ASX Annoucement

Imugene broadens pipeline with acquisition of immuno-oncology technology from Melbourne's Baker IDI Heart and Diabetes Institute

MELBOURNE Australia, 13 December 2016: Imugene Limited (ASX: IMU), a clinical stage immuno-oncology company, today announced an exclusive agreement with the internationally respected Baker IDI Heart & Diabetes Institute in Melbourne to research, develop and commercialise a portfolio of small molecule arginine modulators for oncology.

Arginine is a naturally occurring amino acid critical for the activation, growth and survival of the body's own cancer-fighting cells. Depletion of arginine has been observed in renal cell carcinoma and acute myeloid leukemia patients. Researchers believe increasing availability of arginine could help restore the tumor killing activity of the body's own cancer fighting cells.

Imugene Chief Executive Officer Leslie Chong said, "There is a growing body of evidence that drugs targeting immuno-oncology and tumor metabolism pathways have the potential to improve cancer treatment. This agreement with the Baker IDI expands our clinical pipeline and potential to develop and commercialise first-in-class therapies that could significantly advance this promising field of cancer research."

Ms Chong said Imugene would use its expertise in tumor immunology to advance the Baker IDI's potent and selective small-molecule arginine modulators into the clinic with the first proof of concept studies scheduled to begin in 2017.

Under the agreement, Imugene will pay no upfront costs for the exclusive, worldwide rights to Baker IDI's arginine modulators for drug research, development and commercialisation for oncology and cancer treatment. In return, Baker IDI will receive 1.5 per cent of net revenues generated from approved cancer therapies using the technology. A new patent protecting the compounds in the field of oncology has been

filed with the Australian Patent Office (Australian Provisional Patent Application No. 2016905121).

Leading cardiologist and head of hypertension and cardiac disease at Baker IDI Professor David Kaye said, “There is increasing evidence the biology of inflammation that contributes to heart failure is also relevant to the biology that drives cancer. Our collaboration with Imugene supports our internal research programs to find new and more effective treatments for heart failure.”

Arginine modulators were discovered as part of Baker IDI’s extensive cardiovascular drug discovery research program.

Imugene Executive Chairman Paul Hopper said, “This agreement is an excellent example of the benefits of harnessing the innovative science from the world’s best academic and commercial organisations. We hope this is only the first of many such ventures with Baker IDI.”

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About Tumor Immunology and Arginine Modulators

The field of tumor immunology is focused on developing agents that activate the body's own immune system to attack and kill tumors. Imugene's new preclinical program in tumor immunology is focused on developing modulators of arginine availability in the tumor microenvironment where arginine is often depleted. Arginine is a naturally

occurring amino acid that is critical for the activation, growth and survival of the body's cancer-fighting cytotoxic T cells. Depletion of arginine has been observed in renal cell carcinoma and acute myeloid leukemia patients. By increasing the availability of arginine in the tumor microenvironment, it may be possible to restore the tumor killing activity of cytotoxic T cells by preventing the depletion of arginine[1]. Baker IDI has discovered novel compounds, originally developed to treat cardiovascular disease, that selectively and potently increase arginine availability. These compounds may now have therapeutic potential in the treatment of cancer, specifically anti-tumor activity in renal cell cancer, breast cancer, non-small cell lung cancer, acute myeloid leukemia, and other tumor types where arginine depletion in MDSC's is known to play an immunosuppressive role. The compounds may also have the ability to combine with other immuno-oncology therapies that target T-cell activation, such as CTLA-4 and PD-1 antibodies.

About Imugene

Imugene (ASX: IMU) is a clinical stage immuno-oncology company headquartered in Melbourne, Australia. Its lead product is HER-Vaxx, a B Cell peptide vaccine for the treatment of gastric cancer. The company is also developing mimotope-based immunotherapies against validated and new oncology targets.

HER-Vaxx is a cancer immunotherapy designed to treat tumours that over-express the HER-2/neu receptor, such as gastric, breast, ovarian, lung and pancreatic cancers. This unique immunotherapy, developed by leading scientists at the Medical University of Vienna in Austria, is a peptide vaccine constructed from various B cell epitopes of HER-2/neu. It has been shown in pre-clinical work and in one Phase 1 study to stimulate a potent polyclonal antibody response to HER-2/neu, a well-known and validated cancer target. HER-Vaxx's successful Phase 1 study was in patients with breast cancer and the next stage of development will be a Phase 1b/2 study in patients with gastric cancer initiating in 2016.

In January 2016 Imugene announced a new partnership with the Medical University of Vienna to discover and develop mimotope-based immunotherapies against validated

and new oncology targets. This partnership has the potential to create game-changing B Cell peptide vaccines that would replace or augment conventional monoclonal antibodies.

For further information, please visit www.imugene.com.
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1. “L-Arginine Modulates T Cell Metabolism and Enhances Survival and Anti-tumor Activity”. Advance Online Publication (AOP) on http://www.cell.com/cell/newarticles