

7 June 2018

Dear Option Holder

Imugene Entitlement Offer – notice to option holders

On 7 June 2018, Imugene Limited (ASX code: IMU) (**Imugene**) announced a \$20.1 million equity raising through a placement to institutional investors at \$0.027 per share (and 1 new option for every 3 new shares issued with an exercise price of \$0.040 per new option exercisable on or before 30 November 2021) to raise approximately \$12 million (**Placement**), and a 1 for 9.5 non-renounceable entitlement offer of fully paid ordinary shares in Imugene (**New Shares**) (and 1 new option for every 3 New Shares issued) to raise approximately \$8.1 million (**Entitlement Offer**).

In addition to providing additional working capital to meet operational needs, the proceeds of the Entitlement Offer and Placement (together, the **Equity Raising**) will enable Imugene to proceed with:

- 1 acceleration of the newly combined Imugene pipeline of HER2, PD-1 and combinations of B-cell vaccine clinical programs acquired from Ohio State University Comprehensive Cancer Centre's (**OSU**) and Mayo B-cell Peptide IP and Clinical Portfolio (as announced by the Company on 7 June 2018);
- 2 completion of Phase 2 Trial for OSU/Mayo Clinic HER-2 Vaccine;
- 3 adaptive clinical study for PD-1 vaccine candidate;
- 4 new vaccine candidates through IND enabling studies;
- 5 R&D programs at OSU to advance additional vaccine candidates; and
- 6 GMP manufacturing and GLP-preclinical studies for clinical candidates.

The Entitlement Offer entitles eligible shareholders to subscribe for 1 New Share for every 9.5 existing ordinary shares in Imugene (**New Shares**) (and 1 new option for every 3 New Shares issued) held at 7.00pm (AEDT) on 13 June 2018 (**Record Date**) at an offer price of \$0.027 per new share (**Entitlement**).

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

Your options do not entitle you to participate in the Entitlement Offer.

The purpose of this letter is to give you notice before the Record Date that you may exercise your options if you wish to participate in the Entitlement Offer. Accordingly, if you wish for some or all of the shares underlying your options to be counted as part of your Entitlement under the Entitlement Offer, you will need to exercise that portion of your vested and exercisable options for which you wish to participate and pay the current exercise price for them so that those shares are issued to you before the Record Date. Please contact our share registry if you wish to exercise your options.

The share registry contact details are:

By hand delivery (not to be used if mailing)

Imugene Limited
C/- Automic Registry Service Limited
Level 29, 201 Elizabeth Street
Sydney, NSW 2000

By post

Imugene Limited
C/- Automic Registry Service Limited
PO Box 2226, Strawberry Hills
NSW 2012

If you choose to participate in the Entitlement Offer by exercising some or all of your options before the Record Date, you will be sent a prospectus and personalised Entitlement and Acceptance Form containing important information about the Entitlement Offer. A copy of the prospectus will also be made available on the ASX website at www.asx.com.au and Imugene's website at www.automic.com.au.

If you do not wish to participate in the Entitlement Offer (in respect of your options) you do not need to take any action.

In that case, you should be aware that your existing options confer no right to a change in exercise price, nor a change to the number of underlying shares over which they can be exercised, as a result of the Entitlement Offer.

Before deciding whether to exercise all or any of your options, you should consider the terms of the Entitlement Offer carefully and consult with your professional adviser if necessary.

Should you have any queries about this matter, please do not hesitate to contact 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia) at any time from 8.30 am to 5.00 pm (AEDT) Monday to Friday.

Yours sincerely



Paul Hopper
Executive Chairman
Imugene Limited

Important information

This letter does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States, or in any other jurisdiction in which such an offer would be illegal. The securities referred to in this document have not been, and will not be, registered under the US Securities Act of 1933 (the 'US Securities Act'), or under the securities laws of any state or other jurisdiction of the United States and may not be offered or sold, directly or indirectly, within the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.