaq Stockholm's listing committee decided to approve the Company's application for admission to trading on Nasdaq Stockholm, conditional upon the Company completing the Rights Issue and securing sufficient working capital for the twelve-month period following the admission to trading.
- Immunicum announced preliminary proof-of-concept results from nonclinical studies evaluating the potential improvement of anti-tumor effect when combining lead candidate ilixadencel with an anti-PD-1 checkpoint inhibitor (CPI).

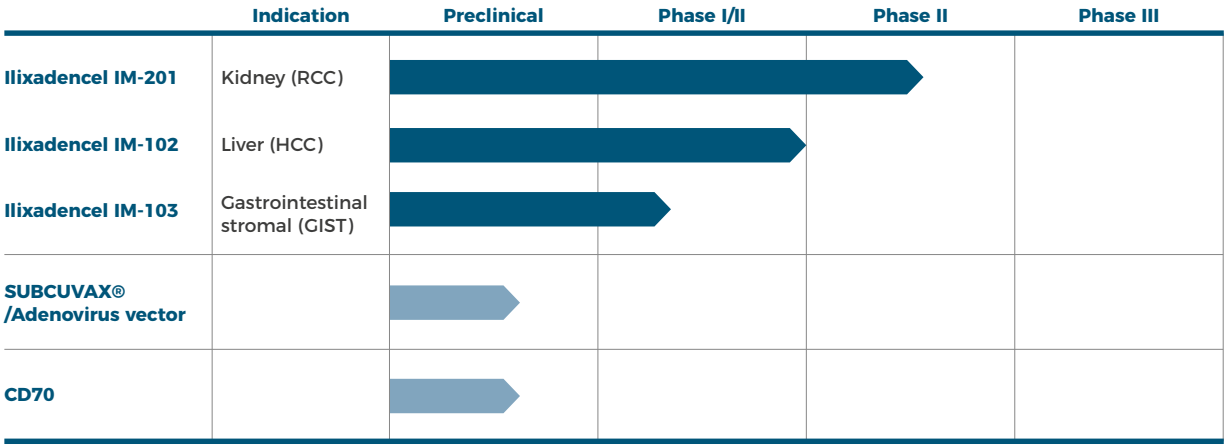
Significant events after the financial year

- Patient recruitment was completed for the ongoing, global Phase II MERECA (MEtasatic REnal Cell CArcinoma) clinical trial. The objective of the study is to provide proof of concept for ilixadencel through the achievement of multiple endpoints indicative of meaningful clinical impact and safety assessed over an 18-month period.
- Immunicum announced the trading of its shares (IMMU. ST) on the main market of Nasdaq Stockholm.
- Michaela Gertz joined the company as Chief Financial Officer.
- Immunicum presented a case study of one patient from the Phase I/II HCC trial at the Cholangiocarcinoma Foundation Annual Conference in Salt Lake City, Utah.
- The Nomination Committee of Immunicum proposed Michael Oredsson as new Chairman of the Board.
- Immunicum announced ATMP Certificate Granted by EMA to Ilixadencel for Manufacturing Quality and Non-clinical Data.
- Immunicum provided an update on ilixadencel Clinical Development Program.

Project portfolio

» **Immunicum's pipeline includes** two ongoing clinical trials for the Company's lead program ilixadencel and two nonclinical programs

Pipeline



Ilixadencel

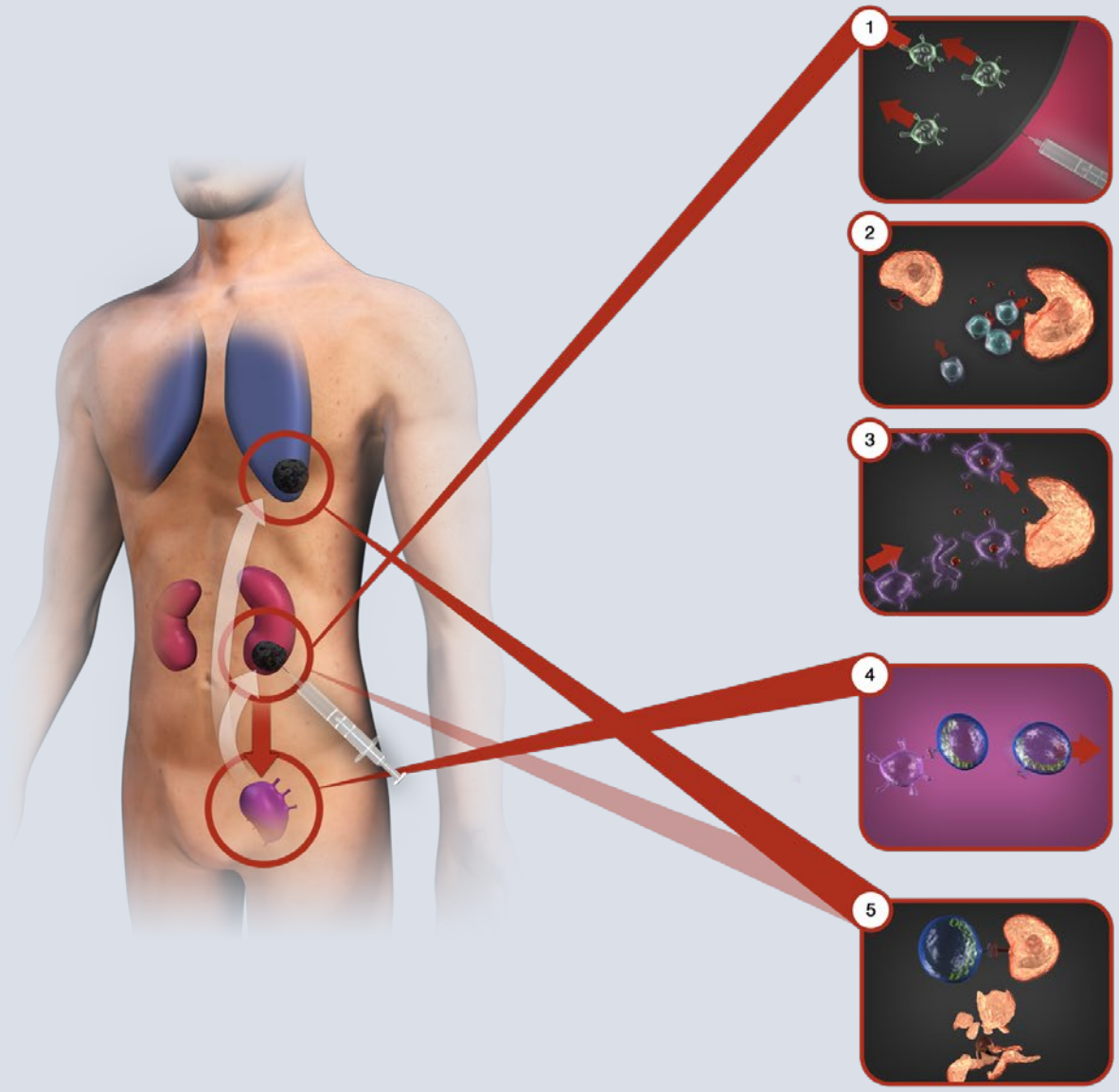
Immunicum's lead product, ilixadencel, is an immune activator or immune primer as it helps to activate the patient's own immune cells to kill cancer cells.

Ilixadencel has been developed in order to be able to take advantage of each patient's unique tumor antigens and to circumvent the need to combine ilixadencel with tumor antigens in test tubes in order to create an effective tumor specific immune primer.

Ilixadencel is made up of allogeneic, pro-inflammatory dendritic cells and is administered in situ (directly into the tumor). The intratumorally injected allogeneic dendritic cells will be able to survive for 48 to 72 hours after administration and are activated to release immunostimulating factors, including chemokines and cytokines, during that time period. The local production of these factors within the tumor will induce a local recruitment and activation of endogenous immune cells (immune cells from the patient), including natural killer (NK) cells, immature dendritic cells and T cells. The recruitment of the patient's own dendritic cells will take place inside the tumor, where there are already high levels of tumor specific antigens. The concomitant recruitment and activation of NK cells leads to NK cell-mediated cell death of tumor cells at the injection site whereafter these can be taken up by the recruited dendritic cells which in this manner will become loaded with antigens. Once the dendritic cells are loaded and activated by the pro-inflammatory environment created by ilixadencel they will migrate to nearby lymph nodes where they will prime/activate tumor-specific T cells, including CD8+ T cells that will migrate from the lymph node, through the blood circulation, and then search for and kill tumor cells within both the primary tumor and metastases elsewhere in the body. See illustration of mode of action in the following page.

There are four major expected advantages with ilixadencel:

1. Intratumorally injected ilixadencel uniquely covers all aspects of tumor specific immune priming:
   - » recruitment of immune cells including NK cells and dendritic cells into the tumor,
   - » induction of local tumor cell death, leading to increased release of tumor-specific antigens, and
   - » maturation of antigen-loaded dendritic cells for subsequent migration to tumor-draining lymph nodes where the dendritic cells activate/prime tumor-specific T cells;
2. Ilixadencel is applicable for all injectable solid tumors;
3. Off-the-shelf cell-based therapies are applicable to all patients and can be produced on a large scale; and
4. The concept uses the patient's own tumor as the antigen source in vivo, which aims to ensure that the full set of neoantigens are used for activation of a tumor-specific immune response.



Mechanism of action

1.
Allogeneic DCs are injected intratumorally.

2.
NK-cells are recruited to the tumor where they induce an NK-cell-mediated tumor cell death, thus releasing tumor antigens ready for uptake by anti-gen-presenting cells, such as DCs.

3.
Autologous DCs are recruited to the tumor where they engulf tumor antigens and migrate to the draining lymph nodes.

4.
DCs present tumor antigens to naive T cells which subsequently become tumor-specific cytotoxic T-lymphocytes (CTLs).

5.
CTLs scan the body for cancer and attack tumor cells in the kidney and in lung metastases.

The figure above shows that ilixadencel creates an inflammation in the tumor, which then attracts natural killer (NK) cells (for release of tumor antigens) and the patient's own dendritic cells (DCs) for uptake of these neoantigens. Thus, what Immunicum expects to accomplish by means of a standardized primer is to load the patients' own dendritic cells with their own tumor neoantigens in vivo, and in this way also offer patients an individual-ized treatment. This is something that makes ilixadencel a unique cancer immune primer.

Clinical strategy for ilixadencel

Immunicum's strategy is to position ilixadencel as the first choice of cancer immune primers to be combined with standard treatments that fight immune suppression for the effective and safe treatment of various types of cancer. The Company's clinical strategy aims at designing clinical trials in various indications where ilixadencel is combined with different types of standard treatments with the purpose to show clinical safety, confirm the mode of action in humans and display the synergy in the clinical efficacy of the combination treatment.

The ongoing and planned clinical studies aim to determine whether ilixadencel:

- is an effective cancer immune primer, in particular via measuring the intratumoral infiltration of CD8+ T cells and/or the generation of anti-tumor specific CD8+ T cells in peripheral blood in relevant tumor setting;
- can be included in combination therapies without increasing risk of side effects; and
- has a clinical efficacy, primarily via measuring of survival related endpoints, best objective tumor response and duration of response.

Immunicum has completed a Phase I/II trial in kidney cancer, and in liver cancer, and is currently conducting a Phase II study (MERECA) in kidney cancer and Phase I/II study in gastrointestinal stromal cancer.

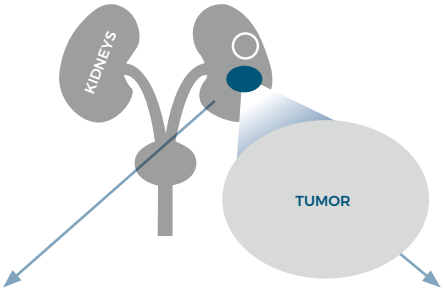
Kidney cancer

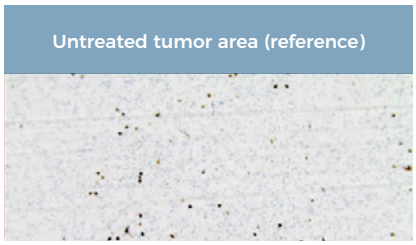
Phase I/II

Immunicum's Phase I/II study was initiated in 2012 and included twelve patients with newly diagnosed metastatic renal cell carcinoma (mRCC). The last patient was treated in August 2013, and in March 2014 the concluding report was presented.

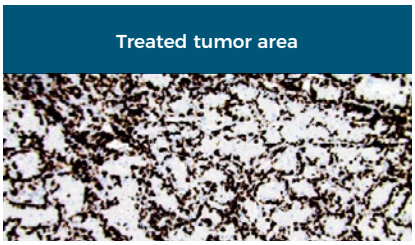
No treatment-related serious adverse events have been noted and the report presented a hitherto achieved median survival time for patients with poor prognosis in excess of the expected median survival time that prevails for established pharmaceuticals, which are also often associated with undesirable side effects.

The data also show clear signs of tumor-specific immune activation. The picture below shows the identified immune activation in the treated tumor area, but also in a distant metastasis, which demonstrates that the activated immune system is also able to identify and target cancer cells in other parts of the body after injection of ilixadencel.



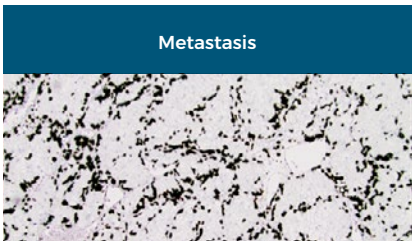


A reference slide demonstrating the ammount of T cells (black dots) in a non-treated tumor.



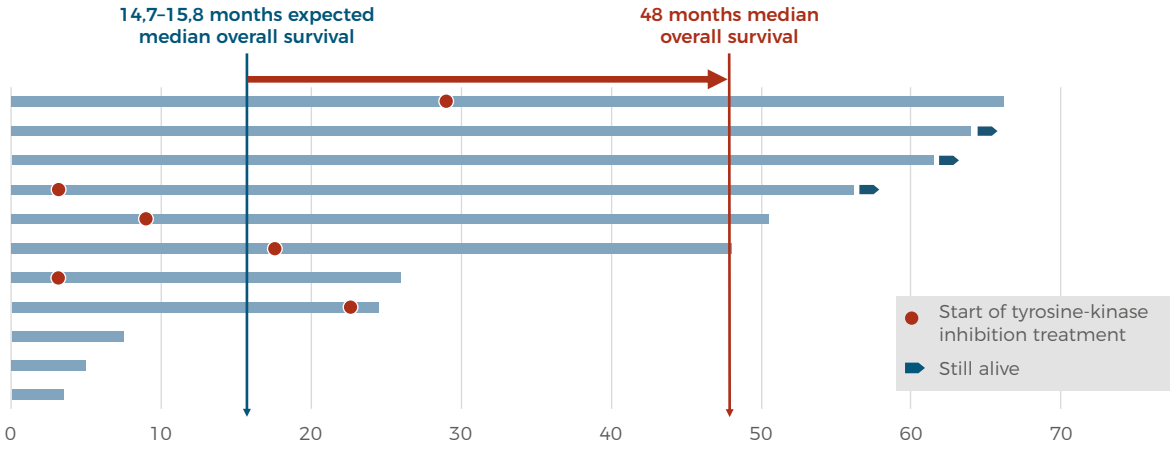
A massive infiltration of cancer specific CD8+ T cells in the tumor after injection of ilixadencel.

A clear absence of T cells outside of the tumor site (similar to healthy tissue) supporting that the massive infiltration is tumor-specific.



A clear increase presence of CD8+ T cells at a distant metastasis (tumor that has spread to other parts of the body).

Immunicum published the data from the Phase I/II Study in the Journal for ImmunoTherapy of Cancer in June 2017, which contained follow-up data of patients up to December 2016. Updated survival time data, as per May 2017, from the Phase I/II Study, showed that five of eleven evaluable patients were alive at that point in time. At the last update of survival time data in January 2018 three of eleven evaluable patients were still alive. The median overall survival (mOS) time for the patient group as a whole reached 48 months - compared to the expected mOS time of 14.7 – 15.8 months based on historical data of newly diagnosed metastatic patients being treated with tyrosine kinase inhibitors, including Sutent® (sunitinib) and Votrient® (pazopanib). For the six patients with a poor prognosis (MSKCC high risk), the mOS time was 36 months, compared to the expected nine months based on historical control. The picture below shows the expected mOS (historically) and the study mOS of the group as a whole.



Phase II (MERECA)
Immunicum is presently conducting an international, investigational, randomized, controlled and open Phase II study (MERECA). Patient recruitment for the MERECA study was completed on January 8th, 2018. A total of 88 newly diagnosed metastatic renal cancer patients were included. 58 patients received treatment with ilixadencel in combination with subsequent nephrectomy (the removal of the tumor affected kidney) as well as the standard treatment with tyrosine kinase inhibitor Sutent® (sunitinib).

30 patients in the control group undergo only nephrectomy and standard treatment with Sutent®.

The primary purpose of the MERECA study is to investigate the clinical efficacy of treatment with ilixadencel in combination with sunitinib in newly diagnosed metastatic renal cell cancer patients. The primary endpoints for the MERECA study are mOS and median survival rate after 18 months for all patients and for the patient-groups with poor and intermediate prognosis. In addition to these primary parameters, the Company will also study the frequency and proportion of adverse events (AEs), progression-free survival (PFS), objective tumor response after introduction of Sutent® (sunitinib), time to progression (TTP) and intratumoral infiltration of CD8+ T cells in primary tumors and accessible metastases, compared with normal tissue. This Phase II study is primarily a proof of concept study.

In December 2016, Immunicum received clearance from the FDA on its Investigational New Drug (IND) application and expanded its ongoing Phase II study MERECA, for the treatment of metastatic renal cell cancer (mRCC) patients, into the US in the second quarter of 2017, which led to the first patient enrolled in August 2017.

The primary analysis and top-line results is planned to be completed during the third quarter 2019.

Liver cancer

Phase I/II
In July 2013, Immunicum received approval from the MPA (Sw. Läkemedelsverket) and the Hospital Ethics Committee to begin a Phase I/II study for the treatment of patients with primary cancer of the liver (Hepatic Cell Carcinoma; HCC), and the first patient was treated in October 2013.

The single arm, open-label, Phase I/II trial enrolled 18 patients with advanced liver cancer, consisting of 17 patients with metastatic HCC and one patient with advanced cholangiocarcinoma (CCA). Patients were treated with three separate injections of ilixadencel directly into their primary tumor (at approximately Day 1, 14 and 42) and patients were followed for six months after last injection. The primary objective was to investigate safety and tolerability for ilixadencel in HCC as second line therapy for patients not responding to previous treatments, or first line therapy administered with or without sorafenib. The secondary objectives included several exploratory endpoints including immunological response as measured by systemic levels of tumor specific T cells in the blood, as well as initial signs of clinical activity like objective tumor response, time to progression and overall survival. The study was conducted in Sweden at the Sahlgrenska University Hospital, Gothenburg. (Clinicaltrials.gov ID: NCT01974661)

The final patient disposition was as follows: seven patients were treated with ilixadencel as second line treatment after failing sorafenib, ten patients were treated as first line treatment of which six patients were treated in combination with sorafenib. Fourteen patients received all three injections.

There were no life-threatening or fatal treatment- related adverse events (AEs). Overall, with only one exception, all treatment-related AEs were mild-to-moderate in Common Terminology Criteria for Adverse Events grading (grade 1–2). The most common treatment-related AEs were described as fever and/or chills and could be easily managed. The exception was one patient receiving ilixadencel and sorafenib as combination therapy, who presented with a suspected sepsis event (grade 3) that subsequently recovered. As a reference, current standard of care, such as sorafenib or regorafenib, report in the literature and in prescribing information severe (grade 3) drug-related AEs in at least one in three HCC patients treated.

Evidence of systemic immunological response to the treatment, as measured by an increase in tumor-specific, interferongamma producing CD8+ T cells in the blood, was demonstrated in 9 out of 13 evaluable patients (69 percent). Overall survival ranged between 1.6–21.4 months in the total group of 17 HCC patients at closure of study with three patients still alive. More in-depth group and patient analyses are ongoing and will be submitted for publication in a scientific journal.

Taken together, ilixadencel was shown to be safe and well tolerated in these patients when given both as a single treatment and in combination with the current first line standard of care treatment, sorafenib. In addition, the results provide evidence of tumor-specific immune activation in the majority of patients.

Phase II study in liver cancer

Based on the positive data from the Phase I/II study in HCC, Immunicum will continue to explore the next stage of clinical development in this indication and its different financing options. HCC is a severe and rapidly progressing cancer with limited treatment options

Gastrointestinal stromal cancer

Phase I/II

Immunicum is presently carrying out a Phase I/II clinical trial with ilixadencel concerning the treatment of patients with gastrointestinal stromal tumors (GIST). The clinical trial is conducted at the Karolinska University Hospital in Stockholm. Twelve patients are planned to be enrolled and treated with ilixadencel in combination with Sutent® (sunitinib), Stivarga® (regorafenib) or similar tyrosine kinase inhibitor (targeted therapy). The recruited patients will be divided in two groups (cohorts) and will receive either two or three doses of ilixadencel.

After inclusion of the first patient the protocol was amended end of 2016 to allow a broader patient population for recruitment. As of March 2018 a total of five patients have now been enrolled.

The primary objective of the clinical trial is to examine whether ilixadencel in combination with a tyrosine kinase inhibitor is safe and tolerable for these patients. Additional clinical endpoints, such as objective response and progression-free survival (PFS), will also be evaluated.

If the recruitment of patients will be enrolled as expected the top-line results from the study will be available in 2019.

Ilixadencel in combination with Checkpoint inhibitors

Nonclinical results

Preliminary proof-of-concept results has been presented from nonclinical studies evaluating the potential improvement of anti-tumor effect when combining lead candidate ilixadencel with an anti-PD-1 checkpoint inhibitor (CPI). In an in vivo mouse model of a solid tumor cancer, the survival at Day 24 was 50% in mice treated with the combination of ilixadencel and a CPI, 30% for those mice treated with ilixadencel only and 0% for those receiving CPI only. In in vitro (cell culture) experiments with human immune cells and ilixadencel, addition of a CPI led to increased production of interleukin-2 and interleukin-1-beta, both important factors for immune cell activation and tumor cell killing.

Survival after start of treatment (n=10 per group):

	Day 13	Day 17	Day 24	Day 28
CPI	100%	40%	0%	0%
m-ilixadencel	100%	90%	30%	20%
m-ilixadencel+CPI	100%	90%	50%	30%

Multi-indication Phase Ib/II trial

Immunicum is currently preparing for a multi- indication clinical trial within head and neck cancer, non-small cell lung cancer and gastric adenocarcinoma. The purpose of the study is to evaluate ilixadencel in combination with checkpoint inhibitors and establish the safety, mechanism of action and therapeutic impact for combination therapy in these types of solid tumors. These indications have been chosen because they represent patient populations with large unmet medical needs and because patients suffering from these cancers have a low response rate to CPIs. The trial design facilitates an efficient decision process to test the impact of ilixadencel together with CPIs and define the most advantageous indications. The overall benefit for the Company will be to open additional strategic options as well as support the development of ilixadencel as a backbone component of state of the art combination cancer therapies.

Trial overview

The multi-indication trial is an open-label, randomized multicenter, Phase Ib/II trial that evaluates the safety, mechanism of action and efficacy of intratumorally administered ilixadencel in combination with a checkpoint inhibitor treatment in patients (1) with advanced head and neck cancer, non-small cell lung cancer and esophageal and gastric adenocarcinoma and (2) who are candidates for checkpoint inhibitor therapy at standard doses in these indications.

The multi-indication trial combines Phases Ib and II, i.e. spanning safety and clinical activity readings while containing interim decision points from safety run-in up to expansion of each patient population in the trial, providing maximum insight and control.

Subcuvax®/adenovirus vector

SUBCUVAX® shares the same technology basis as used for production of ilixadencel to benefit from the unique priming and activating technology. The major difference between SUBCUVAX® and ilixadencel is that SUBCUVAX® is combined with tumor antigens, including tumor neoantigens in a test tube and is injected subcutaneously (under the skin), as opposed to ilixadencel's intratumoral injection.

The adenovirus vector was acquired in 2014 with the purpose of being included in the SUBCUVAX® concept. Nonclinical studies with the adenovirus vector for the development of SUBCUVAX® are in progress in cooperation with the University of Uppsala and Professor Magnus Essand. The objective is to examine the possibilities of using the vector for the production of relevant tumor antigens to be used in the SUBCUVAX® immune priming and activating cells. Professor Essand's group has also initiated a Phase I/II clinical trial with the vector for oncolytic treatment of neuro endocrine tumors, without the benefit of the SUBCUVAX® cells. Immunicum does not own the rights to this indication, however it owns the rights to all subsequent indications. The Company follows the development with great interest since it can confirm the vector as being useful also for oncolytic treatment.

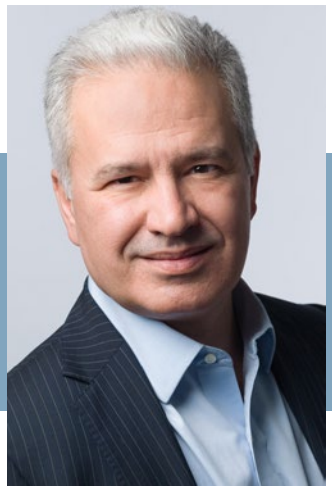
CD70

Immunicum's CD70 platform works for adaptive immunotherapy, which is a treatment strategy where the patient's T cells are isolated and, in some cases, genetically manipulated to specifically recognize cancer cells. Examples of this are so-called CAR-T treatment, which is a recently approved concept for the treatment of, among other things, B-cell leukemia. In order to obtain a sufficient number of tumor-specific T cells, an expansion period in the test tube is required before the cells are injected back to the patient. There are currently two established expansion methods," rapid expansion protocol" and "bead expansion protocol".

Today, the development with the CD70/CD3-concept (expansion protocol for CAR-T cells) continues in joint collaboration with Professor Magnus Essand's research group. In a publication entitled "Allogeneic lymphocyte-licensed DCs expand T cells with improved anti-tumor activity and resistance to oxidative stress and immunosuppressive factors", which was published on March 6, 2014 in the American journal Molecular Therapy - Methods & Clinical Development, Professor Essand's research group compared Immunicum's patented expansion protocol, referred to as "CD70-CD3" with established expansion protocols. In the article, it emerged that T cells, including the CAR-transfected T cells which were expanded with Immunicum's CD70 protocols, compared to the established protocols, show a better survivability capacity, better ability to kill tumor cells in the test tube, and better capability to begin to expand once again upon contact with tumor cells when the cells are subjected to immunosuppressive factors that reflect the "hostile" tumor environment. Immunicum's goal is to evaluate the development and establishment of the CD70-concept as an expansion protocol for CAR T cells (adaptive immune therapy) for the treatment of solid tumors.

Increased efforts in development of CMC processes

In preparation for a successful outcome of the MERECA trial and to ensure no delay in clinical development, Immunicum believes it to be important to further increase CMC efforts to have a commercially ready process in place as required from EU and US regulators in order to initiate pivotal studies. Initiating the preparations needed to develop the current robust development process into a commercial grade manufacturing enables the Company to meet the regulatory requirements at an early stage and thereby be strategically positioned to gain the greatest value from the clinical trials which have been conducted to date. Immunicum will explore different ways of financing these activities.



CEO Comment

» **We have built** significant momentum over the course of 2017, which was a transformative year for Immunicum. We announced positive clinical data, met the recruitment milestone for our Phase II MERECA study, and raised the capital needed to complete MERECA and to uplist Immunicum to the Nasdaq Stockholm main market, among other things. Most importantly, we have positioned the Company at the absolute forefront of progress in treating cancer.

Our lead product ilixadencel represents a pioneering approach for priming a cancer patient's immune system to fight tumors. As a unique cell-based therapy, its safety profile and mode of action makes it broadly applicable for many cancer indications that are under-served by other anti-cancer and immuno-oncology drugs. We have moved swiftly to take advantage of this opportunity through the next phase of clinical development for ilixadencel.

Immunicum has designed an updated clinical development plan to best position ilixadencel as a key component of the most cutting-edge cancer combination treatments. This year we will start a multi-indication Phase Ib/II study in head & neck cancer, gastric adenocarcinoma and non-small cell lung cancer in combination with CheckPoint Inhibitors (CPIs). These indications have been chosen because they represent patient populations with large unmet medical needs and because patients suffering from these cancers have a low response rate to CPIs alone. The trial design facilitates an efficient decision process to evaluate the impact of ilixadencel together with CPIs and define the most advantageous indications. Our plan is to keep our shareholders and potential collaborators up-to-date on our progress once enrollment has been inititated and over the course of 2019.

The impact of this study for ilixadencel's potential as a new immuno-oncology treatment will be significant. First, we will gain data on three important new and high-value indications direct from patients. Second, if the results are similar to the data we generated in 2017 showing the additive effect of ilixadencel together with CPIs in animal models, we have opened an exciting new avenue to help cancer patients. Third, the trial will create strategic options for us as we continue our interactions with potential partners and clinical experts.

In 2017 we achieved our goals. We are starting 2018 poised to achieve much more. I would like to extend a heartfelt thanks to our employees, the leadership team, our Board and our investors for their commitment to Immunicum over the past year. We have started 2018 strong and are in the right position to achieving our vision of developing a novel therapy for cancer patients and building value for our shareholders.

CARLOS DE SOUSA
President and CEO

Immuno-oncology and drug development

Cancer treatment

Traditional regimens

Traditional cancer treatment regimens generally include both local treatments such as radiotherapy or surgery and general treatments with chemotherapy (cytotoxic drugs) and hormone therapy. Surgery and radiotherapy are typically used for the treatment of individual solid tumor diseases. In order for a patient with solid tumor disease to be successfully treated through surgery, it is crucial that the tumor is detected at an early stage, is accessible to surgery and that the patient's condition is good enough to be able to undergo an operation. As general methods are able to detect a cancer mass above a minimum size throughout the body, they can be used both for treatment of metastatic cancer and post operation to reduce the risk of relapse, in contrast to local treatments.

The main concern with general treatments is that they affect the entire body instead of only targeting the tumor. Chemotherapy works by attacking all fast-growing cells, and thus also affects normal rapidly dividing cells (such as hair or gastrointestinal lining cells), which typically leads to severe side effects. Hormone therapy also affects the entire body but does so by inhibiting the hormone system which prevents stimulating growth in cancer cells. Targeted therapies partly overcome these issues by blocking a specific pathway that is more active in tumor cells, often by injecting antibodies targeting a specific receptor. It is the Company's assessment that these therapies can be very effective in reducing tumor growth and killing tumor cells, yet tumors often develop resistance against these therapies by using other pathways for growth, causing the tumor to grow again.

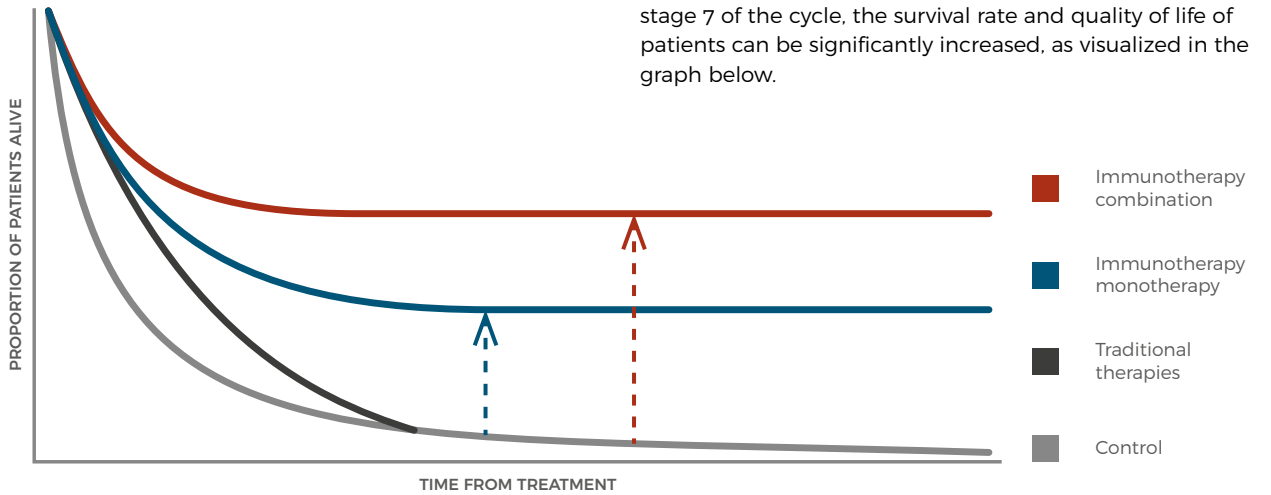
Immuno-oncology

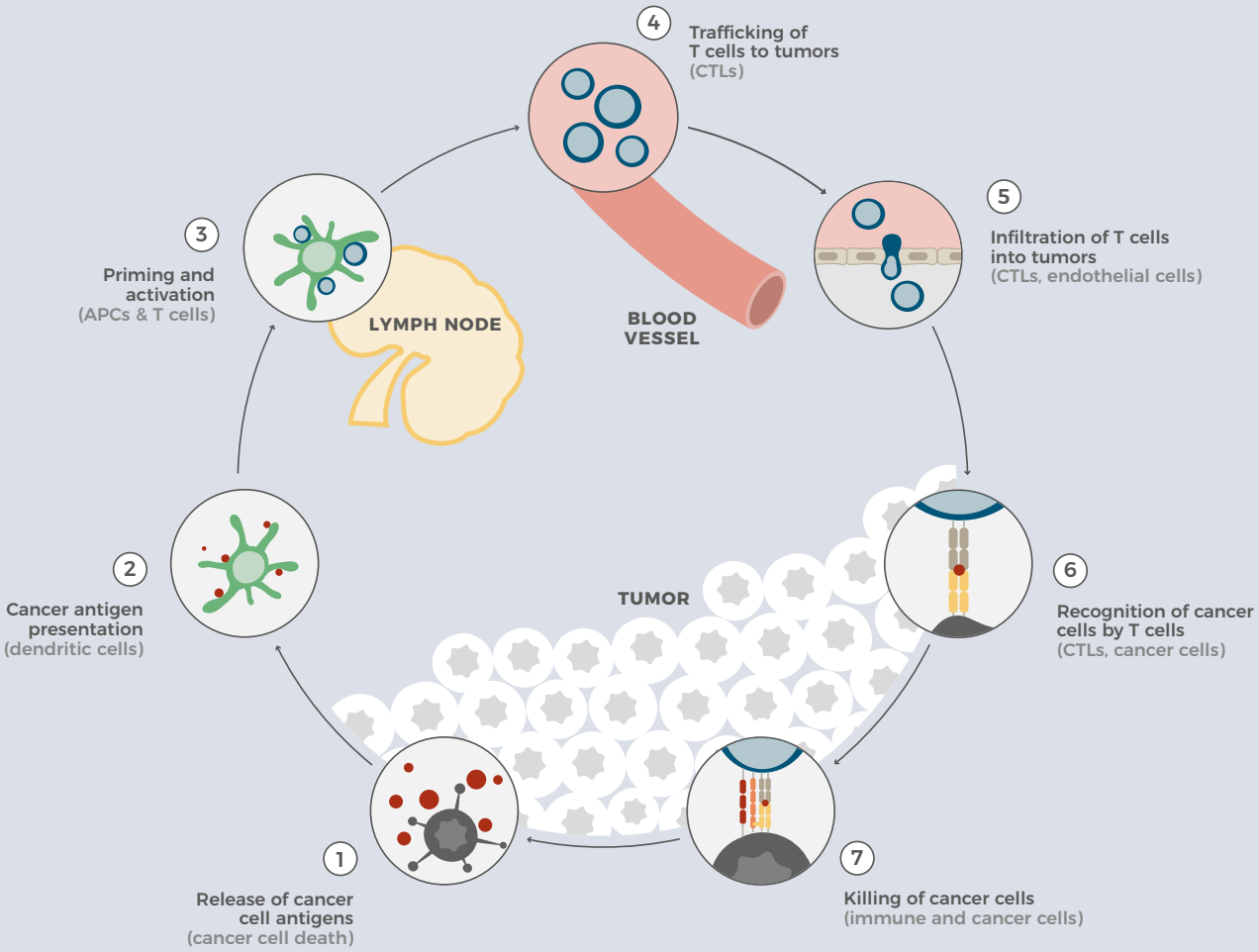
Unlike traditional cancer therapies, immuno-oncology is designed to help the body's own immune system to fight cancer. The immune system is very effective in attacking foreign invaders such as bacteria and viruses, and can combat all types of diseases, including cancer. However, since cancer tumors are composed of the body's own cells, the immune system has a more difficult time to identify them as harmful. Furthermore, tumor cells have different strategies in order to avoid being discovered and attacked by the immune system, by so-called immunosuppression. Immuno-oncology can therefore fight cancer in two ways; either by activating the immune system to identify the cancer as something to be destroyed, or by fighting the cancer's immunosuppressive activity. Immunicum's lead product, ilixadencel, is part of the first category; it is an immune activator or immune primer as it helps to activate the patient's own immune cells to kill cancer cells.

Combination therapy

Combination therapy, a treatment regimen which combines two or more therapeutics, is becoming a cornerstone of cancer treatment. This treatment regimen attacks multiple aspects of the tumor, thereby preventing the tumor from escaping. The combinations can include both traditional treatments such as chemotherapy or radiology and newer treatments such as immunotherapy.

As research within the immuno-oncology field advances, more rational combinations with an immunotherapy backbone emerge. One such combination is the use of synergistic immunotherapeutics. By combining immune enhancing drugs, affecting stage 1–3 in the cancer immunity cycle, with drugs that block the tumor's immunosuppression in stage 7 of the cycle, the survival rate and quality of life of patients can be significantly increased, as visualized in the graph below.





The cancer immunity cycle

First published in 2013, the cancer immunity cycle has been used as a framework to explain and conduct research about immune-oncology. The cycle describes how a tumor interacts with the immune system and can be divided into seven steps:

1. Release of tumor cell antigens, including neoantigens: Cancer cells have mutations that cause specific substances to be produced, called tumor neoantigens, which can be identified by the immune system to be different from healthy cells. The death of cancer cells leads to the release of tumor neoantigens. Some immune cells are able to capture the neoantigens if recruited to the cancer tissue. One type of immune cell that is recruited and able to capture neoantigens is dendritic cells (DCs).

2. Transportation to lymph nodes: The purpose of the dendritic cells that are recruited in step 1 is to pick up and transport the cancer cell's neoantigens to the lymph nodes where they present the neoantigens to neoantigen-specific T cells.

3. Priming and activation: By bringing the neoantigens to the lymph nodes and presenting them to the T cells, the T cells become primed2 towards the cancer specific neoantigens. The T cells begin replicating and preparing for an attack of the tumor. This results in large amounts of T cells, particularly CD8+ T cells ("killer" T cells). These cells are specifically trained to find and kill cancer cells in the entire body.

4. Trafficking of T cells to cancer tissue: After activation the CD8+ T cells enter the blood vessels and travel around the body looking for cancer cells.

5. Infiltration into cancer tissue: Once the CD8+ T cells have travelled to a location where tumor cells are present, either in the primary tumor or in a metastasis in another part of the body, their task is to infiltrate the cancer tissue to be able to attack the tumor or metastasis.

6. Recognition of cancer cells: Following the infiltration of the cancer environment the CD8+ T cells identify tumor cells carrying the tumor neoantigens they have been primed to identify and attach themselves to these cells in order to destroy them.

7. Killing of cancer cells: After recognition and attachment, the CD8+ T cells can kill the tumor cells in a similar way that virus-specific CD8+ T cells are fighting virus-infected normal cells. However, cancer cells can develop mechanisms to locally suppress cancer specific CD8+ T cells, which inhibits their ability to kill the cancer.

Drug development

All development of pharmaceutical drugs begins with non-clinical research that spans everything from the detection of an active compound or therapy, to the development and improvement of the concept, including tests with human cells in test tubes (in vitro tests) and in appropriate animal models. The experiments with animals are important to ensure that the drug does not give rise to any serious adverse effects and that it has the desired biological effects. The experiments with animals are also subject to regulatory approval and control. Based on the results of this non-clinical work, an application is submitted to the regulatory authorities for authorization to test the pharmaceutical in humans. When an application is filed with the relevant regulatory authorities – in Sweden this would be the Swedish Medical Products Agency (Sw. Läkemedelsverket) – an evaluation of the entire scientific documentation provided by the applicant is conducted by independent medical experts who make an assessment and determine whether or not a clinical trial with humans may be initiated to test the drug. If an approval to initiate a clinical trial is granted, the clinical development program generally follows three distinct phases, where each phase has its own well-defined purpose. With each successfully completed phase, the probability of eventual market approval increases, which also increases the intrinsic value of the project. A short description of the various phases of a clinical trial is presented below.3

Phase I/II study

The Phase I study is the first time a new compound is administered to humans. Usually, the study subjects are a group of healthy individuals but may in some cases be patients, who are kept under constant medical surveillance. The purpose of the clinical trials is to determine whether the study subjects tolerate the drug and whether it behaves in the body in the way as indicated with the animal studies and other research. Phase I studies are also used preliminarily to try out what dosage is reasonable to be given to future patients. Clinical trials in oncology usually start with the lowest biologically active dosage considered sufficient to determine the safety profile of therapy, and if everything goes according to plan, it may be increased as the clinical trial progresses. In cancer drug development, the study subjects are most often cancer patients whose disease is in an advanced stage and for whom not many other therapeutic options exist. Since Immunicum's cancer immune primer, ilixadencel, is tested in cancer patients and not in healthy volunteers, the Company has the opportunity to not only study safety and tolerability (the primary objective), but also study potential clinical activity of the treatment (the secondary objectives). That is why Immunicum's first cancer immunotherapy clinical trials have been referred to under the designation Phase I/II studies.

Phase II study

The Phase II study aims at establishing a dose and schedule that is safe and efficacious. Often Phase II studies are also referred to as proof of concept studies and are conducted in a small patient group with the cancer type of interest. The Phase II study is set up to show signs of clinical activity in tumor response (e.g. decrease in the diameter of a tumor). The effects of the drug on the disease and its symptoms are studied. Immunicum's Phase II study in RCC (MERECA) is designed to test the safety and efficacy of ilixadencel in combination with sunitinib and to collect data for the design of a Phase III study. The study is exploratory and not designed to be powered to show statistically significant difference between the groups. The study will hence be successful and obtain clinical proof of concept if it can show indicative clinically meaningful benefits from multiple endpoints and it will provide valuable estimates for planning of future confirmatory (i.e. Phase III) trials.

Phase III study

The Phase III study is only initiated if the results of Phase II study are promising enough to motivate further studies. In a Phase III study, the new therapy is evaluated relative to an already approved drug for the same indication and that is considered the standard of care. Depending on the clinical study design a placebo, i.e. ineffective copy of the drug, is used as the comparison treatment when no effective standard of care exists in that line of treatment of the specific cancer indication.

Drug combination studies can also be performed where the established therapy and the newly developed drug are compared to the established treatment alone. The distribution of patients between the selected therapies must be random, and neither the physicians nor the patients can know which of the treatments any particular patient is receiving. If both of these criteria are fulfilled, the study is called a "double blind randomized" clinical trial, which is considered the method that provides the best and most objective results. Since the trial constitutes a comparison between various therapy groups, the number of patients in this phase is considerably larger than in previous phases.

The objective of a completed Phase III study is to be able to ascertain with very high statistical probability whether the new drug has a better efficacy or minimizes side effects to a greater extent than existing treatment alternatives. If the new drug reaches the most important clinical endpoints of efficacy in the Phase III study and is well tolerated by patients a request for approval can be submitted to a relevant regulatory authority – most commonly the European Medicines Agency (EMA) and/or the U.S Food and Drug Administration (FDA) in the US.

The duration of the clinical trials depends upon the indication to be treated. In a clinical trial where existing treatment alternatives have shown low efficacy, the duration of the trial may be reduced significantly.

Following market approval, further studies – sometimes referred to as Phase IV clinical trials – are conducted in order to ensure that no unexpected side effects arise, for instance in unusual patient groups.

Immunicum's technologies

Background

Traditional therapies for the treatment of cancer, such as surgery, radiation and chemotherapy, are often found to be insufficient for the treatment of patients and may as well cause severe adverse side effects. Cancer immune primers (such as ilixadencel), which trigger an activation of the patient's own immune system by specifically attacking the cancerous cells, provide hope for new, effective treatments, and with fewer side effects. The immune system recognizes and attacks what is foreign to the body, but the problem with cancer is that tumor cells are usually not recognized as unknown invaders. This makes it extremely difficult for the immune system to effectively neutralize tumor cells, which is why several methods have been developed – including cell-based vaccines – to enhance the immune response against cancer.

It is now well established that the immune system has cells, particularly CD8+ T cells, that can recognize and potentially kill tumor cells. Nevertheless, there is a major obstacle that needs to be resolved, as these T cells are not activated at all or are only weakly activated. One explanation for this may be that tumor antigens captured by dendritic cells are not sufficiently presented in order to elicit a T cell dependent immunity. Another reason may be the immunosuppressant environment of the tumor.

The role of dendritic cells

The dendritic cells play a very central role in specific immune responses and activate the systems which, among other things, help the body to eliminate the virus infected or bacteria infected cells (the Nobel Prize in Medicine was awarded to the discoverer of the dendritic cell in 2011). The dendritic cells acquire and process protein antigens in order to subsequently present these antigens to antigen-specific T cells. This leads to an activation and proliferation (increase in the amount) of T cells whose function is then to attack cells that express this antigen. In the same manner, the immune system could similarly be trained to attack cancer transformed cells.

Shortcomings of previously tested immune primers

Despite the fact that several clinical studies have been conducted where cancer patients have been treated with various types of therapeutic cancer immune primers, there is still no cancer immune primer that has shown a convincing and prolonged clinical effect. The Company's assessment is that this can be explained by at least three different weaknesses in previously evaluated cancer immune primers:

1. Cancer-associated tumor antigens that have been used are also present in normal healthy tissue. In order to protect the body against T cells that react against these antigens that are naturally present in normal tissues, the immune system makes sure that these cells are weakened or killed via what is referred to as "development of central tolerance".

2. Inadequate selection of adjuvants, which are an important component of the priming mechanism of a vaccine.

3. The tentative cancer immune primers have not been combined with any pharmaceuticals that inhibit tumor-related immunosuppression.

Mutation-derived tumor antigens (neoantigens)

There is growing consensus that use of tumor neoantigens, consisting of peptides (small protein pieces) which are formed by the individual patient's tumor-specific mutations (specific changes in tumor cells' genetic code) will be the paradigm shift that is needed in order to provide cancer immune primers with patient-specific tumor antigens that are perceived as a "foreign body" and against which there is an opportunity to push forward an effective immune response.

Neoantigen-based immune primers

Neoantigen-based immune primers that are designed to target the immune response vis-à-vis the individual patient's tumor-specific neoantigen have breathed new life into the field of cancer immune primers. Immunotherapy with immune primers based on neoantigens, in which the patient's neoantigens are first characterized and then synthesized in vitro (in a test tube) is presently undergoing several clinical trials. On a purely practical level however, this manufacturing process includes many obstacles that will need to be overcome. In addition, this production is entirely patient dependent, i.e. can only be performed after the neoantigens for each individual patient have been characterized by a tissue sample from patient's own tumor which constitutes quite a logistical challenge.

Intratumoral (in situ) administration of immune primers

A rational way to get around the practical problems that the production of tumor neoantigens in a test tube entails, is to use the patient's existing tumor (or metastasis of) as a direct neoantigen source by injecting an immune primer directly into the patient's tumor. This leads to the patient's own immune cells, including dendritic cells, being recruited to the neoantigens for direct interaction, instead of the complex process (described above) of having to identify the patient's specific tumor mutations, produce the corresponding tumor neoantigens and then inject these neoantigens together with an immune primer.

Activated allogeneic dendritic cells as optimal immune primers

Natural viral infection and vaccination with live viruses (as in smallpox vaccinations) leads to the development of specific cytotoxic CD8+ T cells that effectively attack and kill the virus-infected cells. More and more pre-clinical data suggest that those dendritic cells that are first infected by a virus lose their ability to present viral antigens to T cells, but instead begin to function as an immune primer by secreting numerous inflammatory substances leading to the recruitment and maturation of non-infected dendritic cells from the surrounding tissue/blood stream. These newly recruited dendritic cells eat up the virus-infected, dying, dendritic cells and tissue cells. In other words, they are thus "recharged" with viral antigens. Due to the inflammatory environment, the newly recruited dendritic cells will be protected from infection and will instead mature and subsequently migrate to the draining lymph nodes where they will activate CD8+ T cells. Finally, the activated T cells migrate into the body where they specifically attack the virus-infected tissue cells.

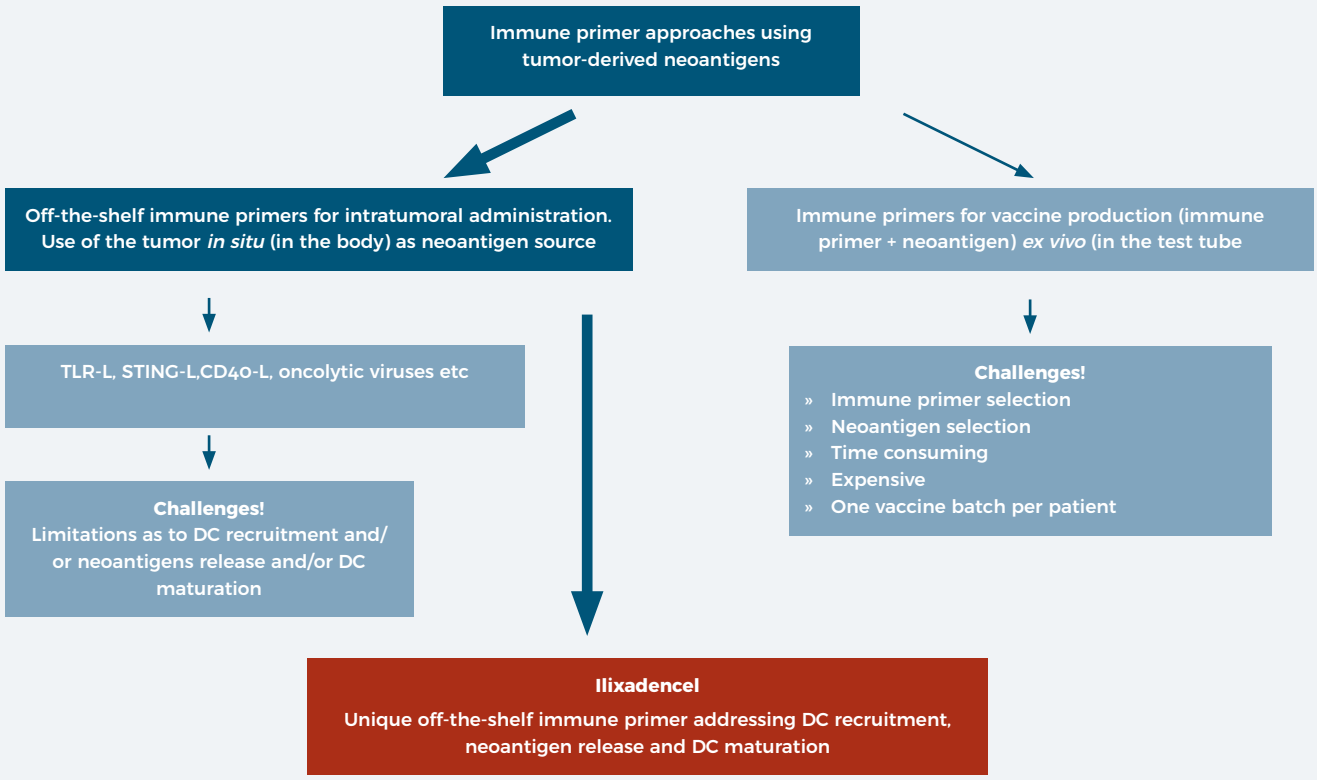
By using allogeneic dendritic cells as immune enhancers, such cells will further be regarded as foreign allogeneic invaders that most likely will potentiate an inflammatory reaction, further promoting recruitment and activation of the patients own dendritic cells at the administration site, i.e. the tumor.

Immunicum's approach

Nonclinical studies using a similar approach as Immunicum's ilixadencel have shown that monocyte derived human dendritic cells can be activated to produce long-lasting inflammatory substances that mimic the production that characterizes the virus-infected dendritic cells, i.e. an inflammation that leads to the recruitment and activation of "bystander" immune cells, including natural killer (NK) cells and dendritic cells, known as "bystander DCs". Since Immunicum's dendritic cells also are allogeneic (from another individual) in relation to the patient, this difference in tissue type will lead to a rejection process which stimulates additional recruitment and activation of "bystander dendritic cells". These discoveries have led to the development of Immunicum's lead product ilixadencel, which uses dendritic cells harvested from healthy humans that are specifically activated to produce significant amounts of immune stimulatory factors that create an optimal priming environment.

By intratumoral injection, these cells induce a local inflammatory reaction, leading to a local destruction/killing of tumor cells (via local recruitment and activation of NK cells) and recruitment of the patient's own dendritic cells into the tumor. The recruited dendritic cells will encounter and engulf dying tumor cells and/or tumor cell debris, including tumor specific proteins, neoantigens, that will act as an antigen source to activate the tumor specific T cells, including CD8+ killer T cells, resulting in a highly personalized anti-tumor response.

Overview of the immune primer/vaccine landscape (immune primers)



Market overview

» **Immunicum is operating** in the field of Immuno-Oncology, a rapidly growing research area within cancer research poised to become the leading market. According to Radiant Insights, the market for immune therapies is expected to grow at an annual growth rate of 23.9 percent, and amount to USD 75.8 billion by 2022. The growth is expected to be driven by an increased incidence of various types of cancer, a focus on targeted therapies with fewer side effects, and expedited approval processes.

Positioning and competition

Within immuno-oncology there are two categories of drugs that are designed to attack the cancer in two different ways:

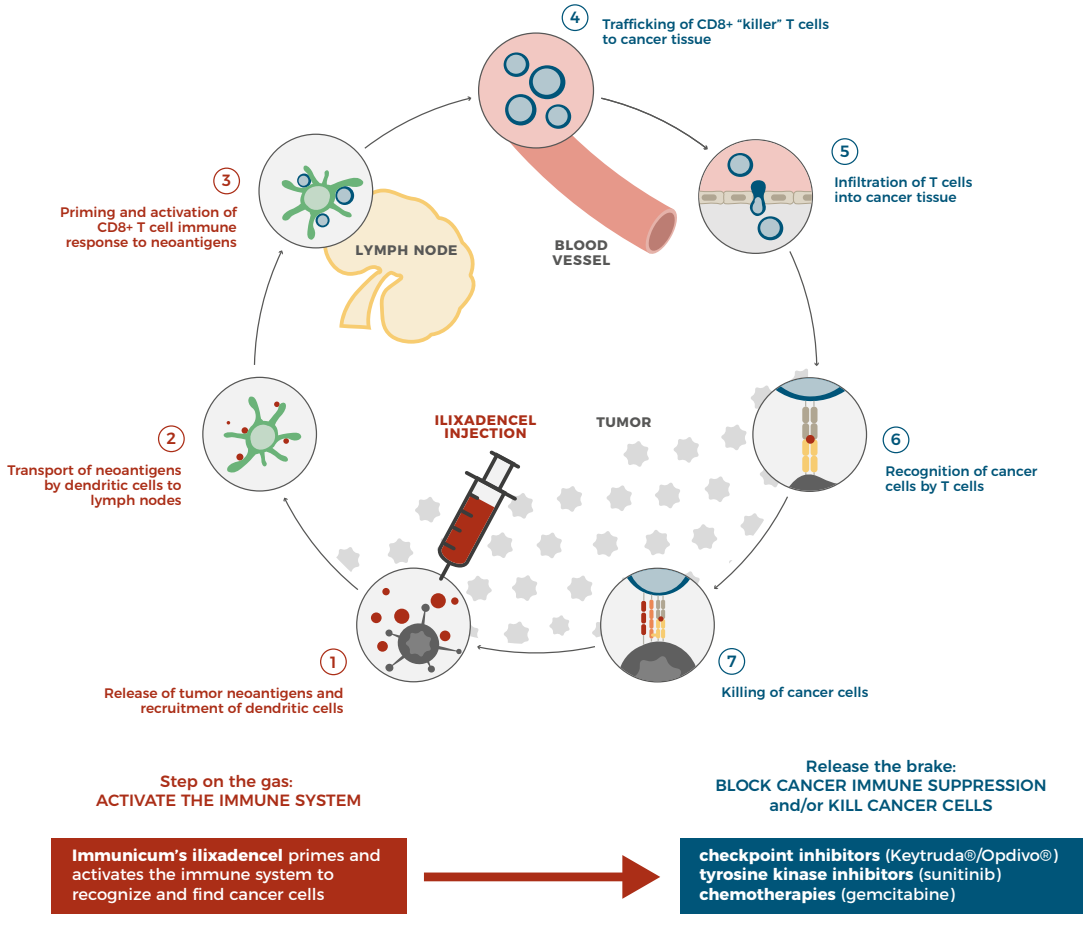
- **Immune stimulation (priming):** Step 1–3 in the cancer immunity cycle.
- **Anti-immunosuppression:** Step 7 in the cancer immunity cycle.

Immunicum's objective is to position ilixadencel as the backbone drug in combination treatments for activating the immune system (immune primers).

Anti-immunosuppression is the more developed field within immuno-oncology where the majority of large pharmaceutical companies operate. Specifically, a number of checkpoint inhibitors have been approved in recent years, including Bristol-Myers Squibb's Opdivo®, MSD's Keytruda®, Roche's Tecentriq®, AstraZeneca's Imfinzi®, and Merck/Pfizer's Bavencio®.

The Company and many key opinion leaders believe that such anti-immunosuppressants and tumor cell killing agents should be accompanied by immune primers to achieve best possible results. The Company therefore anticipates that several of today's standard treatments (including certain tyrosine kinase inhibitors and chemotherapies), as

Ilixadencel as backbone therapy in the cancer immunity cycle



well as immune checkpoint inhibitors, will form potential combination therapies rather than competing treatments for ilixadencel.

Trends in the market for oncology and specifically immuno-oncology

Immunicum expects the demand for immunotherapies to increase going forward due to increasing proportion of elderly people as well as the immunotherapeutic drugs potential to change the therapeutic landscape in the treatment of cancer. It has become more common for large pharmaceutical companies to cooperate with smaller, research-based, pharmaceutical or biotechnology companies to de-risk innovative drug development, by licensing their products before carrying out comprehensive Phase III clinical trials. The major pharmaceutical companies then carry out the necessary clinical studies and commercialize the drug on the global market. In this way, product development is streamlined from idea to commercialization and the risks are shared between the parties. Recent examples of such collaborations within the Immuno-Oncology field include:

- MSD to pay USD 394 million to acquire Viralytics and Cavatak, an oncolytic virus in Phase 1/2 development (February 21st, 2018).
- Bristol-Myers Squibb to pay USD 1.85 billion upfront and share global profits with Nektar Therapeutics on NKTR-214, a CD122-based immuno-stimulatory therapy in Phase 1/2 development (February 14th, 2018).
- Regeneron to pay undisclosed upfront and development fees for option to license ISA Pharma's ISA-101, a peptide vaccine against HPV-positive tumors in Phase 1/2 development (December 18th, 2017).

Immunicum's focus areas

The market for cancer treatments is divided by the different forms of cancer, or cancer indications. The market situation in Immunicum's focus indications varies as outlined in the following sections.

The market for kidney cancer

Renal cell carcinoma (RCC) is the most common type of kidney cancer in adults and it is a fast-growing cancer which is prone to spread to lungs and surrounding organs. Immunicum is currently conducting a Phase II study, the MERECA study, in RCC. According to GLOBOCAN, in 2012 an estimated 338,000 new cases of renal cell cancer are diagnosed each year globally, which represents about two percent of all cancer cases.

Transparency Market Research estimates that the global market for renal cancer treatment was worth USD 2.6 billion in 2013 and predicts that it will grow at an average annual growth rate of 6.6 percent to reach USD 4.5 billion by 2020. The global renal cancer treatment market in 2014 consisted primarily of eight products, so-called targeted therapies (tyrosine kinase inhibitors): Avastin® (bevacizumab), Sutent® (sunitinib), Nexavar® (sorafenib), Afinitor® (everolimus), Votrient® (pazopanib), Torisel® (temsirolimus), Inlyta® (axitinib) and Proleukin® (aldesleukin). More recently, immunotherapies such as Opdivo® (nivolumab) have received approval either alone or in combination with other immunotherapies.

The market for liver cancer

Of all the forms of liver cancer, 85 percent is of the type Hepatocellular Carcinoma (HCC) and it is the third leading cause of cancer deaths worldwide. Immunicum has completed a Phase I/II trial within the indication. Liver cancer is the fifth most commonly diagnosed cancer in the world, with about 0.8 million new cases each year.

Mordor Intelligence estimates that the global market for liver cancer treatment amounted to USD 707 million in 2016 and predicts that the market will grow by 7–15 percent each year up until 2021. The competitive landscape for HCC resembles that of RCC. Since 2006, one new medicine with proven clinical effect in first-line unresectable HCC has entered the market, Nexavar® (sorafenib, Bayer), while FDA approved another tyrosine kinase inhibitor in second-line unresectable HCC in 2017: Stivarga® (regorafenib).2 A significant need for more effective alternatives still remains.

The market for gastrointestinal stromal cancer (GIST)

GIST is a tumor arising from mesenchymal cells in the gastrointestinal tract. GIST is a rare disease, which means that only a few experts have deeper knowledge of how the disease should be evaluated and treated. Immunicum is currently conducting a Phase I/II trial for the use of ilixadencel in the treatment of GIST.

GlobalData estimated the global market for this cancer indication to USD 920 million in 2010 with an expected annual growth rate of two percent to reach USD 1.1 billion 2017. Surgery is the primary treatment for localized GIST through which more than half of the patients are cured. For non-operable patients, the tyrosine kinase inhibitor Glivec® (imatinib) is the first choice, and recurrent patients can receive Sutent® (sunitinib) or Stivarga® (regarofenib).

The market for head and neck cancer (HNSCC)

Head and neck cancer is a group of cancer originating in the epithelial surfaces in the head and neck, such as the mouth and throat. Approximately 90 percent of these cancer types are considered Head and Neck Squamous Cell Carcinoma (HNSCC). More than 600,000 patients worldwide are diagnosed with head and neck cancer every year, making this group one of the most common cancer types according to GLOBOCAN.

Head and neck cancer represented a modest market size of USD 386 million in sales in 2014, yet due to recent and expected breakthroughs with immunotherapies, the HNSCC market is forecasted to grow to USD 1.5 billion in sales in 2024, according to GlobalData. Targeted therapies, in specific epidermal growth factor receptor (EGFR) inhibitors such as cetuximab (Erbitux®), have shown efficacy. More recently, the immunotherapies Opdivo® and Keytruda were approved for HNSCC by the FDA.

The market for gastric cancer (GC)

Gastric cancer develops in the lining of the stomach and comes just behind HCC in terms of cancer-related deaths due to the high mortality rate Gastric adenocarcinoma accounts for approximately 90 percent of cases of gastric cancer. Globally, around 950,000 patients are diagnosed with gastric cancer each year, according to GLOBOCAN.

The market size of gastric cancer was valued at USD 1.7 billion in 2015, according to BCC Research. Targeted therapies such as trastuzumab (Herceptin®) targeting HER2 and ramucirumab (Cyramza®) targeting VEGFR have shown benefits. Immunotherapies are in advanced development for gastric cancer, and the Company expects checkpoint inhibitors to be approved for gastric cancer.

The market for non-small cell lung cancer (NSCLC)

Lung cancer is the third most common type of cancer and has the highest mortality of all types of cancer. Non-small cell lung cancer is the most common form of lung cancer and accounts for approximately 85 percent of all cases. Around 1.8 million patients worldwide are diagnosed with lung cancer every year, and more than 1.5 million patients die each year from lung cancer.

Non-small cell lung cancer had a market size of USD 6.2 billion in 2015, and is forecasted to grow to USD 12 billion in 2025, according to estimates from Research and Markets in 2017. Targeted therapies continue to be an important part of NSCLC treatment, especially for specific subsets of the patient population that are overexpressing a certain tumor pathway, including EGFR (Tarceva®, Gilotrif®, Iressa®, VEGF (Avastin®) and ALK (Xalkori, Zykadia®), among others. Immunotherapies are projected to become a cornerstone in NSCLC either as monotherapy or on top of targeted therapies. Both Opdivo® and Keytruda® were approved in this setting, Tecentriq® and Bavencio® had recent setbacks, while AstraZeneca's checkpoint inhibitor Imfinzi® overcame a Phase 3 failure with an FDA approval in an earlier treatment line than its competitors in February 2018.

Share capital and ownership structure

The share and share capital

Immunicum is a Swedish public limited liability company and is regulated by the Swedish Companies Act (2005:551). Immunicum's shares are issued in accordance with the Swedish Companies Act and are denominated in SEK. Shareholders' rights may only be changed in accordance with the procedures set out in the Companies Act. Each share in the Company entitles the holder to one vote at general meetings. All shares carry equal rights to the Company's assets and profits. At general meetings, shareholders may vote for the total number of shares they own and represent, with no limitations on the voting rights. All of the shares in the Company are of the same class, are freely transferable and have the ISIN code SE0005003654. Immunicum's shares are registered in electronic form by person and are maintained by Euroclear, Box 191, SE-101 23 Stockholm, Sweden, in accordance with the record date provision in the Company's articles of association.

The shares have been traded on NASDAQ First North under the ticker symbol IMMU, with the ISIN code SE0005003654 since 22 April 2013, and with a listing on the First North Premier segment as of 4 May 2016. As of 15 January 2018, the shares are traded on Nasdaq Stockholm's main market. During the year, the share price fell by 73 percent and the closing price in 2017 was 6.95 (24.7) SEK. The year's highest closing price for Immunicum's share was SEK 31.1 and was recorded on February 2. The lowest price was 6.95 SEK on 29 December.

Number of shares

The number of shares in the company amounts to 25,958,541 (25,958,541) at 31 December 2017. At this time there was an ongoing rights issue of 24,999,990 shares. After the issue was registered in January 2018, the number of shares amounted to 50,958,531.

Liquidity

In total, 12 (9.2) million Immunicum shares were traded in 2017, corresponding to a value of approximately SEK 192 M (248). On each trading day, an average of 47,857 shares were traded corresponding to a value of 766 TSEK.

Ownership structure

At year-end, Immunicum had 4,050 (4,009) shareholders, of whom 272 (241) were registered as legal entities and 3,778 (3,768) as individuals. The share capital is owned to 96 (97) percent by Swedish-registered owners and to 4 (3) percent by foreign owners

The table below presents Immunicum's ten largest shareholders based on information from Euroclear as per 19 January 2018

Shareholders on 19/01/2018	Number of shares	Share of capital/votes
Försäkringsaktiebolaget, Avanza Pension	3,799,786	7.4%
Loggen Invest AB	3,000,101	5.9%
Holger Blomstrand Byggnads AB	2,975,386	5.8%
Nordnet Pensionsförsäkring AB	2,080,276	4.1%
AAGCS NV RE AACB NV RE EURO CCP FORTIS	1,813,233	3.6%
Lars Wingefors Kapitalförvaltning	1,250,506	2.5%
Rothesay Limited	1,250,506	2.5%
Ålandsbanken clients account	915,811	1.8%
Swedbank Robur Fonder AB	725,000	1.4%
Olle Stenfors	625,254	1.2%
Total, ten largest shareholders	**18,435,859**	**36.2%**
Other shareholders	32,522,672	63.8%
Total	**50,958,531**	**100.0%**

Dividend

Immunicum board of directors and CEO does not intend to propose any distribution of dividends for 2017.

Share capital

At this time there was ongoing rights issue of 24,990,999 shares. After the rights issue has been registered in January 2018, the number of shares amounts to 50,958,531 shares and the Company's share capital to 2,547,926.55 SEK.

Share capital development

The table below presents the change in share capital and the number of shares in Immunicum from 2010.

Year	Event	Change in no. of shares	Total no. of shares	Change in share capital (SEK)	Total share capital (SEK)	Quota value (approx. SEK)
2010	New share issue	1,326	6,629	33,150	165,725	25.00
2012	New share issue	600	7,229	15,000	180,725	25.00
2012	Split 1,000:1	7,221,771	7,229,000	–	180,725	0.025
2012	Bonus issue	12,771,000	20,000,000	319,275	500,000	0.025
2013	Reverse share split 2:1	–10,000,000	10,000,000	–	500,000	0.05
2013	New share issue	2,675,000	12,675,000	133,750	633,750	0.05
2013	New share issue	1,100,000	13,775,000	55,000	688,750	0.05
2014	New share issue	3,500,000	17,275,000	175,000	863,750	0.05
2014	New share issue	2,755,000	20,030,000	137,750	1,001,500	0.05
2016	Warrants	130,000	20,160,000	6,500	1,008,000	0.05
2016	New share issue	5,798,541	25,958,541	289,927.05	1,297,927.05	0.05
2017	Rights Issue	24,999,990	50,958,531	1,249,999.5	2,547,926.55	0.05

Organisation

Board of directors

Agneta Edberg

CHAIRMAN OF THE BOARD OF DIRECTORS SINCE 2010

Shares: 67,495

Alumna from Stockholm School of Economics and Biomedical Analyst from College of Health Sciences in Sundsvall, born 1956

Professional experience: Agneta has more than 20 years' long experience within lead positions in life science ranging from clinical development, venture capital to managing marketing and sales strategies for pharmaceuticals, biologics and medical device. She is also a board member of CAMP, working with advanced medical products development strategies in Sweden. Previously: CEO of Mylan Nordic, Chief Operating Officer (COO) at Bactiguard AB and COO, VP Senior Venture Manager at LinkMed. CEO of LFF Service AB and the Swedish Pharmaceutical Insurance Association. Previous leading positions at Pfizer and Pharmacia, CEO for NM Pharma AB, Cederroth International, Farmos (Orion) AB and Cilag (J&J) AB.

Other on-going assignments: Chairman of the board of directors of Ambulanssjukvården i Storstockholm AB, A+ Science AB, Idogen AB and Likvor AB. Board member of Svenska Läkemedelsföreningen AB, Probac AB, A Edberg Consulting AB, Temperature Sensitive Solutions Systems Sweden AB and TSS Holding AB.

Independence: Agneta Edberg is independent in relation to the Company, its senior executives and major shareholders.

Magnus Persson

BOARD MEMBER SINCE 2015

Shares: –

Physician and an associate Professor in Physiology at Karolinska Institutet in Stockholm, born 1960

Professional experience: Magnus Persson has 15 years of partner level experience from venture capital and has been a partner in two life sciences venture capital firms, one with its base in Sweden and with global reach and one in the Bay Area in California. Magnus has a long experience in medicine, life sciences and biotech financing. He has led development teams of Phase II and III programs in the pharmaceutical industry. He has founded and led private as well as public biotech and medtech companies as chairman of the board and director in Europe and the US. He has extensive experience of board work in the life science industry and has been involved in a dozen IPOs.

Other on-going assignments: Chairman of the board of directors of SLS Invest AB, Galecto Biotech AB, Cantargia AB, HIP Health Innovation Platform AB and Perma Ventures AB. Board member of Karolinska Development AB, Gyros Protein Technologies Holding AB, Själbådan AB, Cerecor Inc., Medical Prognosis Institute A/S and Albumedix Ltd.

Independence: Magnus Persson is independent in relation to the Company, its senior executives and major shareholders.

Martin Lindström

BOARD MEMBER SINCE 2008

Shares: 3,020,811 of which 3,000,101 through Loggen Invest AB

M. Sc. Civil Engineering at Chalmers University of Technology, B. Sc. Business and Administration at Gothenburg School of Economics, born 1980

Professional experience: Project developer at SHH Bostadsproduktion AB.

Other on-going assignments: Board member of Bostadsrättsföreningen Lunden i Lindsdal. Deputy board member and CEO of Loggen Invest AB and Loggen Fastighetsutveckling AB. Deputy board member of Lars Lindström Förvaltning i Kalmar AB.

Independence: Martin Lindström is independent in relation to the Company, its senior executives but not in relation to major shareholders.

Magnus Nilsson

BOARD MEMBER SINCE 2014

Shares: –

Doctor Med. Sc. at Uppsala University, born 1956

Professional experience: CEO of XVIVO Perfusion since 2011 and before that CEO in Vitrolife during 2003–2011, project leader for preclinical and clinical development, KaroBio AB and Pharmacia & Upjohn AB.

Other on-going assignments: Board member and CEO of XVIVO Perfusion Lund AB. Board member of Magnus HL Nilsson management consulting AB. CEO of XVIVO Perfusion Aktiebolag.

Independence: Magnus Nilsson is independent in relation to the Company, its senior executives and major shareholders.

Kerstin Valinder Strinnholm

BOARD MEMBER SINCE 2016

Shares: –

Degree from the School of Journalism at the University of Gothenburg, born 1960

Professional experience: Kerstin Valinder Strinnholm is a Business Development advisor in the pharma/biotech field with a degree from the School of Journalism at the University of Gothenburg. Kerstin has over 30 years of international experience in sales, marketing and business development from senior positions at Astra/AstraZeneca and Nycomed Takeda.

Other on-going assignments: Board member of Corline Biomedical AB, Camurus AB, KVS Invest AB, Klifo A/S and Cavastor AB. Deputy board member of Pollux Pharma AB.

Independence: Kerstin Valinder Strinnholm is independent in relation to the Company, its senior executives and major shareholders.

Charlotte Edenius

BOARD MEMBER SINCE 2016

Shares: 4,000

M.D., Ph.D., Karolinska Institutet, Stockholm, born 1958

Professional experience: Charlotte Edenius has extensive experience from leading positions in pharmaceutical and biotech companies, including drug discovery and development, regulatory affairs and marketing. She has previously served as Executive Vice President, R&D at Medivir AB, Senior Vice President R&D at Orexo AB, Vice President Research at Biolipox AB and in various positions within AstraZeneca Clinical R&D.

Other on-going assignments: Board member of Kancera AB, SynAct Pharma AB and Gesynta Pharma AB. Chairman of the board of directors and CEO of Allmora Life Science AB.

Independence: Charlotte Edenius is independent in relation to the Company, its senior executives and major shareholders.

Steven Glazer

BOARD MEMBER SINCE 2016

Shares: –

M.D, University of Copenhagen and trained in Internal Medicine, born 1948

Professional experience: Steven Glazer is an experienced healthcare and biotech executive. He has extensive and broad therapeutic area experience including haematology, oncology, haemophiia, HIV, diabetes, allergic and cardiovascular disease from pharmaceutical and biotechnology companies in Europe and the US. He has a track record of successful planning and implementation of development, regulatory and corporate strategies, project and trial plans. Dr. Glazer currently holds the position of Chief Medical Officer at Idogen AB and previously served Chief Medical Officer at Hansa Medical AB, as Senior Vice President Development at BioInvent AB, Vice President Development at Zealand Pharma and Medical Director at Novo Nordisk.

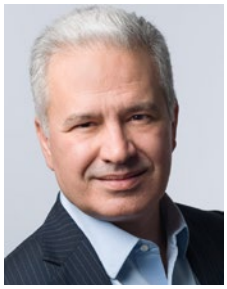
Other on-going assignments: –

Independence: Steven Glazer is independent in relation to the Company, its senior executives and major shareholders.

Management

Carlos de Sousa

CEO SINCE 2016



Shares: 162,230 (including related parties)

M.D, School of Medicine at University of Lisbon and Executive MBA, Stern School of Business at New York University, born 1958

Professional experience: Carlos de Sousa is a medical doctor by training, having earned his degree at School of Medicine, University of Lisbon and holds an Executive MBA from the Stern School of Business, New York University. He comes to Immunicum with more than 25 years of senior level experience in the global pharmaceutical and biotech industry, including business development, mergers & acquisitions, global marketing and clinical development. Prior to joining Immunicum, he held senior positions at Nycomed/Takeda, Pfizer, Novartis, BBB Therapeutics, Newron Pharmaceuticals and, most recently, as Chief Business Officer at Zealand Pharma in Denmark.

Other on-going assignments: –

Michaela Gertz

CHIEF FINANCIAL OFFICER (CFO) SINCE 2018

Shares: 14,000

Bachelor of Science (BSc) in Economics at Uppsala University, born 1981

CFO of Immunicum since 2018. Before Michaela Gertz joined Immunicum, she was CFO at PledPharma AB where she worked from the start-up phase to First North listing and the implementation of the company's first partnership. Previously she worked as Head of Investor Relations and financing of life science company Accelerator Nordic and before that she worked at the private equity company ITP Invest and at Handelsbanken Asset Management.

Other on-going assignments: –

Lise-Lotte Hallbäck

CHIEF FINANCIAL OFFICER (CFO) BETWEEN 2015 – 2018

Shares: 11,500 (including related parties)

Bachelor of Science (BSc) in Business Administration and Economics at Växjö University, born 1966

Professional experience: CFO of Immunicum since 2015. Previously worked as chartered public accountant, management consultant and financial manager. Lise-Lotte has a long and broad experience within accounting, tax and legal matters within mainly companies with international activities.

Peter Suenaert

CHIEF MEDICAL OFFICER SINCE 2016

Shares: 9,930 (including related parties)

M.D. (Gastrointestinal Oncology), University of Leuven and McGill University, Ph.D. University of Leuven, born 1968.

Professional experience: Prior to joining Immunicum, Dr. Suenaert served as Global Clinical Program Lead for oncology and Senior Director of Clinical Sciences at Glenmark Pharmaceuticals R&D in London, where he was heading up the clinical oncology unit (immune oncology assets) from start-up stage to being fully operational Phase I/II protocol development. Prior to that role, he was Director and Head of Clinical Development and Human Translational Research, a position with global reach, and member of the global management team Life Science at Danone Research in Palaiseau (Paris), France. Previously, Dr. Suenaert was Clinical Research and Development Leader in global early cancer immunotherapeutics development at GlaxoSmithKline Vaccines in Rixensart, Belgium and Clinical Research Senior Medical Scientist, Global Development, Haematology / Oncology at AMGEN in the U.K.

Other on-going assignments: –

Alex Karlsson-Parra

CO-FOUNDER, CHIEF SCIENTIFIC OFFICER SINCE 2008

Shares: 617,736 (including related parties)

M.D., Ph.D. and Adjunct Professor in Clinical Immunology, Uppsala University, born 1950

Professional experience: Associate Professor Karlsson-Parra has over 30 years of experience working in the field of transplantation immunology and is former chairman of the Swedish Expert Group for Clinical Immunology. He was awarded the Athena Prize, the Swedish healthcare's most prestigious award for clinical research, in 2014. He was formerly Associate Professor and chief physician at the Department of Clinical Immunology at Sahlgrenska University Hospital, Gothenburg and at Department of Clinical Immunology, Uppsala University Hospital

Other on-going assignments: –

Sharon Longhurst

HEAD OF CMC SINCE 2017

Shares: 1,995

Ph.D. in Virology, University of Warwick, born 1969

Professional experience: Sharon Longhurst joins Immunicum from her previous position as Senior CMC Manager at Akari Therapeutics, where she was responsible for all aspects of CMC for an innovative biologic product, Coversin, including clinical supply and distribution. Prior to that, Sharon spent five years as Principal Consultant of CMC at Parexel Consulting. From 2005–2011, she was a Pharmaceutical Assessor at MHRA in London in the biologics/biotechnology unit and provided national and EU scientific advice for Advance Therapy Medicinal Products (ATMPs) for cell and gene therapy. Sharon graduated from the University of Warwick, Coventry, UK with a PhD in Virology.

Other on-going assignments: –

Margareth Jorvid

HEAD OF REGULATORY AFFAIRS AND QUALITY ASSURANCE (QA) SINCE 2016, MEMBER OF THE MANAGEMENT TEAM SINCE 2017

Shares: 13,870

Master of Sciences of Pharmacy, Uppsala University, Master of Business Administration, Stockholm School of Economics, Master of Medical Technology Regulatory Affairs, Cranfield University, born 1961

Professional experience: Margareth Jorvid has over 30 years' experience in Regulatory Affairs for pharmaceuticals and has worked at the Swedish Medical Products Agency, as well as in large and small pharmaceutical companies such as Roussel Nordiska, Hoechst Marion Roussel (Stockholm and Paris, France) and Neopharma (SME company that developed Duodopa for the treatment of severe Parkinson's disease). Since 2006, consultant in Regulatory Affairs and QA for pharmaceuticals and medical devices, as CEO of Methra Uppsala AB, LSM group. She is a Fellow and Honorary Life Member of TOPRA (The Organisation for Professionals in Regulatory Affairs), after years of work with education and training in regulatory affairs, board member and TOPRA President 2005–2006.

Other on-going assignments: Board member of Methra Uppsala AB. Deputy board member of A-transport Jorvid AB.

Sijme Zeilemaker

SENIOR DIRECTOR BUSINESS DEVELOPMENT SINCE 2017

Shares: 11,086

Master's degree in biomedical sciences from Leiden University, born 1987

Professional experience: Sijme Zeilemaker joins Immunicum having most recently served as Director Business Development at InteRNA Technologies where he supported the preclinical oncology company in connecting with pharmaceutical and biotechnology companies, licensing technologies and exploring grant opportunities. Sijme also served as Head of Business for 2-BBB Medicines and Business Development Manager for to-BBB technologies where he provided partnering support and attracted over EUR 7.5 million in non-dilutive funding.

Other on-going assignments: –

Administration Report

» **The Board of** Directors and the Chief Executive Officer of Immunicum AB (556629-1786) hereby submit the Annual Report for the 01/01/2017 – 31/12/2017 financial year.

General description of the business activities

Immunicum is a biopharmaceutical company that develops immune therapies against a range of solid tumors. Immunicum's approach allows for an off-the-shelf product, based on a type of immune cells called dendritic cells that are designed to stimulate a personalized anti-tumor immune response in each patient. The Company's lead product, ilixadencel, has been developed in order to be able to take advantage of each patient's own tumor antigen, and thereby eliminate the need to create a personalized treatment for each patient. Ilixadencel is currently being evaluated in clinical trials for the treatment of kidney cancer and gastrointestinal stromal tumors.The Company was founded in 2002 as a spin-off from the Sahlgrenska University Hospital at the University of Gothenburg. The shares of Immunicum are listed on Nasdaq Stockholm.

The Company is a public limited liability company registered in Sweden, with its registered offices in Gothenburg. Its address is Grafiska vägen 2, SE-412 63 Gothenburg.

Financial overview

Financial results

The operating loss amounted to SEK -80.7 million (SEK -36.7 million). The net loss amounted to SEK -80.3 million (SEK -36.8 million).

Operating loss of financial year 2017 was negatively affected by increased costs for clinical trials, increased personnel costs due to more number of employee, costs associated with listing on Nasdaq Stockholm main market and costs relating to the marketing of the company.

Cash flow

Cash flow used in operating activities amounted to SEK -46.4 million (-33.7 million). Cash flow from investment activities amounted to SEK 10.2 million (-) and referred to the sale of short-term investment. Cash flow from financing activities was positively impacted by the share issue in December and amounted to SEK 62.3 million (16.7 million). The Company's cash and cash equivalents amounted to SEK 128.9 million (102.9 million) at the close of the financial year.

In light of that the ongoing and future new clinical studies will entail in significant costs, the Company is expected to continue to show a negative cash flow. This need for capital may be addressed by a number of different options. However, existing funds are assessed to be able to adequately cover the Company's capital requirements over the next 12 months.

Shareholders' equity

Shareholders' equity at close of the financial year amounted to SEK 189.6 million (102.4 million) and the equity ratio was 77% (84%). Shareholders' equity per share amounted to SEK 3.72 (3.94).

Significant events during the financial year

- The Company appointed Sijme Zeilemaker as Senior Director Business Development. Sijme Zeilemaker has a broad experience in science-based business transactions and a knowledge and understanding of oncology-based biotech companies.
- The Company received approval of the International Nonproprietary Name (INN) ilixadencel for the company's lead program INTUVAX®. The INN system has been established to facilitate the identification of pharmaceutical substances or active pharmaceutical ingredients in a unique and globally recognized manner.
- The Company had a publication in Journal for ImmunoTherapy of Cancer of results overview from the first-in-human study with ilixadencel in patients with newly diagnosed metastatic renal cell carcinoma (mRCC). The results highlighted ilixadencel's potential as a novel anti-cancer immune primer for patients suffering from solid tumors based on its good safety profile and initial indications of prolonged survival.
- The Company announced the last patient last visit in the ongoing Phase I/II study of ilixadencel in hepatocellular carcinoma (HCC). The open label study enrolled eighteen patients and was conducted at the Sahlgrenska University Hospital at Gothenburg University. Positive topline results from the study were announced end of September. Ilixadencel was shown to be safe and well tolerated in these patients when given both as single treatment and in combination with the current first line standard of care treatment, sorafenib. In addition, the results provide evidence of tumor-specific immune activation in the majority of patients.
- The Company appointed Sharon Longhurst as head of Chemistry, Manufacturing and Controls (CMC). She will support Immunicum's objective to develop a commercially-ready manufacturing process for ilixadencel.

- Ilixadencel mode of action data was presented at the Society for Immunotherapy of Cancer (SITC) 32nd Annual Meeting.
- The Company had two online publications of preclinical studies investigating the mode of action of ilixadencel in the prestigious scientific journal Oncoimmunology.
- The Company's Board of Directors decided on a new share issue that would provide the company with approximately SEK 223 million before transaction costs. The Company announced at the end of December that the 90 percent secured rights issue had been completed. The proceeds from the rights issue amounted to approximately SEK 200 million before transaction costs.
- Nasdaq Stockholm's listing committee approved Immunicums shares for listing on Nasdaq Stockholm. The approval was conditional upon Iummunicum fulfilling the formal listing requirement of having secured sufficient working capital for a period of twelwe months following the first day of trading on Nasdaq Stockholm.
- The Company announced preliminary proof-of-concept results from preclinical studies evaluating the potential improvement of anti-tumor effect when combining lead candidate ilixadencel with an anti-PD-1 checkpoint inhibitor.

Significant events after the the financial year

- The Company announced that patient recruitment was completed for the ongoing global Phase II MERECA (MEtastatic REnal Cell CArcinoma) clinical trial.
- The company initiated trading of shares on the main market of Nasdaq Stockholm
- The company appointed Michaela Gertz as CFO. Michaela Gertz will bring a range of experience in finance and capital raising transactions to Immunicum.
- The Company presented a case study of one patient from the Phase I/II HCC trial at the Cholangiocarcinoma Foundation Annual Conference in Salt Lake City, Utah. The case study highlighted the long survival of a patient with advanced cholangiocarcinoma (bile duct cancer) after combination of the immune primer ilixadencel with standard drugs known to induce immunogenic cell death and inhibit tumor-driven immunosuppression.
- The Nomination Committee of Immunicum proposed Michael Oredsson as new Chairman of the Board.
- Immunicum announced ATMP Certificate Granted by EMA to Ilixadencel for Manufacturing Quality and Non-clinical Data.
- Immunicum provided an update on Ilixadencel Clinical Development Program.

Research and development

Immunicum has two ongoing clinical trials within the lead program ilixadencel and two preclinical programs.

In the project ilixadencel – RCC an open Phase II clinical trial (MERECA study) is conducted with newly diagnosed renal cancer patients.

In the project ilixadencel – GIST a Phase I/II clinical trial concerning the treatment of patients with incurable gastrointestinal stromal tumours (GIST) is conducted.

Immunicum is also conducting pre-clinical studies with the Ad5PTDf35 vector for the development of SUBCUVAX®, in cooperation with the University of Uppsala and Professor Magnus Essand.

Professor Essand's group group has also initiated a Phase I/II clinical trial with the oncolytic variant of the Ad5PTDf35 vector for the treatment of neuro endocrine tumours. Immunicum does not own the rights to this indication, however it owns the rights to all subsequent indications.

Immunicum's CD70 platform works for adaptive immunotherapy, which is a treatment strategy where the patient's T cells are isolated and in some cases genetically manipulated to specifically recognise cancer cells. The development with the CD70/CD3-concept continues in joint collaboration with Professor Magnus Essand's research group.

Immunicum will, as a part of the Company's updated clinical development plan, start a multi-indication clinical trial within head and neck cancer, non-small cell lung cancer and gastric cancer.

Immunicum also carries out work to optimise the production process.

Significant risks and uncertainty factors

Immunicum is a development company without historical earnings capacity.
The Company has, save for government grants that have been accounted for as other operating income, not generated any revenue historically and does not expect to do so in the short term. There is a risk that launch of the Company's product candidates is delayed, becomes more costly or does not materialize.

Risks related to potential future revenue
The Company's future earnings will, inter alia, be dependent on the Company being able to enter into agreements for the licensing of the Company's product candidates and/or technology platforms. There is a risk that such agreements are delayed, become more costly or do not materialize.

Need of additional financing
The Company will in the future need to raise additional financing to carry on its business. There is a risk that additional financing cannot be raised when the need arises, that it cannot be raised on favorable terms or cannot be raised at all.

Depending on key persons and qualified personnel
The Company is to a high degree dependent on a number of key individuals. Should one or serveral of said individuals leave the Company, it could delay or impair the Company's research, development and/or general operations. The Company is also dependent on attracting and keeping qualified personnel, for which the competition is intense.

Research and Development
The Company's product candidates and technology platforms are dependent on research and development and evaluation in preclinical and clinical trials. There is a risk that the Company's clinical trials are delayed, become more costly or entail that the concepts or studies need to be reassessed, revised or cancelled. There is also a risk that the company cannot demonstrate that product candidates are safe and effective and therefore possible to commercialize.

Competition
The Company operates in a highly competitive sector. There is a risk that the Company fails to effectively compete on the market.

Intellectual property, know-how, and confidentiality
The Company is dependent on its ability to obtain and uphold intellectual property rights, mainly patent protection, for the intellectual property relating to the Company's product candidates. There is a risk that the Company's intellectual property rights cannot be upheld or do not offer adequate commercial protection.

Changes within the pharmaceutical industry could make the Company's products obsolete
The pharmaceutical industry is characterised by rapid changes in legislation, authorization requirements, technology, new technological advances and an onging improvement of industrial know-how. There is a risk that such circumstances could increase the company's costs, impede the development of the Company's product candidates or entail that the Company's planned products lose their commercial value.

Environment, ethics and responsibility

Immunicum is actively committed to corporate responsibility and sustainability. This commitment covers areas that are primarily related to ethical issues, occupational health issues, issues of a social nature and transparency to the shareholders. Immunicum's operations do not entail any special environmental risks and do not require any special environmental-related permits or decisions from authorities. Immunicum works in an industry where ethical and regulatory aspects are of major importance in shaping the Company's operations. During the year, the Company implemented a quality management system.

Corporate governance report

The Company has chosen to draw up a Corporate Governance Report, which is separate from the Annual Report, pursuant to the Annual Accounts Act, Chapter 6, Section 8.

Guidelines for remuneration of senior executives

The Annual General Meeting on 26 April 2017 agreed on the following guidelines for senior executives at Immunicum:

The Company shall offer a total compensation at market level that enables the recruitment and retention of qualified senior executives. Compensation to the senior executives shall be comprised of fixed salary, variable salary based on the individual's achievement of goals, pension and other benefits. If the board of directors considers that new share related incentive schemes (inter alia personnel options) should be introduced, the board of directors shall propose that such are resolved by the general meeting.

The fixed salary shall take into account the individual's performance in the position considering the areas of responsibility and experience. Evaluation and reconsideration is normally made annually.

The variable salary shall, if applicable, be based on the individual's achievement of qualitative and quantitative goals. The variable part of the salary can for the managing director amount to a maximum of 35 percent of the fixed annual salary and for other senior executives to a maximum of 20 percent of the fixed annual salary.

Pension benefits shall be premium-based. The pension premiums shall for the managing director be a maximum of 30 percent of the fixed monthly salary and for other senior executives a maximum of 25 percent of the fixed monthly salary.

The notice period for senior executives shall be a maximum of twelve months. Severance payments shall not be made. However, the managing director can be entitled to extraordinary compensation of a maximum of one years' salary in the event of a change of ownership whereby the Company is wholly acquired or taken over.

The senior executives are entitled to other customary benefits, such as mobile phone, lap top and corporate health care.

The managing directors' compensation shall be prepared and resolved by the board of directors. Other senior executives' compensations shall be prepared by the managing director who shall propose compensation to the board of directors for approval. The board of directors is entitled to deviate from the aforementioned guidelines if justified due to special circumstances in the individual case.

The proposed guidelines for remuneration of senior executives that will be presented by the Board to the AGM on 25 April 2018 for approval, are identical to the current guidelines.

Share capital and ownership

Total shares outstanding as of 31 December 2017 amounted to 25,958,541. The share capital amounted to SEK 1,297,927.05. At that time there was a preferential rights issue ongoing relating to 24,999,990 shares. After the registration of the new share issue in January 2018, total number of shares amount to 50,958,531 and share capital amounts to SEK 2,547,926.55. All shares have equal voting rights and have equal rights in Immunicum's assets and earnings. After the new share issue has been registered in January 2018, the largest shareholder is Försäkringsaktiebolaget Avanza Pension, with 3,799,786 shares corresponding to 7.4 percent of the votes and the share capital.

The recommendation of the board of directors for the appropriation of the company's profits/losses

Amounts in SEK	
The following unrestricted shareholders' equity are available to the Annual General Meeting for its disposition:	
Share premium reserve	418,793,309
Retained earnings	-151,447,096
Net profit/loss for the year	-80,337,643
Total	**187,008,570**
The Board of Directors proposes that the profits available for distribution and unrestricted reserves be allocated as follows	
to be carried forward	187,008,570
Total	**187,008,570**

For information on the Company's result and financial position, please refer to the following Income Statement and Balance Sheet with accompanying notes.

Financial summary

Income Statement

Amounts in SEK	2017	July-December 2016	2015/2016	2014/2015	2013/2014
Other operating income	217,903	-	-	160,000	560,000
Operating expenses	-80,917,897	-36,737,130	-43,642,748	-36,563,839	-17,211,957
Operating profit/loss	**-80,699,994**	**-36,737,130**	**-43,642,748**	**-36,403,839**	**-16,651,957**
Net financial income/expense	362,351	-56,787	-280,137	789,216	476,921
Total profit/loss before taxes	**-80,337,643**	**-36,793,917**	**-43,922,885**	**-35,614,623**	**-16,175,036**
Income taxes	-	-	-	-	-
Profit/loss for the period	**-80,337,643**	**-36,793,917**	**-43,922,885**	**-35,614,623**	**-16,175,036**

Balance Sheet

Amounts in SEK	31/12/2017	31/12/2016	30/06/2016	30/06/2015	30/06/2014
Subscribed capital unpaid	105,239,280	-	16,687,902	-	-
Tangible assets	69,205	140,396	180,793	263,507	347,313
Financial assets	1,000	1,000	1,000	1,000	1,000
Current receivables	11,953,642	9,003,355	7,927,590	2,604,317	1,346,131
Investments	-	9,526,626	9,493,383	35,426,626	-
Cash and cash equivalents	128,882,939	102,898,565	119,948,858	32,738,441	107,840,568
Assets	**246,146,066**	**121,569,942**	**154,239,526**	**71,033,891**	**109,535,012**
Shareholders' Equity	189,556,497	102,386,053	139,179,970	64,626,697	100,241,320
Long-term liabilities	850,000	850,000	850,000	850,000	850,000
Current liabilities	55,739,569	18,333,889	14,209,556	5,557,194	8,443,692
Total shareholders' equity and liabilities	**246,146,066**	**121,569,942**	**154,239,526**	**71,033,891**	**109,535,012**

Cash Flow Statement

Amounts in SEK	2017	July-December 2016	2015/2016	2014/2015	2013/2014
Cash flow from operating activities	-46,446,815	-33,738,195	-40,228,602	-40,102,127	-9,280,851
Cash flow from investment activities	10,162,382	-	25,650,763	-35,000,000	-298,065
Cash flow from financing activities	62,268,807	16,687,902	101,788,256	-	91,812,243
Cash flow for the year	25,984,374	-17,050,293	87,210,417	-75,102,127	82,233,327
Cash and cash equivalents at the beginning of the period	102,898,565	119,948,858	32,738,441	107,840,568	25,607,241
Cash and cash equivalents at the end of the period	**128,882,939**	**102,898,565**	**119,948,858**	**32,738,441**	**107,840,568**

Alternative Performance Measures

Amounts in SEK	31/12/2017	31/12/2016	30/06/2016	30/06/2015	30/06/2014
Liquidity ratio (%)	253%	662%	967%	1 273%	1 293%
Equity ratio (%)	77%	84%	90%	91%	92%

Definition:

Liquidity ratio: Current assets divided by current liabilities

Equity ratio: Shareholders' equity as a percentage of total assets

Financial information

Income Statement

Amounts in SEK	Note	01/01/2017 -31/12/2017	01/07/2016 -31/12/2016
Other operating income		217,903	-
		217,903	**-**
Operating expenses			
Other external costs	3, 4, 5	-61,532,932	-26,302,897
Personnel costs	5	-19,020,400	-10,204,531
Depreciaton of tangible assets	6	-71,191	-40,397
Other operating expenses		-293,374	-189,305
Operating profit/loss		**-80,699,994**	**-36,737,130**
Income from financial items			
Interest income and similar items	7	635,847	33,468
Interest expense and similar items	8	-273,496	-90,255
Profit/loss after financial items		**-80,337,643**	**-36,793,917**
Total profit/loss before taxes		**-80,337,643**	**-36,793,917**
Income tax expense	9	-	-
Result for the year		**-80,337,643**	**-36,793,917**

Statement of Comprehensive Income

Amounts in SEK	Note	01/01/2017 -31/12/2017	01/07/2016 -31/12/2016
Result for the year		-80,337,643	-36,793,917
Other comprehensive income for the year		-	-
Comprehensive income for the year		**-80,337,643**	**-36,793,917**

Balance Sheet

Amounts in sek	Note	31/12/2017	31/12/2016
ASSETS			
Subscribed capital unpaid		105,239,280	-
Fixed assets			
Tangible assets			
Equipment	11	69,205	140,396
Total tangible assets		***69,205***	***140,396***
Financial assets			
Other securities held as fixed assets	12	1,000	1,000
Total financial assets		***1 000***	***1 000***
Total fixed assets		**70,205**	**141,396**
Current assets			
Current receivables			
Tax credits and related receivables		343,672	263,218
Other receivables		3,156,359	1,883,976
Prepaid expenses and accrued income	13	8,453,611	6,856,161
Total current receivables		***11,953,642***	***9,003,355***
Investments	***14***	-	***9,526,626***
Cash and bank balances	***15***	***128,882,939***	***102,898,565***
Total current assets		**140,836,581**	**121,428,546**
TOTAL ASSETS		**246,146,066**	**121,569,942**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Restricted equity			
Share capital	16	1,297,927	1,297,927
New share issues in progress		1,250,000	-
Total restricted equity		***2,547,927***	***1,297,927***
Unrestricted equity			
Share premium reserve		418,793,309	252,535,222
Retained earnings		-151,447,096	-114,653,179
Profit/loss for the period		-80,337,643	-36,793,917
Total unrestricted equity		***187,008,570***	***101,088,126***
Total shareholders' equity		**189,556,497**	**102,386,053**
Liabilities			
Long-term liabilities			
Other long-term liabilities	17	850,000	850,000
Total long-term liabilitites		***850,000***	***850,000***
Current liabilities			
Accounts payable		11,714,437	5,040,848
Other liabilitities		331,186	1,043,987
Accrued expenses and deferred income	18	43,693,946	12,249,054
Total current liabilities		***55,739,569***	***18,333,889***
Total liabilities		**56,589,569**	**19,183,889**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**246,146,066**	**121,569,942**

Report on Changes in Shareholders' Equity

Amounts in SEK	Share capital	Share premium reserve	Retained earnings	Net profit/loss for the year	Total
Opening shareholders' equity 01/07/2016	**1,297,927**	**252,535,222**	**-70,730,294**	**-43,922,885**	**139,179,970**
Transfer of prior year's profit/loss			-43,922,885	43,922,885	
Profit/loss for the period				-36,793,917	-36,793,917
Shareholders' equity 31/12/2016	**1,297,927**	**252,535,222**	**-114,653,179**	**-36,793,917**	**102,386,053**
Opening shareholders' equity 01/01/2017	**1,297,927**	**252,535,222**	**-114,653,179**	**-36,793,917**	**102,386,053**
New share issue in progess	1,250,000	198,749,920			199,999,920
Costs attributable to the new share issue		-32,491,833			-32,491,833
Transfer of prior year's profit/loss			-36,793,917	36,793,917	
Profit/loss for the period				-80,337,643	-80,337,643
Shareholders' equity 31/12/2017	**2,547,927**	**418,793,309**	**-151,447,096**	**-80,337,643**	**189,556,497**

Cash Flow Statement

Amounts in SEK	01/01/2017 -31/12/2017	01/07/2016 -31/12/2016
Operating activities		
Operating profit/loss before financial items	-80,699,994	-36,737,130
Depreciation and other non-cash items	71,191	40,397
Interest income received	91	225
Interest expense paid	-273,496	-90,255
Increase/decrease in other current receivables	-2,950,287	-1,075,765
Increase/decrease in accounts payable	6,673,589	-2,758
Increase/decrease in other short-term liabilities	30,732,091	4,127,091
Cash flow from operating activities	**-46,446,815**	**-33,738,195**
Investment activities		
Sale of investments	10,162,382	-
Cash flow from investment activities	**10,162,382**	**-**
Financing activities		
New share issue	94,760,640	16,687,902
Share issue costs	-32,491,833	-
Cash flow from financing activities	**62,268,807**	**16,687,902**
Cash flow for the year	25,984,374	-17,050,293
Cash and cash equivalent at the beginning of the period	102,898,565	119,948,858
Cash and cash equivalents at the end of the period	**128,882,939**	**102,898,565**

Notes

All amounts are in SEK, unless specified otherwise. Figures in parentheses refer to the previous year.

Note 1 – Essential accounting policies and valuation principles

The annual report and accompanying financial statements have been prepared in accordance with the Swedish Annual Accounts Act and pursuant to the Recommendation of Swedish Financial Reporting Board, RFR 2 Accounting for Legal Entities. RFR 2 states that in its annual accounts the parent company must apply International Financial Reporting Standards (IFRS) as adopted by the EU, to the extent possible within the framework of the Swedish Annual Accounts Act and the Act on Safeguarding of Pension Commitments, and taking the relationship between accounting and taxation into regard. The Recommendation stipulates which exceptions and additions can be applied in relation to IFRS.

The changes implemented and that will be implemented linked to RFR 2 Accounting for Legal Entities are not expected to have any impact on Immunicums financial statements.

IFRS 9 "Financial instruments" will replace the current IAS 39 "Financial instruments: Recognition and Measurement" as of 2018. To judge from the information that is today known or estimated, IFRS 9 will not have a material impact on Immunicums results and nancial position.

Translation of foreign currency
Transactions in foreign currency are translated at the exchange rates applicable on the transaction date.

Receivables and liabilities in foreign currencies have been translated at the closing day rate. Exchange gains and losses on operating receivables and liabilities are included in operating profit/loss. Gains and losses on financial receivables and liabilities are reported as financial items.

Recognition of revenue
Grants received are recognised in the balance sheet as deferred income and are recognised as income in the period when the cost to be supported is reported. Government grants are recognised as other operating income when it is clear that the conditions associated with the grants are met.

Expenditures for research and development
Research costs refer to expenditures for research aimed at obtaining new scientific or technical knowledge. Development expenditure means expenditure which research findings or other knowledge is applied to achieve new or improved products or processes in accordance with IAS 38 Intangible assets.

Research costs are expensed in the period incurred. Development expenditure is recognised as an intangible asset in the event that the asset is expected to generate future economic benefits and then only on condition that it is technically and financially possible to complete the asset, the intention and the conditions exist to use the asset in operations or sold and the value can be measured reliably.

An assessment of the possibility to recognise development costs as an intangible asset will occur no earlier than when a development project is in Phase III.

Leasing
All leasing agreements are reported as operational leasing agreements, which means that the leasing fees are distributed on a linear basis over the term of the lease.

Remunerations to employees
Short-term remunerations
Short-term employee remunerations are calculated without discounting and recognised as an expense when the related services are performed. A provision for the expected cost of bonus payments is made when the company has a current obligation to make such payments as a result of services received from employees and the obligation can be reliably estimated.

Termination remunerations
An expense for remuneration in connection with the termination of staff is reported when the company is obligated, without realistic possibility of withdrawal, by a formal plan to terminate employment before the normal time.

Post-employment remunerations
For defined contribution plans, the company pays contributions to pension insurance. The company has no further payment obligations once the contributions are paid. The contributions are recognised as personnel expenses when they fall due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments may benefit the company.

Taxes
Deferred tax assets relating to unutilised losses carried forward and deductible temporary differences are recognised only to the extent that it is probable that these will be able to be utilised against future taxable profits. As there is some uncertainty concerning when the Company's deductible deficiencies (tax loss carryforwards) may be able to be used for offsetting against taxable profits, deferred tax assets relating to deductible deficiencies are not recognised at any value.

Tangible assets
Tangible fixed assets are valued at their acquisition value with a deduction for accumulated depreciation. Tangible fixed assets are amortised on a linear basis over their expected useful life.

Depreciation according to plan:
Equipment: 5 years

Financial instruments
A financial instrument is any form of contract that gives rise to a financial asset, a financial liability, or an equity instrument in another company. For Immunicum, this includes the cash and cash equivalents, short-term investments, other receivables, other securities held as fixed assets, accounts payables, other outstanding debts and loans payable. Cash and cash equivalents consist of bank deposits. Short-term investments consist of investments in mutual funds.

Accounting for financial instruments
A financial asset or a financial liability is recognised in the balance sheet when the Company becomes a party in accordance with the contractual provisions of the instrument. Liabilities are recognised once the counterparty has presented them and there is a contractual obligation to pay, even if an invoice has not yet been received. Accounts payable are recognised when the invoice has been received. A financial asset is removed from the balance sheet when the contractual rights have been settled, have expired/lapsed, or the Company has lost control over them. The same applies for a part of a financial asset. A financial liability is removed from the balance sheet when the obligation in the contract is fulfilled or it becomes extinguished in another way. The same applies for a part of a financial liability. Acquisitions and sales of financial assets are recognised on the "trade date", i.e. the date the Company entered into the transaction, committing to purchase or sell the asset.

Classification and valutation of financial instruments
The classification depends on the purpose(s) behind the acquisition of the financial instrument.

Other receivables
Receivables are reported as current assets except for items with a due date of more than 12 months after the close of the reporting period, which are classified as fixed assets. Accounts receivable are recognised at the amount expected to be paid to the Company after deduction for any doubtful receivables as individually assessed.

Investments
Securities acquired with intention of being held short term are initially recognised at acquisition cost and in subsequent valuations in accordance with the lowest cost principle at the lower of acquisition cost or market value. With valuation at the lowest cost principle, short-term investments are deemed to be a part of portfolio of securities and the valuation principle is applied to the portfolio as a whole.

Loan liabilities and amounts payable to suppliers
Loan liabilities and amounts payable to suppliers are initially recognised at acquisition value after deduction of transaction costs. If the carrying amount differs from the amount to be repaid at maturity, the difference is amortised as an interest expense over the term of the loan using the instrument's effective interest rate. In this way, the carrying amount and the amount to be repaid on the maturity date corresponds.

Offsetting of a financial assets and a financial liability
A financial asset and a financial liability are offset and recognised with a net amount in the balance sheet only when a legally enforceable right exists and when a settlement with a net amount is regarded to occur or when a contemporaneous sale of the asset and settlement of the liability it relates to occurs.

Operating segment
Immunicum's business currently consists of research and development for productin of pharmaceuticals. The company is of the opinion that this business, in its entirety, constitutes a single operating segment.

Note 2 – Financial risk management
The board of directors and the CEO have the ultimate responsibility for the company's financial operations. The responsibility for continuous financial management is to be delegated to the CFO, who has the personnel of the accounting department at his/her disposal. The board annually adopts a financial policy including associated risk parameters.

Foreign exchange exposure
Immunicum's foreign exchange exposure increases in pace with as the development projects progress in the value chain and the costs for services in connection with clinical trials increases. These services are partially carried out outside of Sweden and paid for in foreign currency. According to the Finance Policy, the company is not to apply any form of currency hedging. Immunicum is primarily exposed to changes in the exchange rates EUR/SEK and USD/SEK related to accounts payable. Operational exchange rate differences for the financial year amounted to a net loss of TSEK 181 (TSEK 189).

Interest rate exposure
Immunicum's exposure to market risk for changes in interest rates relates to bank deposits, investments in interest-bearing securities and seed funding. During the financial year, the company paid a negative deposit rate to Handelsbanken and interest on seed funding received totaling TSEK 261 (TSEK 88).

Liquidity risk
Liquidity risk are limited via liquidity planning and placement of funds in financial instruments with high liquidity. At every point in time, Immunicum's liquidity must, according to adopted Finance Policy, correspond to at least three months of known net disbursements.

Capital risk management
The objective when managing capital is to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure in order to reduce the cost of capital. In order to maintain or adjust the capital structure, the company can issue new shares or sell assets. The company is entirely funded through equity. The company annually establishes a plan for the company's capital.

Note 3 - Operating leases

Amounts in SEK	01/01/2017 -31/12/2017	01/07/2016 -31/12/2016
The Company's leasing contracts relate in their enirety to the rental of office premises where its business operations are conducted. Rental agreement for the office space in Gothenburg runs until 28 February 2019. Rental agreement has also been made for office premises in Stockholm. This agreement expires 31 July 2018.		
Leasing cots for the year concerning the rental of offices amounted to	628,800	314,400
Future lease payments with respect to non-cancellable lease agreements amount to the following		
Within one year	997,218	628,800
Later than one year, but within five years	104,800	733,600
Later than five years	-	-
Total	**1,102,018**	**1,362,400**

Note 4 - Remuneration to the auditors

Amounts in SEK	01/01/2017 -31/12/2017	01/07/2016 -31/12/2016
Öhrlings PricewaterhouseCoopers		
Tax advisory services	13,200	42,840
KPMG		
Audit fees	145,000	120,000
Audit-related fees	60,000	-
Other fees	523,000	-
Total	**741,200**	**162,840**

The audit assignment involves review of the Annual Report and financial acounts and the administration by the Board of Directors and the CEO. Audit-related assignments includes the fee for reviewing interim reports. All other tasks are classified as other and refers primarily to services related to the company's application to Nasdaq Stockholm's main list.

Note 5 - Employees and personnel costs

Amounts in SEK	01/01/2017 -31/12/2017	01/07/2016 -31/12/2016
Average number of employees		
Men	5	3
Women	6	5
Total	**11**	**8**
Gender breakdown of Members of the Board and senior management		
Board Members	7	7
of which, men	4	4
CEO, and others in senior management	7	4
of which, men	4	3

Amounts in SEK	01/01/2017 -31/12/2017	01/07/2016 -31/12/2016
Salaries, other remuneration and social costs		
Salaries and other remuneration	15,351,791	7,490,364
Social costs	4,452,115	2,756,195
(of which, pension costs)	(1,588,568)	(806,484)
Total	**19,803,906**	**10,246,559**
(of which, pension costs)	***(1,588,568)***	***(806,484)***
Salaries and other remuneration distrubuted between Board Members, senior management and other employees		
Board Members and senior management	11,716,815	5,660,992
(of which bonus and similar remunerations)	(909,669)	(142,500)
Other employees	3,634,976	1,829,372
(of which bonus and similar remunerations)	(144,814)	(-)
Total	**15,351,791**	**7,490,364**
(of which bonus and similar remunerations)	(1,054,483)	(142,500)
Remuneration and other benefits provided to Board Members		
Agneta Edberg, COB	310,000	190,000
Charlotte Edenius	150,000	37,500
Bengt Furberg (Board Member until the 2016 AGM)	-	37,500
Steven Glazer	175,000	43,750
Martin Lindström	160,000	77,500
Magnus Nilsson	140,000	72,500
Magnus Persson	125,000	68,750
Kerstin Valinder Strinnholm	125,000	31,250
Current CEO's remuneration and employment benefits (took office 1 October 2016)		
Fixed salary	3,072,458	1,463,376
Variable remuneration	525,000	-
Other benefits	222,607	63,772
Pension costs	947,702	228,750
Previous CEO's remuneration and employment benefits		
Fixed salary	74,860	872,480
Variable remuneration	-	142,500
Pension costs	2,998	260,775
Remuneration and employment benefits to other senior management		
Five people (three people)		
Fixed salary	5,600,662	2,368,128
Variable remuneration	384,669	-
Other benefits	651,561	191,986
Pension costs	219,573	75,054

Variable remuneration for financial year 2017 (July-December 2016) is an expensed bonus to be paid in 2018 (2017). For information on how bonuses are calculated, see below.

Other benefits include costs of free housing and free travel to and from the workplace.

Remuneration to the Members of the Board of Directors
Fees to the Board are payable pursuant to a resolution adapted by the Annual General Meeting. The Annual General Meeting on 26 April 2017 decided that fees based on a financial year comprising a period of 12 months would amount to SEK 295,000 to the Chairman and SEK 125,000 to each of the other Board members, SEK 35 000 to the Chairman and SEK 15,000 to each other Board members who serve on the Audit Committee as well as SEK 50,000 to the Chairman and SEK 25,000 to the director who is part of the Scientific Committee.

Remuneration to CEO
Previous year's remuneration of the current CEO includes an amount of SEK 705,000 for purchase of shares in the company that was reimbursed by the company through payroll. The net proceeds were used for the purchase of additional shares in the company. The payment is conditional upon the CEO does not sell the shares within a period of two years from the time of purchase. For the CEO 30% of salary are paid as pension insurance premiums. The remuneration paid to former CEO includes salary and pension premiums for January-March 2017 when he was released from work.

Periods of notice and severance pay
For the Company's CEO, CFO and CSO, the mutual period of notice is six months. For others in senior management, the mutual period of notice is three months. During period of notice CEO and senior management are entitled to full salary and fringe benefits. No agreements have been entered into with regards to severance pay.

Bonuses
A variable remuneration is payable to the CEO, in addition to a fixed monthly salary, if objectives are achieved. This is capped at 35% of fixed salary. In addition, the CEO is under certain conditions entitled to a bonus in the sale of all or substantially all of the company's assets or intellectual property rights, at licensing of the company's intellectual property rights or other transactions that the board deems to be of similar meaning. The bonus is paid in a sale of all or substantially all of the Company's assets by an amount equivalent to 1.5 percent of the purchase price, at a licensing by an amount equivalent to two (2) percent of any prepayment and one (1) percent of subsequent milestone payments (excluding royalties). Compensation may be payable if such a transaction occurs within twelve (12) months after the contract is terminated unless such termination is made by the CEO or caused by his breach of contract. The CEO loses all entitlement to the bonus if he voluntarily terminates his employment. Other senior executives will receive bonuses if targets are achieved. The bonus can not, depending on the individual, exceed two months' salary.

Pensions
The company has only defined contribution pension plans. The company does not have any other pension commitments.

Note 6 - Depreciation

Amounts in SEK	01/01/2017 -31/12/2017	01/07/2016 -31/12/2016
Equipment	71,191	40,397
Total	**71,191**	**40,397**

Note 7 - Interest income and similar items

Amounts in SEK	01/01/2017 -31/12/2017	01/07/2016 -31/12/2016
Gain from sale of short-term investment	635,756	-
Reversed write-down of short-term investment	-	33,243
Interest income	91	225
Total	**635,847**	**33,468**

Note 8 - Interest expense and similar items

Amounts in SEK	01/01/2017 -31/12/2017	01/07/2016 -31/12/2016
Interest expenses	-273,496	-90,255
Total	**-273,496**	**-90,255**

Note 9 - Income tax expense

Amounts in SEK	01/01/2017 -31/12/2017	01/07/2016 -31/12/2016
Current taxes	-	-
Deferred taxes	-	-
Total income taxes	**-**	**-**

Difference between recognised tax expense and an estimated tax expense based on the current tax rate:		
Total profit/loss befor taxes	-80,337,643	-36,793,917
Income tax according to current tax rate	17,674,281	8,094,662
Tax effect of non-deductible expenses	-138,657	-4,299
Tax effect of non-taxable income	-	7,331
Tax effect of loss carryforwards for which no deferred tax assets have been taken into account	-17,535,624	-8,097,694
Tax expense	**-**	**-**

The current tax rate is 22% (22%)

Unutilized loss carryforwards for which no deferred tax asset has been recognised	280,995,065	168,795,847

Unutilized loss carryforwards have been affected by deductible issue costs reported directly in shareholders' equity.

Note 10 - Earnings per share

Amounts in SEK	01/01/2017 -31/12/2017	01/07/2016 -31/12/2016
Earnings per share, before dilution		
Net profit/loss for the year	-80,337,643	-36,793,917
Average number of shares outstanding	25,958,541	25,913,542
Earnings per share, before dilution, SEK	**-3.09**	**-1.42**
Earnings per share, after dilution		
Net profit/loss for the year	-80,337,643	-36,793,917
Average number of shares outstanding	25,958,541	25,913,542
Earnings per share, after dilution, SEK	**-3.09**	**-1.42**

Earnings per share before dilution is based on the financial results for the year and the weighted average of the number of shares outstanding.

Earnings per share after dilution is based on the financial results for the year and the weighted average of the number of shares outstanding plus the dilutive effect of potential shares. At 31 December 2017 there was a dilution effect of the ongoing rights issue due to subscribed but not paid and registered shares. This dilution effect has not been taken into account as a conversion would decrease the loss per share. At closing date 31 December 2016 there were no outstanding potential shares that could cause a dilution.

Note 11 - Equipment

Amounts in SEK	31/12/2017	31/12/2016
Opening balance accumulated acquisition values	426,605	426,605
Acquisition during the year	-	-
Closing balance accumulated acquisition values	**426,605**	**426,605**
Opening balance accumulated depreciation	-286,209	-245,812
Depreciation for the year according to plan	-71,191	-40,397
Closing balance accumulated depreciation	**-357,400**	**-286,209**
Closing book value	**69,205**	**140,396**

Note 12 - Other long-term securities

Amounts in SEK	31/12/2017	31/12/2016
Holdings of shares of LFF Service AB	1,000	1,000
Total	**1,000**	**1,000**

Note 13 - Prepaid expenses

Amounts in SEK	31/12/2017	31/12/2016
Prepaid expenses relating to preclinical development/clinical trials	7,418,431	6,151,563
Prepaid insurance premiums	253,632	419,204
Prepaid rents	336,408	178,596
Other prepaid expenses	445,140	106,798
Total	**8,453,611**	**6,856,161**

Note 14 - Investments

The Company has earlier placed funds in the Handelsbanken Multi Asset Low (low risk) Fund. This fund invests in Swedish fixed income funds, Nordic and global equity funds, hedge funds and commodity funds. Fair value as at 31 December 2016 was amounting to SEK 9,821,072.

Note 15 – Cash and bank balances

The Company has a contractual credit limit for Business Card amounting to SEK 300,000 (300,000). The Company has provided security for this credit and for a bank guarantee of SEK 314,400 (314,400) via a general pledge of bank deposits in the amount of SEK 565,537 (565,537).

Note 16 – Share capital

The number of shares in the Company as at 31 December 2017 amounts to 25,958,541 (25,958,541). At that time there was a preferential rights issue underway relating to 24,999,990 shares. With the registration in full in January 2018 of the shares from the new share issue, the total number of shares will amount to 50,958,531. The quota value is SEK 0.05.

Note 17 – Other long-term liabilities

The Company has previously received financing in the form of conditional credits from Region Västra Götaland amounting to SEK 850,000. The terms of repayment for these loans are 5 percent of potential future income, with the addition of interest at the reference rate set by the Swedish National Bank for the calendar half-year in question, plus an additional two percentage points.

Note 18 - Accrued expenses and deferred income

Amounts in SEK	31/12/2017	31/12/2016
Deferred new share issue costs	30,372,878	-
Accrued expenses relating to preclinical development/clinical trials	9,156,290	8,551,709
Accrued personnel-related costs	3,039,685	2,671,298
Other accrued expenses	1,125,093	1,026,047
Total	**43,693,946**	**12,249,054**

Note 19 – Fair value of financial instruments

	Loan and accounts receivable		Realizable financial assets	
Amounts in SEK	**31/12/2017**	**31/12/2016**	**31/12/2017**	**31/12/2016**
Financial assets				
Financial fixed assets	-	-	1,000	1,000
Other receivables	6,707	-	-	-
Short term investment	-	-	-	9,526,626
Cash and cash equivalents	128,882,939	102,898,565	-	-
Total financial assets	**128,889,646**	**102,898,565**	**1,000**	**9,527,626**

	Financial liabilities valued at accrued acquisition value	
Amounts in SEK	**31/12/2017**	**31/12/2016**
Financial liabilities	31/12/2017	31/12/2016
Long term interest bearing debts	850,000	850,000
Account payables	11,714,437	5,040,848
Total financial liabilities	**12,564,437**	**5,890,848**

The reported value is assessed to be a reasonable estimate of the fair value for the financial instruments held by the company. The company's investments in securities are however valued in accordance with the principle of lower of cost or net realisable value. Fair value as at 31 December 2016 amounted to SEK 9,821,072. Such validation is in accordance with level 1 in the valuation hierarchy.

Note 20 – Appropriation of profit/loss

Amounts in SEK	
The following unrestricted shareholders' equity are available to the Annual General Meeting for its disposition:	
Share premium reserve	418,793,309
Retained earnings	-151,447,096
Net profit/loss for the year	-80,337,643
Total	**187,008,570**
The Board of Directors proposes that the profits available for distribution and unrestricted reserves be allocated as follows	
to be carried forward	187,008,570
Total	**187,008,570**

Note 21 – Pledged assets

Amounts in SEK	**31/12/2017**	**31/12/2016**
Pledged assets for own liabilities and provisions		
Pledged bank deposit	565,537	565,537
Total	**565,537**	**565,537**

Note 22 – Transactions with closely related parties

The company has a closely-related relationship with Margareth Jorvid, Head of Regulatory Affairs and Quality System and member of Immunicum's management team. Margareth Jorvid has in financial year 2017 invoiced Immunicum TSEK 2,002 in consultancy fees through the company Methra in Uppsala AB. Pricing has been made on commercial terms. At balance sheet date, accounts payble to Methra Uppsala AB is TSEK 153. During the previous financial year, former board member Bengt Furberg received a fee of TSEK 15 as a member of the company's scientific advisory board.

Board members and senior executives in Immunicum have, in addition to the board fees and salary (as noted in Note 5) and the consultant fee to Margareth Jorvid as above, not received any other remuneration.

Note 23 – Events after the balance date

There were no significant events after the balance date that could have an impact of the assessment of the financial information in this report.

Note 24 – Reconciliation of alternative performance measures

This report includes certain performance measures not defined in IFRS, but they are included in the report as the company considers that this information provides investors with useful information of the company's ability to repay its short-term debt and also of the companys capital structure.

LIQUIDITY RATIO

Amounts in SEK	**31/12/2017**	**31/12/2016**
Current assets	140,836,581	121,428,546
Current liabilities	55,739,569	18,333,889
Liquidity ratio	253%	662%

EQUITY RATIO

Amounts in SEK	**31/12/2017**	**31/12/2016**
Shareholders' equity	189,556,497	102,386,053
Total assets	246,146,066	121,569,942
Equity ratio	77%	84%

Signatures

» **The Board and** CEO herewith confirm that the Company´s annual financial statements have been prepared in accordance with generally accepted accounting principles in Sweden. The Company´s annual financial statements provide a true and fair view of the financial performance and position of the Company. The Board of Directors´ report for the Company provides a true and fair overview of the development of the operation, financial position and performance of the Company and describes material risks and uncertainties faced by the Company.

On 3 April 2018, the Board of Directors approved this Annual Report for release and publication. The income statement and balance sheet will be submitted to the AGM on 25 April 2018 for approval.

Gothenburg, 3 April 2018

Agneta Edberg
CHAIR OF THE BOARD OF DIRECTORS

Magnus Nilsson
MEMBER OF THE BOARD OF DIRECTORS

Charlotte Edenius
MEMBER OF THE BOARD OF DIRECTORS

Magnus Persson
MEMBER OF THE BOARD OF DIRECTORS

Steven Glazer
MEMBER OF THE BOARD OF DIRECTORS

Kerstin Valinder Strinnholm
MEMBER OF THE BOARD OF DIRECTORS

Martin Lindström
MEMBER OF THE BOARD OF DIRECTORS

Carlos de Sousa
CEO

Our Auditor's Report has been submitted on 3 April 2018
KPMG AB

Jan Malm
Authorised Public Accountant
Auditor in Charge

Auditor's report

» **To the general** meeting of the shareholders of Immunicum AB, corp. id 556629-1786

Report on the annual accounts

Opinions
We have audited the annual accounts of Immunicum AB for the year 2017. The annual accounts of the company are included on pages 28-43 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act, and present fairly, in all material respects, the financial position of Immunicum AB as of 31 December 2017 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet.

Basis for Opinions
We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of Immunicum AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director
The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and that they give a fair presentation in accordance with the Annual Accounts Act. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts The Board of Directors and the Managing Director are responsible for the assessment of the company's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility
Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.

- Conclude on the appropriateness of the Board of Directors' and the Managing Director's, use of the going concern basis of accounting in preparing the annual accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts. Our

conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

» Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

Report on other legal and regulatory requirements

Opinions
In addition to our audit of the annual accounts, we have also audited the administration of the Board of Directors and the Managing Director of Immunicum AB for the year 2017 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions
We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of Immunicum AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director
The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's type of operations, size and risks place on the size of the company's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner.

The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility
Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

» has undertaken any action or been guilty of any omission which can give rise to liability to the company, or

» in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

Gothenburg 3 April 2018
KPMG AB

Jan Malm
AUTHORIZED PUBLIC ACCOUNTANT

IMMUNICUM
INNOVATION IN IMMUNO-ONCOLOGY

CORPORATE GOVERNANCE REPORT 2017

CORPORATE GOVERNANCE REPORT

» **Immunicum Aktiebolag (publ),** corporate identity number 556629-1786, is a Swedish public limited liability company with registered offices in Gothenburg.

Prior to being listed on the Nasdaq Stockholm main market, Immunicum's corporate governance was based on Swedish law, Nasdaq First North's Rule Book and internal regulations and directives. The company was listed on Nasdaq Stockholm on 15 January 2018 and has since then complied with Nasdaq Stockholm's Rule Book for Issuers and, as previously, with both Swedish law and internal rules and regulations. As a listed company, Immunicum also applies the Swedish Corporate Governance Code ("the Code"). This corporate governance report has been prepared in accordance with the Annual Accounts Act and the Swedish Corporate Governance Code, as a separate report distinct from the Annual Report. Immunicum's auditor has reviewed the report and the auditor's opinion is attached to the report.

The Code applies to all Swedish companies whose shares are listed on a regulated market in Sweden and is applied in full from the date on which the shares are listed on the Nasdaq Stockholm main market. The company is not obliged to comply with all the rules in the Code, but can select alternative solutions which they judge to be better suited to their circumstances, provided that any deviations are reported, the alternative solution is described and the reasons explained (the 'comply or explain' principle) in the corporate governance report. Immunicum has deviated from Rule 9.5 of the Code in that the variable cash remuneration which may be paid to the company's CEO in conjunction with the sale of all or the majority of the company's assets or intellectual property rights or other similar transactions does not contain a monetary limit for the maximum outcome but is instead calculated as a fixed percentage. The deviation was necessary due to the need to recruit a CEO with the right experience and competence for the coming phase of the company's development. The company has also deviated from Rule 2.4 of the Code, in that Martin Lindström is both Chair of the Nomination Committee and a member of the Board of Directors. The reason for the deviation is that the Nomination Committee felt that the representative from the largest shareholder on the Nomination Committee should hold the position of Chair. Information on the Corporate Governance Code can be found on www.bolagsstyrning.se.

Good corporate governance is a significant component in the work to create value for Immunicum's shareholders. The aim is to create favourable conditions for an active and responsible ownership, a well-balanced division of responsibility between owner, board and senior management, as well as transparency towards owners, capital markets, employees and society in general.

Internal instructions and policies which are important for corporate governance

- Articles of Association
- Formal work plan for the Board of Directors and instructions to the CEO
- Guidelines for remuneration to senior executives of the company
- Financial policy
- IT policy
- Financial handbook
- Employee handbook
- Authorization instructions
- Information policy
- Insider instructions
- Code of conduct

External regulations which influence corporate governance

- Companies Act
- Accounting standards
- Nasdaq Stockholm's rule book for issuers
- Swedish Corporate Governance Code

Shares and shareholders

Immunicum AB is a CSD-registered company, which means that the company's shareholder register is maintained by Euroclear Sweden AB. On December 31 2017, Immunicum had 4,050 shareholders according to the shareholder register. After a new issue in December 2017 was registered in January 2018, the ten largest shareholders are now the following:

Table according to year-end report 2017

Shareholders on 19/01/2018	Number of shares	Share of capital/votes
Försäkringsaktiebolaget, Avanza Pension	3,799,786	7.4%
Loggen Invest AB	3,000,101	5.9%
Holger Blomstrand Byggnads AB	2,975,386	5.8%
Nordnet Pensionsförsäkring AB	2,080,276	4.1%
AAGCS NV RE AACB NV RE EURO CCP FORTIS	1,813,233	3.6%
Lars Wingefors Kapitalförvaltning	1,250,506	2.5%
Rothesay Limited	1,250,506	2.5%
Ålandsbanken clients account	915,811	1.8%
Swedbank Robur Fonder AB	725,000	1.4%
Olle Stenfors	625,254	1.2%
Total, ten largest shareholders	**18,435,859**	**36.2%**
Other shareholders	32,522,672	63.8%
Total	**50,958,531**	**100.0%**

At the end of 2017 the share capital amounted to SEK 1,297,927, allocated among 25,958,541 shares. At that point in time there was an ongoing preferential issue of 24,999,990 shares. After the issue was registered in January 2018 the number of shares totals 50,958,531. All shares carry the same number of votes and own equal rights to a share of Immunicum's assets and profit.

General meeting of shareholders

General

In accordance with the Companies Act, the general meeting of shareholders is Immunicum's highest decision-making body and at the general meeting the shareholders exercise their voting rights in key questions, such as adoption of the income statement and balance sheet, allocation of Immunicum's profit, discharge of liability for the Board of Directors and the CEO, election of members of the Board and the auditor, and remuneration to the Board and auditor. The Annual General Meeting is held within six months of the end of the financial year and normally takes place in Gothenburg. Notice of the Annual General Meeting and notice of an extraordinary general meeting at which the question of a change to the Articles of Association is to be discussed are given at the earliest six weeks and at the latest four weeks before the meeting. Notice of any other extraordinary general meeting is given at the earliest six weeks and at the latest three weeks before that general meeting. In accordance with the Articles of Association, notice of the Annual General Meeting or of an extraordinary general meeting is published in Post- och Inrikes Tidningar (the official gazette) and on Immunicum's website. An announcement giving notice of the meeting is published in Dagens Industri.

Decisions at a general meeting are normally taken by a simple majority. Certain decisions, such as a change to the Articles of Association, however, require a decision by a qualified majority.

All shareholders who are registered directly in the shareholder register maintained by Euroclear Sweden AB five days before the general meeting and who have notified Immunicum of their intention to participate (together with any advisors) in the general meeting have the right to attend the general meeting and vote in proportion to the number of shares they hold. Shareholders can participate in the general meeting in person or by proxy and can also be represented by up to two people.

Shareholders who wish to raise a question at the general meeting must submit a written request to the Board. The request must normally have been received by the Board no later than seven weeks prior to the general meeting.

In view of the composition of the Board's ownership it has not been considered motivated or justifiable given the company's financial position to offer simultaneous interpretation into another language or translation of the whole material pertaining to the general meeting, including the minutes.

Information regarding the company's previous general meetings can be found on Immunicum's website. This also provides information about the shareholders' right to raise a question at the general meeting and when a shareholder's request for such a question to be discussed must be submitted to Immunicum.

2017 Annual General Meeting

Immunicum's 2017 Annual General Meeting took place on Wednesday, 26 April 2017 at the School of Business, Economics and Law at the University of Gothenburg. 34 shareholders were present at the meeting, either in person or via a representative. These represented 24.09 percent of the shares and votes in Immunicum. Attorney Mats Dahlqvist was elected to chair the meeting. Members of the Board and senior management attended the Annual General Meeting. Authorized public accountant Jan Malm was also present at the meeting as the representative of Immunicum's elected auditor, KPMG AB. The Annual General Meeting voted to re-elect members of the Board Agneta Edberg (as Chair of the Board), Charlotte Edenius, Steven Glazer, Martin Lindström, Magnus Nilsson, Magnus Persson and Kerstin Valinder Strinnholm. Other decisions taken by the Annual General Meeting are shown in the unabridged minutes of the Annual General Meeting, which together with further information from the 2017 Annual General Meeting are available on www.immunicum.com under Corporate Governance.

2017 Extraordinary General Meeting

An Extraordinary General Meeting on 4 December 2017 voted to approve the Board's decision from 1 November 2017 with regard to a new issue of shares with preferential rights for shareholders and to implement changes to the company's Articles of Association.

The unabridged minutes together with further information from the Extraordinary General Meeting are available on www.immunicum.com under Corporate Governance.

2018 Annual General Meeting

Immunicum's Annual General Meeting 2018 will be held on April 25 2018 at the School of Business, Economics and Law at the University of Gothenburg.

Information about the Annual General Meeting 2018 is available on www.immunicum.com under Corporate Governance.

Nomination committee

Duties

The duty of the Nomination Committee, as instructed by the shareholders, is to propose to the Annual General Meeting nominations for the Chair for the meeting, the Chair and other members of the Board, and, when so instructed, to nominate an auditor and propose a fee for the auditor. The Nomination Committee also submits proposals for the fees and other remuneration for duties undertaken by the Board. The Nomination Committee's proposals are to be submitted to Immunicum in so timely a manner that the proposal can be presented in the notice convening the Annual General Meeting and at the same time presented on Immunicum's website. In conjunction with the publication of the notice, the Nomination Committee declares, among other things, whether the individuals nominated for election as members of the Board can be considered

independent in relation both to the company and senior management and to the major shareholders, have other significant engagements, and their holding of shares in Immunicum.

Composition

The Annual General Meeting on 26 April 2017 voted to instruct the Chair of the Board to contact, during September 2017, the four largest shareholders in terms of votes, as shown in Euroclear's print out of the shareholder register as at 31 August 2017, who each appoint one representative to constitute the Nomination Committee for the period until a new Nomination Committee is appointed according to the mandate from the next Annual General Meeting. In the event that one of the four largest shareholders do not wish to appoint such a representative, the next largest shareholder in terms of the number of votes is to be offered the opportunity to appoint a member of the Nomination Committee.

The members of the Nomination Committee are to be presented on the company's website no later than six months before the Annual General Meeting 2018. In the event that four shareholders have not announced their intention to participate in the nomination work at that point in time, the Nomination Committee will consist of fewer members. If, more than two months prior to the Annual General Meeting, one of the shareholders who has appointed a member of the Nomination Committee no longer belongs to the four largest shareholders in terms of number of votes, the member appointed by such a shareholder is to resign his/her place and the Chair of the Nomination Committee is to invite the shareholder who has become one of the four largest shareholders in terms of number of votes to appoint a new member to the Nomination Committee. Shareholders who have appointed a member of the Nomination Committee have the right to remove such a member and appoint a new representative as a member of the Nomination Committee. Changes to the composition of the Nomination Committee are to be made public as soon as they have occurred. The Nomination Committee is to appoint the Chair from among their members. No fee is paid to the members for their work on the Nomination Committee.

It is the duty of the Nomination Committee to ensure that the composition of the Board of Directors is appropriate for the company's business, phase of development, etc. Together, the members of the Board are to represent a diversity and breadth in terms of qualifications, experience and background.

The composition of the Nomination Committee prior to the 2018 Annual General Meeting was presented on Immunicum's home page and in a press release on 9 October 2017. The Nomination Committee consists of the following four members:

Martin Lindström, appointed by Loggen Invest AB
Evert Carlsson, appointed by Swedbank Robur Fonder AB
Bengt Andersson, appointed by Bengt Andersson
Mats Dahlgren, appointed by Mats Dahlgren

In addition, the Chair of the Board, Agneta Edberg, is a co-opted member. The Nomination Committee has appointed Martin Lindström as Chair of the Nomination Committee.

The board of directors

Duties

Under the Companies Act, the Board of Directors is responsible for the company's administration and organization, and consequently the Board is responsible for, among other things, setting goals and strategies, securing routines and systems to evaluate adopted goals, continuously evaluating Immunicum's financial position and result, and evaluating the operative leadership. The Board is also responsible for ensuring that the annual accounts and interim reports are prepared in a timely manner. Furthermore, the Board of Directors appoints the CEO. The members of the Board are elected each year at the Annual General Meeting for the period up until the end of the following Annual General Meeting. According to Immunicum's Articles of Association, the Board is to consist of no fewer than three and no more than eight members, with no alternates. The Chair of the Board is elected by the Annual General Meeting and has a particular responsibility to lead the work of the Board and to ensure that the work of the Board is well-organized and performed in an effective manner. The Chair of the Board does not participate in the operative leadership of Immunicum.

The Board follows a written work plan which is revised annually and adopted each year at the Board meeting following election. The work plan regulates, among other things, Board practice, functions, and the division of labour between members of the Board and the CEO. Furthermore, the work plan takes into account the respective guidelines of the Audit Committee and the Scientific Committee for the duties assigned to each committee. At the first Board meeting, the Board also determines instructions for financial reporting and instructions to the CEO.

Composition and work during 2017

Immunicum's Board currently consists of seven members. The 2017 Annual General Meeting voted to re-elect the members of the Board Agneta Edberg (as Chair of the Board), Charlotte Edenius, Steven Glazer, Martin Lindström, Magnus Nilsson, Magnus Persson and Kerstin Valinder Strinnholm. A presentation of the members of the Board can be found on page 24 of the Annual Report. The presentation of each member of the Board includes their age, education and working experience, function in the company and other significant assignments, their own and related parties' shareholdings in Immunicum and the year in which the member was elected to Immunicum's Board.

The Board normally meets six times per year. Additional meetings may be held to address issues which cannot be referred to an ordinary meeting. During the 2017 financial year the Board held 24 meetings in which minutes were recorded. Members' attendance at board meetings is shown in the table on page 50.

In 2017, the Board has handled the following matters:

- Strategic development
- Governing documents
- Risk management and risk assessment
- Evaluation of the CEO
- Financial reports including reporting from external audit

In addition to the Board meetings, the Chair of the Board and the CEO have a continuous dialogue regarding issues significant for the company.

Evaluation of the Board's work 2017

The Board's work was evaluated during the year through a systematic and structured process.

The Nomination Committee has been informed of the outcome of the evaluation.

Remuneration of the Board

Fees to the Board are payable pursuant to a resolution adapted by the Annual General Meeting. The Annual General Meeting on 26 April 2017 decided that fees based on a financial year comprising a period of 12 months would amount to SEK 295,000 to the Chairman and SEK 125,000 to each of the other Board members, SEK 35 000 to the Chairman and SEK 15,000 to each other Board members who serve on the Audit Committee as well as SEK 50,000 to the Chairman and SEK 25,000 to the director who is part of the Scientific Committee.

Members' attendance at meetings 1 January–31 December 2017, remuneration and independence are shown in the table below.

	Attendance				Independence in relation to the	
	Board	Audit Committee	Scientific Committee	Board fees 2017, TSEK	Company	Owners
Agneta Edberg	24/24	5/5		310	Yes	Yes
Charlotte Edenius	23/24		4/5	150	Yes	Yes
Steven Glazer	24/24		5/5	175	Yes	Yes
Martin Lindström	24/24	5/5		160	Yes	No
Magnus Nilsson	20/24	4/5		140	Yes	Yes
Magnus Persson	21/24			125	Yes	Yes
Kerstin Valinder Strinnholm	24/24			125	Yes	Yes

Remuneration committee

The Board has no Remuneration Committee at present. Instead, the Board believes that the duties which would otherwise be performed by the Remuneration Committee are better performed by the Board as a whole. It is the responsibility of the Board to evaluate the need for a Remuneration Committee on an annual basis. The Board's work plan contains guidelines for the Board in its capacity as Remuneration Committee. The main tasks of the Remuneration Committee are to prepare the Board's decisions in matters of remuneration principles, including drawing up proposals for the annual meeting's decisions regarding guidelines for remuneration to senior executives of the company, remuneration and other employment conditions for the company's CEO and other senior executives; to follow and evaluate variable remuneration for senior management; and to follow and evaluate the application of guidelines for remuneration to senior executives and current remuneration structures and levels within the company. The Remuneration Committee is further tasked with monitoring and regularly evaluating current and concluded programs for variable remuneration to senior executives and with preparing questions on proposals for future incentive programs.

Audit committee

Duties

The Board is to draw up instructions for the tasks of the Audit Committee on an annual basis. The instructions to the Audit Committee state that the Audit Committee is, without impacting the responsibility and tasks of the Board in general, to monitor the company's financial reporting, monitor the effectiveness of the company's internal control and risk management in respect of the financial reporting, keep themselves informed regarding the audit of the annual accounts and other financial reports, scrutinize and monitor the impartiality and independence of the auditor, and in so doing be particularly observant in the event that the auditor provides additional services to audit services to the company. The Audit Committee is also to meet with the auditor on an annual basis to be informed about the scope and direction of the auditor's audit, as well as the auditor's observations during the work with the audit. The Audit Committee is also to evaluate the audit work and assist in the preparation of proposals for the general meeting's decisions on the election of auditors. In addition, the Audit Committee is, among other things, to scrutinize together with the company's auditor related party transactions and significant accounting policies in connection with quarterly reports and annual reports. The Audit Committee is to hold at least three meetings per year and the Chair of the Audit Committee is to present a written report

of matters discussed at the latest meeting of the Audit Committee at least twice per year

Composition and work during 2017

At the first Board meeting after the Annual General Meeting 2017, the following members of the Board were appointed to the Audit Committee:

Martin Lindström
Magnus Nilsson
Agneta Edberg

Martin Lindström was appointed Chair of the Audit Committee.

During 2017, the Audit Committee had five meetings. The company's external auditors were present at all meetings. Members' attendance at committee meetings is shown in the table on page 50. The Audit Committee reports the outcome of its work to the Board on a regular basis.

During the year the Audit Committee addressed questions such as internal control, internal and external audit, accounting policies, internal and external reporting, related party transactions and financial risk management.

Scientific committee

Duties

The work of the Scientific Committee is regulated in the Board's work plan and in an article which is adopted by the Scientific Committee and evaluated on an annual basis. The Chair of the Scientific Committee and one other member of the Scientific Committee must be members of the Board and neither of these may be employed in the company. Immunicum's Chief Scientific Officer and/or the CEO is to prepare the meetings of the Scientific Committee. The Chair of the Scientific Committee may, if the need arises, seek external advice or advice from the company's scientific advisory board. The Chair of the Scientific Committee is to inform the Board of the committee's work and evaluate its work and compliance with the articles on an annual basis and provide a written evaluation to the Board.

Composition and work during 2017

At the first meeting after the 2017 Annual General Meeting the following members of the Board were appointed to the Scientific Committee:

Steven Glazer
Charlotte Edenius

Steven Glazer was appointed Chair of the Scientific Committee.

During 2017, the Scientific Committee had 5 meetings. Members' attendance at committee meetings is shown in the table on page 50.

CEO and other senior executives

The CEO reports to the Board of Directors and is primarily responsible for the current administration of the company and the day to day operations. The division of labour between the Board and the CEO is set out in the work plan for the Board and the instructions to the CEO. The CEO is also responsible for preparing reports and compiling information from management prior to Board meetings, and presents the material at the Board meetings.

According to the instructions for financial reporting, the CEO is responsible for financial reporting within the company and consequently must ensure that the Board has access to sufficient information to be able to evaluate Immunicum's financial position continuously.

The CEO is to inform the Board on a regular basis as to the development of Immunicum's business, the company's result and financial position, liquidity situation, significant business events and other circumstances which cannot be considered irrelevant for the company's shareholders (for example, significant disputes, termination of agreements which are important for Immunicum and important circumstances which affect the company's products and projects). The CEO manages the management team's work and makes decisions in consultation with the other members of the management team. The management team consists of six people in addition to the CEO and has regular meetings under the CEO's management.

A presentation of the CEO and other senior executives can be found on page 26 of the Annual Report.

Remuneration to senior executives of the company

The Annual General Meeting of Immunicum AB decides on guidelines for remuneration to senior management each year after a proposal from the Board.

The Company shall offer a total compensation at market level that enables the recruitment and retention of qualified senior executives. Compensation to the senior executives shall be comprised of fixed salary, variable salary based on the individual's achievement of goals, pension and other benefits. If the board of directors considers that new share related incentive schemes (inter alia personnel options) should be introduced, the board of directors shall propose that such are resolved by the general meeting.

The fixed salary shall take into account the individual's performance in the position considering the areas of responsibility and experience. Evaluation and reconsideration is normally made annually.

The variable salary shall, if applicable, be based on the individual's achievement of qualitative and quantitative goals. The variable part of the salary can for the managing director amount to a maximum of 35 percent of the fixed

annual salary and for other senior executives to a maximum of 20 percent of the fixed annual salary.

Pension benefits shall be premium-based. The pension premiums shall for the managing director be a maximum of 30 percent of the fixed monthly salary and for other senior executives a maximum of 25 percent of the fixed monthly salary.

The notice period for senior executives shall be a maximum of twelve months. Severance payments shall not be made. However, the managing director can be entitled to extraordinary compensation of a maximum of one years' salary in the event of a change of ownership whereby the Company is wholly acquired or taken over.

The senior executives are entitled to other customary benefits, such as mobile phone, lap top and corporate health care.

The managing directors' compensation shall be prepared and resolved by the board of directors. Other senior executives' compensations shall be prepared by the managing director who shall propose compensation to the board of directors for approval. The board of directors is entitled to deviate from the aforementioned guidelines if justified due to special circumstances in the individual case.

Both the guidelines for remuneration and Immunicum's system for variable remuneration are evaluated by the Board on an annual basis. Furthermore, information regarding remuneration to senior management can be found in Notes 5 and 22 of the Annual Report.

External audit

The company's auditor is elected by the Annual General Meeting. Immunicum's auditor is the registered accounting firm KPMG AB. Authorized public accountant Jan Malm is the auditor-in-charge.

Auditor responsible
KPMG AB

Jan Malm
Authorized public accountant
Auditor-in-charge
Company auditor since 2016

Jan Malm's other listed clients are Opus Group AB, Concordia Maritime AB, Xvivo Perfusion AB, Isofol Medical AB and Micropos Medical AB. His unlisted clients include Lindex, Kjell & Co and Lindéngruppen AB.

The external audit plan and risk management are discussed with the Audit Committee. The auditors perform a general review of the quarterly report for the third quarter and audit the annual accounts. The auditors also express an opinion as to whether this corporate governance report has been prepared and whether certain information contained within it is compatible with the annual accounts. The auditors report the result of their audit of the annual accounts and their review of the corporate governance report in the audit report as well as in a special opinion on the corporate governance report, which are presented to the Annual General Meeting. In addition, the auditors submit reports of audits performed to the Audit Committee and to the Board as a whole.

Remuneration to the auditors

Remuneration to the auditors is decided by the general meeting of shareholders. The Annual General Meeting which was held on 26 April 2017 decided that the auditors are to be remunerated on current basis.

During the 2017 financial year remuneration to the auditor in connection with the audit assignment amounted to TSEK 145. The audit assignment is defined as the audit of the annual accounts and book-keeping and of the administration by the Board and the CEO, other tasks which fall under the responsibility of the company's auditor and advice or other support which may arise from observations during such an audit or the performance of such other tasks. In addition to the audit assignment, KPMG has during the financial year provided services for the amount of TSEK 583 consisting of consultations and audit-related services. Remuneration to the auditors can be found in Note 4 of the Annual Report.

Internal control and risk management with regard to the financial reporting

The overall purpose of the internal control is to ensure to a reasonable degree that the company's operative strategies and goals are followed up and that the owners' investments are protected. The internal control is also to ensure that the external financial reporting is to a reasonable degree reliable and prepared in accordance with good accounting practice, that applicable laws and regulations are followed, and that the demands made on listed companies are met. At Immunicum, internal control of the financial reporting is, for example, directed at ensuring an effective and reliable handling and reporting of accrued costs.

The internal control environment is largely comprised of the following five elements: control environment, risk assessment, control activities, information and communication, and follow-up.

Control environment

The control environment at Immunicum constitutes the frame for the direction and culture communicated to the organization by the company's Board and management. Internal management and control in accordance with accepted frameworks are a prioritized area of the management work. Immunicum's Board and management define and shape decision pathways, powers and responsibilities which are clearly defined and communicated in the organization. The company's Board also strives to ensure that steering documents such as internal instructions and policies cover identified significant areas and that they provide

the right guidance to the different senior executives in their work at the company.

Risk assessment

Immunicum's Board works continuously and systematically with risk assessments in order to identify risks and take appropriate measures in respect of these. The risk assessment is also designed to identify such risks that significantly impact the internal control of the financial reporting.

Control activities

The primary purpose of the control activities is to prevent, discover and rectify errors in the financial reporting. Routines and activities have been designed to manage and deal with significant risks which are related to the financial reporting. The activities include analytical follow-up and comparison of earnings trends or items, reconciliation of accounts and balance sheet specifications, as well as approval of all business transactions and cooperation agreements, powers of attorney and authorization instructions, and accounting and valuation principles. Access to financial systems is restricted according to authority, responsibility and role.

Information and communication

In addition to the very high demands made by Nasdaq Stockholm and supervisory authorities regarding the scope and accuracy of information, Immunicum has internal control functions for information and communication in place to ensure that correct financial and other company information is communicated to coworkers and other stakeholders.

The company's internal instructions and policies are available to all coworkers and give detailed information about routines that apply in all parts of the company, and describe the control functions and how they are implemented.

The security around all information that can affect the company's market value and ensuring that such information is communicated externally in a correct and timely manner are corner stones in the company's commitment as a listed company. These two factors and the routines for managing them ensure that the financial reports are received by the financial market's actors at the same time and present a true and fair view of the company's financial result and position.

Follow-up

Compliance with internal policies, directives, guidelines and codes, and the suitability for purpose and functionality of established control activities are followed up continuously. Measures and routines in respect of the financial reporting are subjected to continuous follow-up. Immunicum's management conducts a monthly result follow-up with an analysis of deviations from the budget and the previous period, including at project level. The Board reviews the Annual Report and interim reports prior to their publication. The Board meets the company's auditors once a year to discuss the internal control and the financial reporting.

Special assessment of the need for internal audit

Immunicum has no special scrutinizing function (internal audit). The company has an uncomplicated legal and operative structure in which the Board continually follows up the company's internal control in conjunction with external and internal financial reporting. In addition, the Audit Committee monitors the effectiveness in the internal

Gothenburg, 3 April 2018

Agneta Edberg
CHAIR OF THE BOARD

Magnus Nilsson
MEMBER OF THE BOARD

Charlotte Edenius
MEMBER OF THE BOARD

Magnus Persson
MEMBER OF THE BOARD

Steven Glazer
MEMBER OF THE BOARD

Kerstin Valinder Strinnholm
MEMBER OF THE BOARD

Martin Lindström
MEMBER OF THE BOARD

Auditor's opinion on the corporate governance report

To the annual meeting of the shareholders of Immunicum Aktiebolag (publ), corporate identity number 556629-1786

The Board of Directors is responsible for the corporate governance report for the year 2017 on pages 47-52 and for its preparation in accordance with the Annual Accounts Act.

As a basis for our opinion that the corporate governance report has been prepared and is in accordance with the annual accounts, we have read the corporate governance report and assessed its statutory content based on our knowledge of the company.

We believe that a corporate governance report has been prepared, and that its statutory information is in accordance with the annual accounts.

Gothenburg, 3 April 2018

KPMG AB

Jan Malm
Authorized public accountant

Information to the shareholders

AGM 2018

Annual General Meeting on Wednesday, 25 April 2018, at 11.00 a.m. at University of Gothenburg School of Business, Economics and Law, room E44, Vasagatan 1, 405 30 Gothenburg.

Interim report Q1

04/05/2018

Interim report Q2

17/08/2017

Interim report Q3

07/11/2018

Year end report 2018

15/02/2019

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IMMUNICUM
INNOVATION IN IMMUNO-ONCOLOGY

Immunicum AB

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