Immunovaccine

Media Release

FOR IMMEDIATE RELEASE

Immunovaccine Provides Corporate Update and Announces Second Quarter 2016 Financial Results

Halifax, Nova Scotia, August 9, 2016 – Immunovaccine Inc. ("Immunovaccine" or the "Company") (TSX: IMV; OTCQX: IMMVF), a clinical-stage vaccine and immunotherapy company, today provided a corporate update and announced financial results for the second quarter ended June 30, 2016.

"In the second quarter of 2016," said Frederic Ors, Immunovaccine's Chief Executive Officer, "we continued to significantly build the three pillars that support the long-term success of Immunovaccine and our DepoVax™-based pipeline. Firstly, we continued to advance immuno-oncology research that leverages the novel aspects of DepoVax™ in programs for the next generation of cancer treatments.

Secondly, we have focused our DepoVax™-based technology in key areas of unmet medical need in infectious diseases, which meant building and expanding programs for malaria, the Zika virus and respiratory syncytial virus (RSV) while ceasing our PharmAthene collaboration related to anthrax.

Finally, we have bolstered our corporate infrastructure by securing additional funding and the naming of a permanent CEO, acknowledging ongoing contributions of senior employees via executive-level promotions, making key Board of Directors appointments, and initiating the search for a Chief Medical Officer."

Significant Q2 events included:

- Announcing the first infectious disease-based clinical demonstration of immunogenicity for a Depo-Vax™ based candidate with DPX-RSV interim Phase 1 results

- Presenting further research data combining DepoVax™-based immunotherapies and checkpoint inhibitors at the American Association of Cancer Research (AACR) Meeting 2016

- Entering into four new collaborative projects:
    - Two with Leidos in the areas of Zika virus and malaria vaccine development;
    - One with the University of Edinburgh's Center for Immunity, Infection and Evolution (CIIE), also in malaria vaccine development; and

    - One with UConn Health in immuno-oncology, developing new immune therapies using neoepitopes

- Securing $8 million in a bought deal private placement financing

- Terminating the collaboration and licensing agreement with PharmAthene based upon the change in focus and timing for the U.S. government's "Request for Proposal" for next-generation Anthrax vaccines

- Naming Frederic Ors permanent Chief Executive Officer

- Appointing Medicago CEO and President Andy Sheldon as Board Chairman, and CTI LSF's Shermaine Tilley as a Board Director

- Supporting the future success of the company with the promotions of Rita Nigam to Vice President, Clinical Research; Leeladhar Sammatur to Vice President, Product Development and Manufacturing; and Marianne Stanford to Vice President, Research

- Initiating a search for a Chief Medical Officer, a newly created executive position that will support the company's advancing clinical portfolio

"Recent progress with our immuno-oncology programs is indicative of the long-term potential of our DepoVax™-based cancer therapies for enabling the development of novel drug candidates," stated Mr. Ors. "New preclinical data presented at the Annual AACR Meeting 2016 demonstrated that DepoVax™-based combination immunotherapies can improve the performance of checkpoint inhibitors, which include the PD-1 agents that have seen much success recently for patients with cancers previously considered untreatable.

"Researchers in our animal studies observed controlled growth in advanced tumors that were non-responsive to treatment with PD-1 blockade alone. These data provide us with a roadmap for our future clinical strategy for combining our DepoVax™-based therapies, including our DPX-Survivac immunotherapy candidate, with checkpoint therapies. We are currently in final contracting discussions with clinical investigators and major pharmaceutical organizations to initiate a clinical trial in this area in the upcoming month.

"We also recently entered an arena widely considered 'the next frontier' of cancer immunotherapies," continued Mr. Ors. "In May, we launched our DPX-NEO program to develop patient-specific neoepitope immunotherapies using our DepoVax™-based technology."

Immunovaccine's initial DPX-NEO collaboration, with experts at UConn Health, includes a preclinical study to evaluate the immunologic and anti-tumor activity of tumor-specific neoepitopes formulated in the DepoVax™-based delivery system. Epitopes are the part

of the biological molecule that is the target of an immune response. Neoepitopes are the mutated proteins produced by a patient's own tumors. Neoepitope-based immunotherapies target these patient-specific proteins.

“Our novel DepoVax™ platform, with its unique mechanism of action and cost-effective, scalable manufacturing capabilities, is ideally positioned to become an enabling technology in the neoepitope field,” noted Mr. Ors. “We are looking forward to additional work in 2016 to further develop this program.”

The company also reported that its immuno-oncology partnership with Incyte continues to advance. Following FDA clearance earlier this year, the companies hope to dose the first patient in a Phase 1b clinical trial evaluating DPX-Survivac in combination with Incyte’s IDO1 inhibitor epacadostat in recurrent ovarian cancer within the next few months.

Mr. Ors also remarked on the company’s next application of DepoVax™-based vaccines in infectious diseases. “Shortly after the quarter ended, we announced positive interim Phase 1 data for our DepoVax™-based RSV candidate (DPX-RSV). Interim analysis results indicated that DPX-RSV was well tolerated among all study participants. Immunogenicity data supported DPX-RSV’s ability to generate a relevant immune response. DPX-RSV induced an antigen-specific antibody response in 100 percent of those vaccinated in the higher dose cohort.”

Data from this study marked the first clinical safety and immunogenicity demonstration from a DepoVax™-based program in infectious diseases.

“In April, we joined the global race to address the Zika virus, partnering with Leidos,” noted Mr. Ors. “Leidos will lead a team to identify the best candidate antigens for protection against infection by the Zika virus. Immunovaccine will formulate the new antigens in its DepoVax™ delivery system for preclinical testing. Together, we hope this project will serve as a replicable model for expediting the development and manufacture of vaccines to address current and future health emergencies.”

Immunovaccine also initiated two projects related to malaria–a particularly strong unmet medical public health need that, according to the World Health Organization, saw 214 million new cases resulting in 438,000 deaths worldwide in 2015:

- A preclinical collaboration with the University of Edinburgh’s CIIE, which will focus on a DepoVax™-based vaccine for the most virulent form of the infection—which is most likely to result in deaths—for which there is currently no preventative vaccine available

- Working again with Leidos, to provide malarial-focused vaccine evaluations in the preclinical, clinical and field stages of development, funded via Leidos’ prime contract from the U.S. Agency for International Development (USAID)

“We believe that our work in malaria reinforces the belief that the flexibility, rapid immune response and other unique features of DepoVax™ technology have the potential to address significant public health needs and eliminate vaccine development barriers,” stated Mr. Ors.

As part of its corporate update, Immunovaccine has reported that it has agreed with PharmAthene to terminate their collaboration and licensing agreement. Mr. Ors commented, “The termination of this program provides the opportunity for Immunovaccine to focus the use of its resources on immuno-oncology clinical programs, which is where we believe we can create the most value for our investors.”

With a focus on the future, Immunovaccine has continued to meet corporate milestones that serve as the third pillar supporting the long-term value of Immunovaccine. During the second quarter, the company secured $8 million in a bought deal private placement financing, finalized the official appointment of Frederic Ors as the company’s Chief Executive Officer, promoted three directors to vice presidents, made two new Board of Directors appointments, and created a Chief Medical Officer position.

Looking forward, Mr. Ors noted, “While there may be many companies seeking to harness the power of the human immune system to address disease, in Q2 2016, the Immunovaccine team positioned itself for short and long-term value generation. We established a foothold on the next generation of cancer treatments; we have shown that the unique characteristics of DepoVax™ technology may reduce the barriers of development for infectious disease vaccines; and we have strengthened our infrastructure to support the company’s next phase of development.

Carrying forward the momentum of the second quarter, we anticipate further value for our shareholders via the three pillars of Immunovaccine’s business strategy. We expect continued growth of our pipeline, additional progress with our business partners, and development of new strategic relationships throughout the balance of 2016.”

Q2 2016 Financial Results

The Company prepares its unaudited interim condensed consolidated financial statements in accordance with Canadian generally accepted accounting principles as set out in the Chartered Professional Accountants of Canada – Accounting Part I (“CPA Canada Handbook”), which incorporates International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

The Company’s net loss and comprehensive loss of $1,405,000 for the quarter ended June 30, 2016 (“Q2 Fiscal 2016”) was $1,148,000 lower than the net loss and comprehensive loss for three months ended June 30, 2015 (“Q2 Fiscal 2015”). This relates mainly to the $562,000 decrease in research and development costs, $265,000 decrease in business development expenses, $259,000 decrease in general and administrative expenses, and an increase of revenue of $65,000, offset by a $3,000 increase in accreted interest.

For Q2 Fiscal 2016, the Company reported total R&D expenses of $886,000, net of government loans and assistance of $45,000 and investment tax credits of $62,000. This represented a $562,000 decrease of net research and development expenses over Q2 Fiscal 2015. General and administrative expenses of $362,000 were reported for Q2 Fiscal 2016 compared to $621,000 for Q2 Fiscal 2015. The significant decrease in general and administrative expenses of $259,000 is mainly due to an accounting adjustment made for the recording of the government assistance received in Q2 Fiscal 2016. Total business development expenses of $140,000 in Q2 Fiscal 2016 represented a decrease of $265,000 compared Q2 Fiscal 2015.

At June 30, 2016, Immunovaccine had cash and cash equivalents of $8,926,000 million and working capital of $9,023,000 million as compared to $3,842,000 million in cash and $3,283,000 million in working capital at December 31, 2015.

As of June 30, 2016, the number of issued and outstanding common shares was 106,773,790. On June 30, 2016, the number of stock options outstanding was 6,171,145 and the number of outstanding warrants was 8,146,908.

Immunovaccine's unaudited interim condensed consolidated financial statements for June 30, 2016, filed in accordance with IFRS, and the management discussion and analysis (MD&A), will be available at www.sedar.com.

About Immunovaccine
Immunovaccine Inc. develops cancer immunotherapies and infectious disease vaccines based on the Company's DepoVax™ platform, a patented formulation that provides controlled and prolonged exposure of antigens and adjuvant to the immune system. Immunovaccine has advanced two T cell activation therapies for cancer through Phase 1 human clinical trials and is currently conducting a Phase 2 study with its lead cancer vaccine therapy, DPX-Survivac, in recurrent lymphoma. DPX-Survivac is expected to enter additional Phase 2 clinical studies in ovarian cancer and glioblastoma (brain cancer). In collaboration with commercial and academic partners, Immunovaccine is also expanding the application of DepoVax™ as an adjuvanting platform for vaccines targeted against infectious diseases. Immunovaccine's goal in infectious diseases is to out-license its DepoVax™ platform to partners to generate earlier revenues. Connect at www.imvaccine.com

Forward-looking Statement
This press release contains forward-looking information under applicable securities law. All information that addresses activities or developments that we expect to occur in the future, is forward-looking information. Forward-looking statements are based on the estimates and opinions of management on the date the statements are made. However, they should not be regarded as a representation that any of the plans will be achieved. Actual results may differ materially from those set forth in this press release due to risks affecting the Company, including access to capital, the successful completion of clinical trials and receipt of all regulatory approvals and the matters discussed under "Risk

Factors and Uncertainties" in Immunovaccine's Annual Information Form filed on March 29, 2016. Immunovaccine Inc. assumes no responsibility to update forward-looking statements in this press release except as required by law.

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