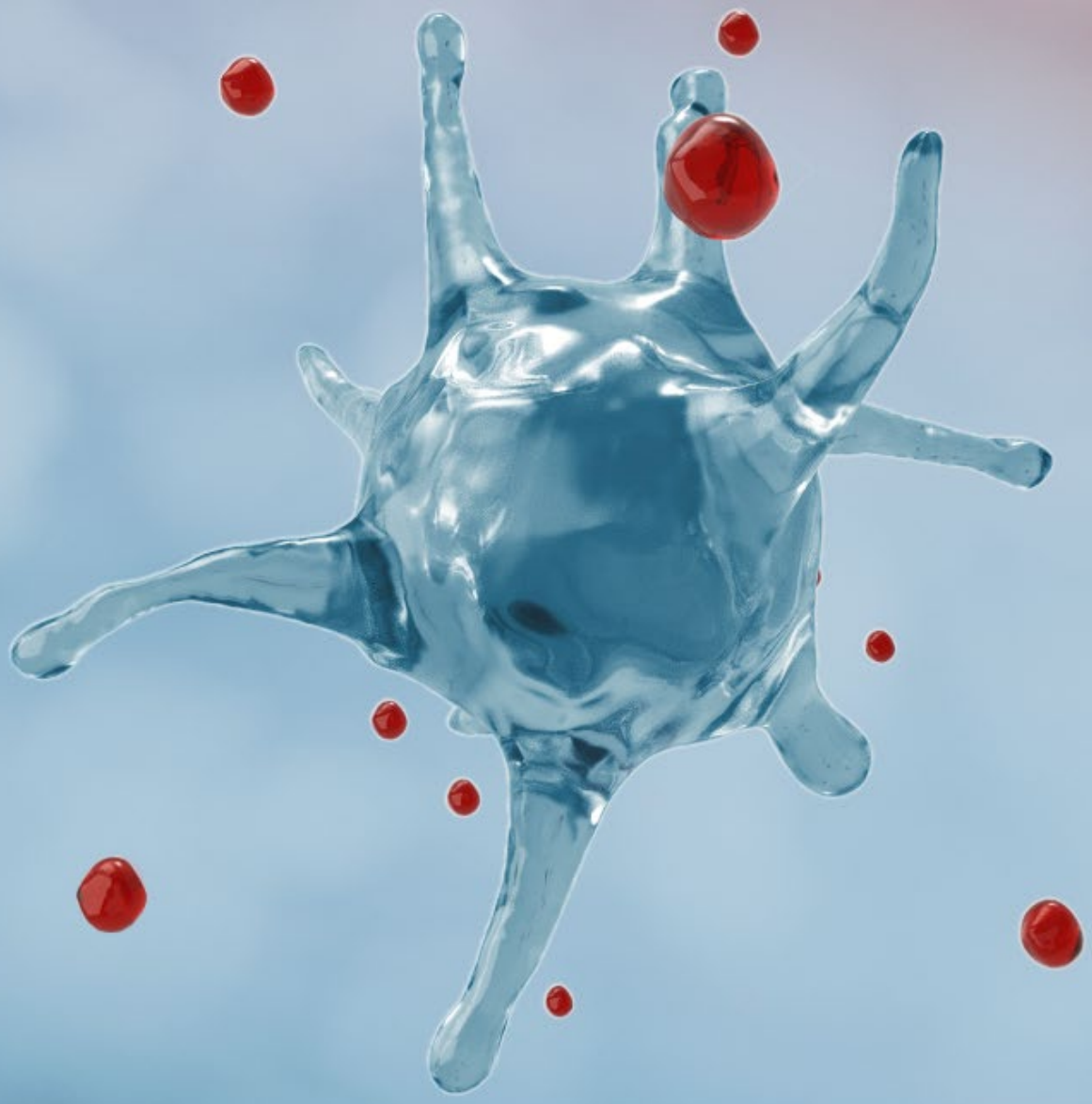
2019

Annual report



IMMUNICUM
INNOVATION IN IMMUNO-ONCOLOGY

Content

The annual report according to the Swedish Annual Accounts Act is included on pages 38-53 in this document

2019 in brief

» **2019 was a** important year when Immunicum's belief in the lead product candidate ilixadencel was strengthened by the study results from the MERECA and GIST clinical trials as well as being able to move the ILIAD study to the next dosage level. The data presented during the year reinforces the Company's view that ilixadencel has the potential to play both a clinical and a market role in the future.

During the year, important milestones were achieved in the clinical field that give Immunicum several opportunities for further clinical development. Topline data from the exploratory Phase II MERECA clinical trial in metastatic Renal Cell Carcinoma (RCC) showed that five patients had complete response and data on survival benefit in all patients showed that a higher percentage of ilixadencel patients were alive as per data cut-off in July 2019. Follow-up on survival data in December 2019 demonstrated a separation in survival curves in favor of the ilixadencel group. Positive results were reported from the completed Phase I/II clinical trial examining with ilixadencel in combination with tyrosine kinase inhibitors, in six patients with gastrointestinal stromal tumors (GIST). Advancement to the next dosage group level in the Phase Ib/II ILIAD combination trial was being allowed by the Dose Escalation Committee. Altogether, this is an important step toward the Company's ambition to improve survival outcomes and quality of life by priming the patient's own immune system to fight cancer.

During 2019, Immunicum communicated the following significant events

Q1

- Phase I/II clinical trial results of ilixadencel in advanced Hepatocellular Carcinoma were published in *Frontiers in Oncology*.
- The first patient was treated in the Phase Ib/II ILIAD clinical trial evaluating the safety and efficacy of ilixadencel, in combination with checkpoint inhibitors, in three cancer indications: head and neck cancer, non-small cell lung cancer and gastric cancer. The initial Phase Ib portion of the trial will be conducted at clinical centers in the US.

Q2

- Positive results were announced from the completed Phase I/II clinical trial examining the safety and tolerability of ilixadencel, in combination with tyrosine kinase inhibitors, in six patients with Gastrointestinal Stromal Tumors (GIST), a rare and difficult-to-treat disease indication.
- A long-term incentive program for all employees was approved by the Annual General Meeting. The program was subscribed to 94.4 %.

Q3

- Topline data were announced from the exploratory Phase II MERECA clinical trial in RCC. Five patients had complete responses and the topline data on survival benefit in all patients showed that a higher percentage of ilixadencel patients were alive as per data cut-off in July 2019.

Q4

- Advancement to next dosage group level in Phase Ib/II ILIAD combination trial.
- Positive preclinical data on ilixadencel in combination with anti-CTLA-4 immune checkpoint inhibitor.
- Immunicum announced the upcoming oral presentation on Phase II MERECA trial of ilixadencel in kidney cancer at ASCO-SITC Clinical Immuno-Oncology Symposium to be held in Orlando, Florida.
- The new Immunicum patent "Improved allogeneic dendritic cells for use in cancer treatment" was granted by the European Patent Office.
- Immunicum announced the resignation of Carlos de Sousa as CEO and the appointment of Alex Karlsson-Parra as interim CEO.

Introduction to Immunicum

» **Immunicum is a** biopharmaceutical company that develops immune therapies against a range of solid tumors. The Company is establishing a unique immuno-oncology approach through the development of allogeneic, off-the-shelf cell-based therapies. Our goal is to improve survival outcomes and quality of life by priming the patient's own immune system to fight cancer. Founded and based in Sweden, Immunicum is publicly traded on Nasdaq Stockholm Small Cap.

Ilixadencel – an immune primer

The Company's lead product ilixadencel, consisting of pro-inflammatory allogeneic dendritic cells, has the potential to become a backbone component of modern cancer combination treatments in a variety of solid tumor indications.

Ilixadencel has been developed to be able to take advantage of each patient's unique profile of tumor-specific antigens by injecting ilixadencel directly into the tumor. This approach thereby eliminates the need to characterize, select and produce each patient´s tumor-specific antigens before treatment.

Immunicum has evaluated ilixadencel in several clinical trials including the recently completed exploratory Phase II study MERECA in RCC. The company is currently conducting a multi-indication Phase Ib/II study (ILIAD) in combination with checkpoint inhibitors; in non-small cell lung cancer, head and neck cancer and gastric cancer. The important information that Immunicum have and will receive from these studies, together with continuously ongoing analysis of the cancer treatment landscape, will continue to shape the development plan for ilixadencel.

UNIQUELY POSITIONED BACKBONE IMMUNE PRIMER

Off-the-shelf allogeneic cell therapy as **intratumoral immune primer** to tumor-specific antigens

1	100	50	4	
HEALTHY DONOR SAMPLE	ILIXADENCEL DOSES	PATIENTS TREATED	YEAR SHELF-LIFE	NO NEED FOR PATIENT MATCHING OR TUMOR MATERIAL

ADVANCED STAGE

Phase II controlled study in RCC completed in August 2019
Excellent safety profile in **over 90 patients in various solid tumors**
Clinical GMP manufacturing in place and commercial scale activities initiated

VALIDATED APPROACH

Global regulatory interactions with US IND in place, EU CTAs & ATMP Certification
Collaboration/supply agreement for Phase II part of new study MERCK Pfizer

EXPERIENCED TEAM

Extensive experience in pharma, business development, CMC and Regulatory

Business and strategy

Position ilixadencel as the first choice of cancer immune primers

Immunicum's strategy is to position ilixadencel as the first choice of cancer immune primers that are to be combined with treatments that fight immune suppression, e.g. checkpoint inhibitors and certain tyrosine kinase inhibitors. This is for the patient to have a stronger immune response with a more effective anti-tumor treatment.

The Company develops these immune-based therapies primarily by conducting a number of clinical trials to establish the product candidate's therapeutic potential and safety and demonstrate synergy in combination with other drugs.

Build value based on clinical validation

The focus is to generate attractive clinical and pre-clinical data on its programs, to build value and to provide the broadest range of corporate development opportunities 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 to provide better cancer therapy and build long term shareholder value.

CEO comment

» **2019 was a** year in which we successfully achieved key milestones that provided us with valuable insights on ilixadencel that have strengthened our understanding of our lead drug candidate and have enabled us to take the next steps in terms of clinical development.

In 2019, we obtained positive clinical results from both the MERECA and GIST studies and gained data from a preclinical study in which we observed the benefits of combining ilixadencel with the checkpoint inhibitor, anti-CTLA-4. Another important milestone in 2019 was related to the ILIAD study, which was launched in the beginning of the year. In the ILIAD study we are investigating the safety and initial signs of efficacy of ilixadencel in patients with non-small cell lung cancer, head and neck cancer and stomach cancer. In these indications, the first generation of checkpoint inhibitors have a limited effect. Based on our full data package to-date, we believe that the combination of the immune primer, ilixadencel, with the checkpoint inhibitors, anti-PD-1 or anti-PD-L1, will lead to a more efficacious outcome in patients as compared to monotherapy with the same checkpoint inhibitors. The first three patients in the ILIAD study were treated with ilixadencel in combination with the anti-PD-1 antibody, Keytruda®, and passed the first safety and tolerability follow-up in October.

In the second half of 2019, we announced the top-line results from the Phase II MERECA trial, in which patients with kidney cancer were treated with ilixadencel in combination with the tyrosine kinase inhibitor, sunitinib. The results indicated a positive efficacy as compared to sunitinib monotherapy, and follow-up on survival data in December 2019 demonstrated a separation in survival curves in favor of the ilixadencel group. This separation confirmed the Kaplan-Meier curve projections from July 2019. An extended analysis showed that the combined treatment with ilixadencel demonstrated a nearly two-fold higher confirmed overall response rate as compared to sunitinib monotherapy. The results were later presented at the international oncology conference, ASCO-SITC Clinical Immuno-Oncology Symposium, in Orlando, Florida.

Looking at the immuno-oncology space on the whole, there remains a large number of patients who do not respond to the currently available immunotherapy treatments and also experience a high number of side effects. In that context, ilixadencel could play an important role in enhancing combination treatments regimens without adding toxicity. In addition, the data from the MERECA trial indicate that ilixadencel has the potential to increase the probability of long-term survival.

We were also able to report results from the Phase I/II GIST study in which six patients with gastrointestinal stromal cell tumors, a rare disease, were treated with ilixadencel. The results showed that ilixadencel had a favorable safety profile, confirming similar data from past studies, in combination with several TKIs. In addition, analysis of the secondary clinical trial endpoints provided initial signals of clinical benefit in two patients that showed partial response to the treatment. These results also support ilixadencel's potential as a safe and effective cell-based cancer immune primer.

In addition to the data from the clinical trials, we announced results from a preclinical study that examined mice treated with ilixadencel in combination with the immune checkpoint inhibitor, CTLA-4. These preclinical findings indicated that the combination of ilixadencel with anti-CTLA-4 induces deeper and more durable responses than the well-known combination of anti-PD-1 and anti-CTLA-4 in this preclinical model.

Moving into what we expect from 2020, this year we will focus on strategically designing and preparing for future clinical trials. In the meantime, we remain in contact with regulatory authorities and expect to receive their feedback in mid- 2020. As the immuno-oncology therapeutic landscape continues to evolve, we aim to consider all strategic options, so we are poised to advance the company efficiently and effectively. We will also continue to explore collaboration opportunities for our products and interact with potential partners as we move forward towards the market.

In the ILIAD study the next update is expected at the end of the second quarter. If approved by the Dose Escalation Committee, we expect to be able to move past the staggered inclusion of patients and instead include groups of patients, which will speed up the

> The extended analysis of available data also showed that the combined treatment with ilixadencel demonstrated a nearly two-fold higher confirmed overall response rate as compared to sunitinib monotherapy.” (About the MERECA trial)

enrollment process. We will also continue to follow-up with patients from the MERECA study for survival every six months. We anticipate providing an update on survival in mid-2020.

From a corporate standpoint, the Board is actively working on recruiting a new CEO for Immunicum with the right profile and experiences needed to guide the company through later-stage development. Financially we stand on solid ground. Our cash position at year-end was SEK 297 million and with our current financial commitments, this is sufficient to finance the Company until the end of 2021. This includes the development of our ongoing clinical program as well as process development activities for the manufacturing of ilixadencel. The COVID-19 pandemic is evolving rapidly and will have a significant impact on the global healthcare system. At publication date the ILIAD study continues as planned and the stock of ilixadencel is large enough to complete the Phase Ib part of the study. The regulatory interactions that are planned have not been affected at this time either. Understandably, however, the situation can quickly change which means that we are closely monitoring the developments and are preparing thereafter.

Looking ahead, we are well-positioned as we have a candidate that is broadly applicable and continues to be validated as a backbone to cancer therapy.

There have been many people involved in the advancement of Immunicum during 2019 which resulted in clinical data that has given us a strong foundation for the next phase of clinical development. I would therefore like to thank everyone who contributed to our successful growth over the last year. I am proud to lead this innovative company in our quest for bringing an improved therapeutic option for cancer patients. We look forward to yet another exciting year.

ALEX KARLSSON-PARRA
Interim CEO

Strengths and competitive advantages

An off-the-shelf product offering personalized treatment

Immunicum's lead product, ilixadencel, has been developed to be able to take advantage of each patient's unique profile of tumor-specific antigens by injecting ilixadencel directly into the tumor to activate an immune response against that tumor tissue. This approach thereby eliminates the need to characterize, select and produce each patient's tumor-specific antigens before treatment.

In addition, because we do not have to load our cells with patient-specific tumor antigens, we also do not need to use the patient's tumor as a source of antigens as part of the manufacturing process. After production ilixadencel is stored frozen. At the point of use, it is simply thawed and administered directly into the tumor in order to induce a systemic and tumor-specific immune response.

Favorable positioning

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. Ilixadencel is aimed to be part of those combinations. Since Immunicum's lead product ilixadencel functions by activating the immune system to kill the cancer, rather than eliminating the tumor's immunosuppression (as most of the immune therapies do), the Company's opinion is that ilixadencel is ideally positioned to become a backbone immune primer of future combination therapies. Immunicum's strategy is to position ilixadencel as the first choice of cancer immune primers that are to be combined with treatments that fight immune suppression e.g. checkpoint inhibitors and certain tyrosine kinase inhibitors. This is for the patient to have a stronger tumor-specific immune response with a more effective anti-tumor treatment.

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

Immunicum has conducted or is currently conducting clinical trials within six indications: renal cancer (RCC), liver cancer (HCC), gastrointestinal stromal tumors (GIST), head and neck cancer (HNSCC), non-small cell lung cancer (NSCLC) and gastric cancer (GA). In RCC a Phase II study (MERECA) was completed in in August 2019, whereas the other indications are in Phase I/II development. The six indications have an addressable market of USD 22.1 billion in total, see page 31, and represent indications with large unmet medical needs and high potential for combination immunotherapeutic strategies.

Promising data indicating tumor-specific immune response and clinical efficacy

Trials conducted thus far have shown promising early efficacy data. Within the Company's furthest progressed indication metastatic Renal Cell Carcinoma (RCC) topline data from the exploratory Phase II MERECA clinical trial showed more patients having complete responses, more durable responses and long-term survival as indicated by the tail of the survival curve, as typical observations of the impact an immunotherapy can have in cancer. In addition, and important in the era of combination therapies in oncology, ilixadencel did not add toxicity on top of sunitinib.

Next to the encouraging signs of safety and efficacy observed in the Phase II MERECA study, the completed Phase I/II trial in liver cancer (HCC) was able to study tumor-specific immune activation in patients treated with ilixadencel.

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

Over 90 patients have been treated with ilixadencel in clinical studies to date. The number of serious adverse event (SAEs) in the Company's studies has been low thus far. The SAE observed has mainly been fever. Fever is a natural reaction to a stimulation of the immune system and is an expected outcome when patients are treated with an inflammatory and immune activating substance such as ilixadencel.

Clinical Manufacture and Commercial Process Development

Clinical manufacture is currently performed at a GMP certified production facility owned by BioNTech IMFS GmbH in Germany. BioNTech IMFS' facility permits the flexible manufacture of ilixadencel for Phase II clinical studies without the need for the Company to significantly invest in their own facilities. The Company is currently transferring the manufacturing process to a new contract manufacturer, Hitachi Chemical Advanced Therapeutic Solutions (HCATS), for R&D purposes. The purpose is for HCATS to perform an extensive program of process development activities to generate a process that will be fit for pivotal clinical study supply, and that process will be transferred to GMP manufacture at both US and EU manufacturing facilities. The process for pivotal study supply will be sufficiently characterised and ultimately validated in order to meet the regulatory requirements to support a future market authorization and subsequent commercial supply.

Management team with extensive experience of late-stage drug development

The Company has formed a strong management team consisting of individuals with relevant experiences within immunology, late stage drug development, CMC, regulatory, QA, finance and business development. Previous experiences include senior positions at, GlaxoSmithKline, Amgen, Sahlgrenska University Hospital Gothenburg, Uppsala University and the Swedish and UK regulatory agencies.

Operating within the fastest growing pharmaceutical area in which big pharma is closing high value licensing deals and acquisitions

Immuno-oncology, Immunicum's focus area, is currently the fastest growing pharmaceutical segment. According to Market Insight Report, the market for immune therapies is expected to grow at an annual growth rate of 13 percent, and amount to USD 150 billion by 2025[1]. In 2019, the pharma industry remained very well-funded and keen to deploy capital[2]. Large pharmaceutical companies continued in 2019 to make high value licensing deals and acquisitions on immuno-oncology therapies; AstraZeneca made a deal to codevelop and commercialize Daiichi Sankyo's anti-HER2 antibody (USD 6.9 billion total deal value), GlaxoSmithKline made a partnership with Merck KGaA (potentially USD 4 billion million total deal value) and Abpro made a deal with NJCTTQ (USD 4 billion total deal value).

1. Market Insight Reports, Global Immuno-Oncology Market Research Report, 2019.
2. Evaluate, Vantage 2020 Preview, 2020.

History and important milestones

2002

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 AnnaCarin 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 have a positive potential outcome for cancer treatments.

2008

Research grant awarded and Scientific Advisory Board established.

2009-2011

The Company develops an expansion protocol for tumor-specific T cells and conducts a number of pre-clinical studies. The Company also receives patent protection for the COMBIG platform from the EPO (European Patent Office).

2012-2014

Phase I/II clinical trial for treatment of RCC initiated.

Immunicum lists its shares on Nasdaq First North.

Phase I/II clinical trial for the treatment of HCC initiated.

2015-2016

The first patient receives treatment in the Phase II trial of ilixadencel in patients with metastatic renal cell carcinoma (the MERECA trial).

Immunicum and Karolinska Institutet submit a joint application to the Medical Products Agency to launch a Phase I / II study of ilixadencel for GIST patients.

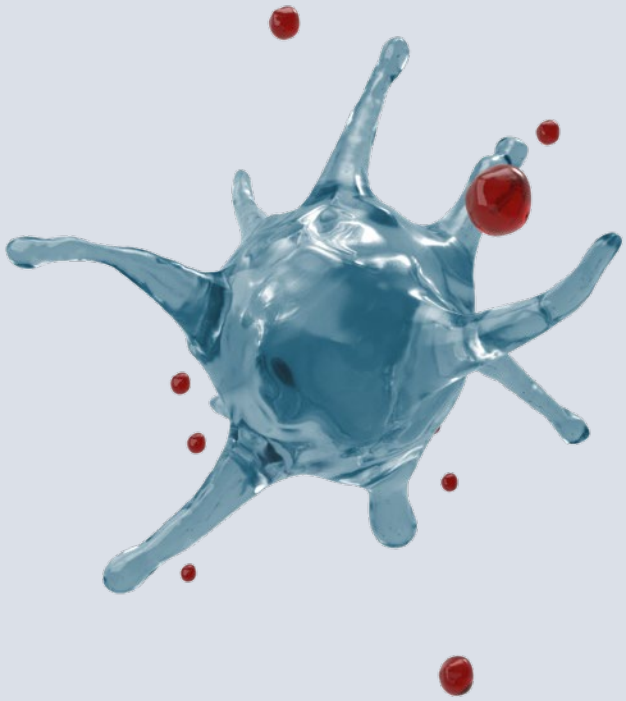
Immunicum completes important adaptation of the manufacturing process for ilixadencel, meaning that the product can be used directly in hospitals without preparation at local pharmacies.

Immunicum's share is listed in the Nasdaq First North Premier segment.

Immunicum carries out a rights issue which is fully subscribed and thereby receives approximately SEK 128 million.

Immunicum announces that the U.S. Food and Drug Administration (FDA) cleared the Company's Investigational New Drug application for ilixadencel in the expansion of the MERECA study in the US.

Immunicum presents positive and updated data from the HCC Phase I / II study at the Society for Immunotherapy of Cancer (SITC) conference. The clinical data show an increased number of circulating tumor-specific CD8 + T cells that appear to correlate with prolonged survival.



2017

Patient enrollment complete in Phase II study in RCC (MERECA).

Immunicum initiates trading of shares on Nasdaq Stockholm, following uplisting from Nasdaq First North.

EMA grants ATMP certificate to ilixadencel for manufacturing quality and non-clinical data.

FDA approves protocol enabling initiation of Phase Ib/II combination study with checkpoint inhibitors (ILIAD study) in US.

Immunicum announces collaboration and supply agreement on checkpoint inhibitor Merck KGaA and Pfizer for evaluation of ilixadencel in combination with the checkpoint inhibitor avelumab (Bavencio®) in the planned Phase Ib / II multi-indication study, ILIAD.

Immunicum raised SEK 351 million before issue costs for continued clinical development of ilixadencel through a directed issue and a rights issue.

2018

Immunicum enrolls first patient in Phase I/II study in gastrointestinal tumors (GIST), following a protocol amendment to broaden the recruitment basis.

Immunicum publishes data from Phase I/II study in RCC in Journal for ImmunoTherapy of Cancer and updates patient survival and follow-up data as of May 2017.

Immunicum completes Phase I/II study in HCC and announces positive top-line data supporting continued development in HCC.

Immunicum announces preliminary results from preclinical concept studies evaluating the effect of combining the drug candidate ilixadencel with an anti-PD-1 checkpoint inhibitor (CPI). In a mouse model with a solid tumor, the preliminary results show a higher proportion of survival among mice treated with a combination of ilixadencel and CPI.

2019

Immunicum announces positive topline data from completed Phase II MERECA in RCC.

Positive topline results from Phase I/II GIST examining safety and tolerability of ilixadencel in combination with tyrosine kinase inhibitors.

First patient is treated in multi-indication Phase Ib/II ILIAD evaluating safety and efficacy of ilixadencel, in combination with checkpoint inhibitors, and advancement to next dosage group level.

Positive preclinical data on ilixadencel in combination with CTLA-4 immune checkpoint inhibitor.

Phase I/II results of ilixadencel in advanced Hepatocellular Carcinoma are published in Frontiers in Oncology.

New patent "Improved allogeneic dendritic cells for use in cancer treatment" is granted by EPO.

Ilixadencel

» **Immunicum's lead product**
ilixadencel is an immune primer that strengthens the patient's immune system to fight the cancer cells.

Ilixadencel is made up of allogeneic, inflammatory dendritic cells and is administered *in situ*, directly into the tumor (see figure next page). 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.

> **Ilixadencel has consistently maintained a positive safety and tolerability profile and demonstrated initial signs of efficacy as seen in the randomized Phase II MERECA trial. Ilixadencel is currently moving toward late-stage clinical development.**

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), and 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 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.

There are four major expected advantages with ilixadencel:

I. Intratumorally injected ilixadencel uniquely covers all major aspects of tumor specific immune priming:

» recruitment of immune cells including NK cells and dendritic cells into the tumor.

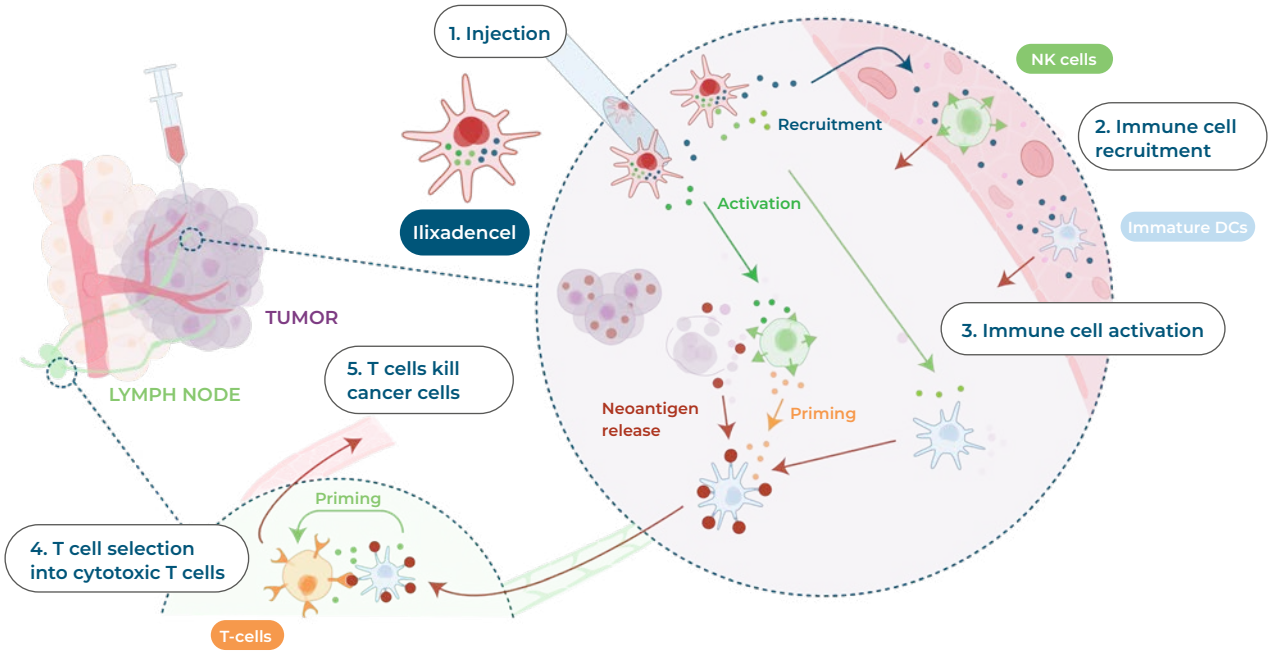
» induction of local tumor cell death leading to increased release of tumor-specific antigens and maturation of antigen-loaded dendritic cells for subsequent migration to tumor-draining lymph nodes where the dendritic cells activate/prime tumor-specific T cells.

II. Ilixadencel is applicable for all injectable solid tumors.

III. Off-the-shelf cell-based therapies are applicable to all patients and batches can be stockpiled and thereby be available for immediate use.

IV. The concept uses the patient's own tumor as the antigen source in vivo, which aims to ensure that all immunogenic neoantigens are used for activation of a tumor-specific immune response.

Mechanism of action



The figure above shows that ilixadencel produces recruiting and activating molecules in the tumor, which then recruit and activate natural killer (NK) cells for the release of tumor antigens and the patient's own dendritic cells (DCs) for the uptake of these tumor neoantigens. Thus, what Immunicum expects to accomplish by means of a standardized primer is to subsequently load the patients' own dendritic cells with their tumor - specific neoantigens *in vivo*, and in this way offer patients a more potent, individualized treatment. This is something that makes ilixadencel a unique cancer immune primer with a favorable positioning.

Clinical strategy for ilixadencel

Immunicum's strategy is to position ilixadencel as the leading cancer immune primer when used in combination with standard treatments that fight immune suppression for the effective and safe treatment of solid tumors.

Throughout the years, Immunicum has completed a number of clinical studies including Phase I/II studies in renal cancer (RCC), liver cancer (HCC) and gastrointestinal stromal tumors (GIST).

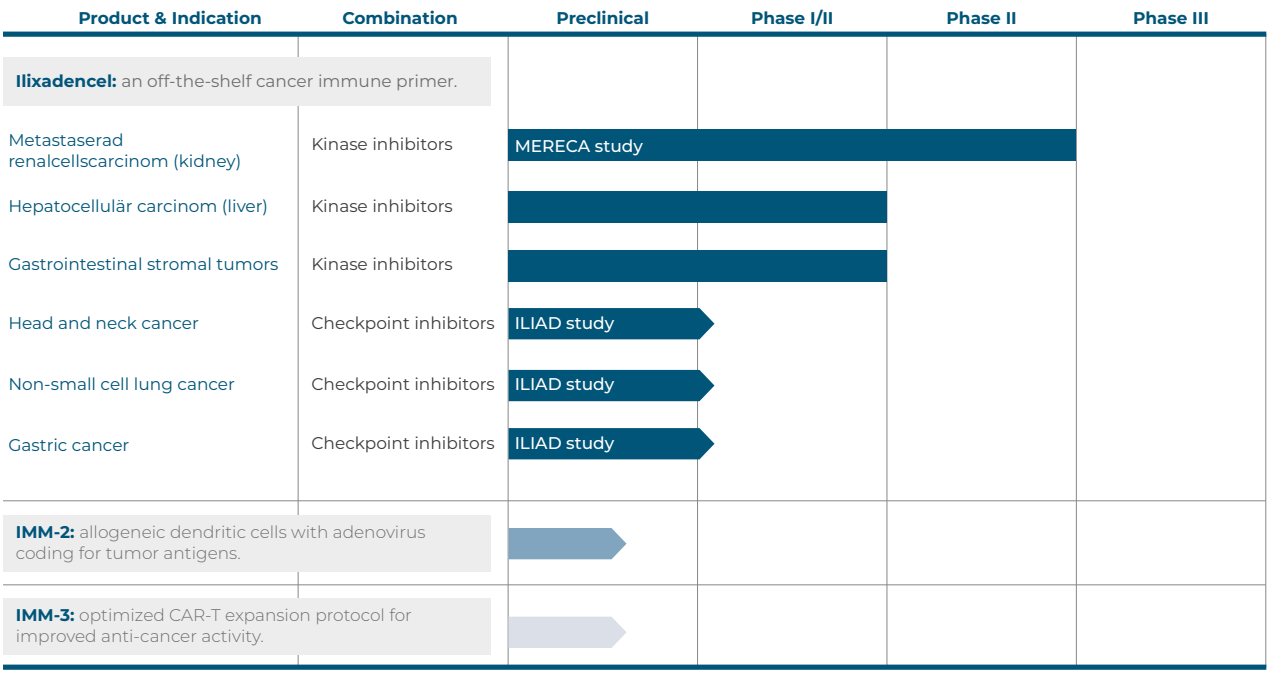
The Phase II study (MERECA) in RCC was completed in August 2019 and preparations are ongoing to define the next development steps. Immunicum is also currently conducting a multi-indication Phase Ib/II study (ILIAD) with checkpoint inhibitors in head and neck cancer (HNSCC), non-small cell lung cancer (NSCLC) and gastric cancer (GA).

Immunicum's primary aim with the clinical studies is to determine whether ilixadencel is an effective cancer immune primer and thereby has a terapeutic effect, primarily via measuring of different survival-related endpoints, while measuring whether ilixadencel can be included in combination therapies without increasing risk of side effects.

Product portfolio

» **Immunicum's pipeline includes** completed studies in RCC, HCC and GIST, and an ongoing multi-indication Phase Ib/II clinical study (ILIAD). Preparations for defining next development steps in solid tumors as well as additional preclinical studies for the Company's lead product ilixadencel are ongoing. In parallel with studies on ilixadencel, preclinical programs are conducted on the IMM-2 and the IMM-3 platforms.

Pipeline



Studies in renal cancer (RCC)

Phase II (MERECA)

In August 2019, Immunicum completed an exploratory, international, randomized, controlled and open-label Phase II clinical trial (MERECA) in which a total of 88 newly diagnosed, intermediate and high risk metastatic renal cancer patients were enrolled. Fifty-six patients received treatment with ilixadencel followed by nephrectomy (the removal of the tumor affected kidney) and standard treatment with the tyrosine kinase inhibitor Sutent® (sunitinib). Thirty patients included in the control group underwent only nephrectomy and standard treatment with sunitinib.

The primary objectives of the study were to evaluate median overall survival (OS) and 18-month survival rates. Secondary objectives included evaluation of safety and tolerability, tumor response and immunological profiling including T cell infiltration.

The results from the study indicate that ilixadencel provided a systemic therapeutic benefit (abscopal effect) maintaining a positive safety and tolerability profile. Overall the data supports the continued clinical development of ilixadencel as an immune primer in RCC and other solid tumors.

In December 2019 the abstract covering data from the Phase II MERECA trial was accepted for an oral presentation at the ASCO-SITC Clinical Immuno-Oncology Symposium and the study was presented on February 6th, 2020..

Overall survival (OS)

As of July 2019, 57 % (32 out of 56 patients) in the ilixadencel treatment group were alive compared with 43 % (13 out of 30 patients) in the control group. The final value for the median Overall Survival could not be calculated in either group as the data was not mature enough. Based on Kaplan-Meier probabilities, the 18-month OS rate was 63 % in the ilixadencel combination group and 66 % in the sunitinib monotherapy group as of July 2019.

The December 2019 follow up data on survival showed a separation in survival curves in favor of the ilixadencel group, while final median overall survival (OS) values were still not reached in either of the two study groups. Survival as of December 2019 was 54 % (30 of 56) in the ilixadencel treatment group compared with 37 % (11 of 30) of patients in the control group treated with sunitinib monotherapy.

Tumor Response

The Objective Response Rate (ORR) is the proportion of patients with Complete Responses (CR) or Partial Responses (PR), measured by CT scan within the 18-month follow-up. The best ORR was similar in the two groups with 44 % (20 out of 45 patients) in the ilixadencel combination group and 48 % (12 out of 25 patients) in the sunitinib monotherapy group. However, the number of complete responders was higher in the ilixadencel combination group with 11 % (5 out of 45 patients) compared to 4 % (1 out of 25 patients) in the sunitinib monotherapy group. Furthermore, the ilixadencel combination group showed a higher percentage of responses ongoing at the 18- months follow-up, 60 % (12 out of 20 patients) versus 33 % (4 out of 12 patients) in the sunitinib monotherapy group.

Based on these data a post-study analysis was performed by the contract research organization of confirmed ORR (a tumor response that is confirmed by a follow-up scan, per RECIST 1.1 criteria). The confirmed ORR for the ilixadencel treatment group was 42.2 % (19/45) versus 24.0 % (6/25) for the sunitinib control group.

All complete responders in the ilixadencel combination group were still alive at last patient contact (5 out of 5 CRs), while the complete responder in the sunitinib monotherapy group had died.

Tumor response

	Ilixadencel+sunitinib	Sunitinib
ORR (Best Overall Response)	**44 %** (n=20/45)	**48 %** (n=12/25)
- Complete Response	11 %* (n=5/45)	4,0 % (n=1/25)
- Partial Response	33 % (n=15/45)	44 % (n=11/25)
Confirmed ORR	**42 %** (n=19/45)	**24 %** (n=6/25)
- Complete Response	6,7 % (n=3/45)	0 % (n=0/25)
- Partial Response	36 % (n=16/45)	24 % (n=6/25)

* Two pts with CR had CR as best response at last available CT scan (at 10 mo and 18 mo respectively)

ORR: objective respons rate, proportion of patients with Complete Responses (CR) or Partial Responses (PR)

Tumor infiltration

Tumor tissue from the surgically removed kidney tumors was available from post-ilixadencel treatment patients and non-treatment control patients. Analysis of the tissue showed a median stained area of 1.08 % in the ilixadencel group as compared to 0.84 % in the untreated control group, at time of kidney surgery. The high variability of CD8-stained area in the tumors within the treatment groups, between different samples taken from the same tumor and also within complete responders, indicate that the intratumor infiltration of CD8+ T cells by itself, without considering CD8+ T cell specificity and functionality, does not explain the systemic therapeutic impact of ilixadencel when combined with sunitinib.

Safety and tolerability

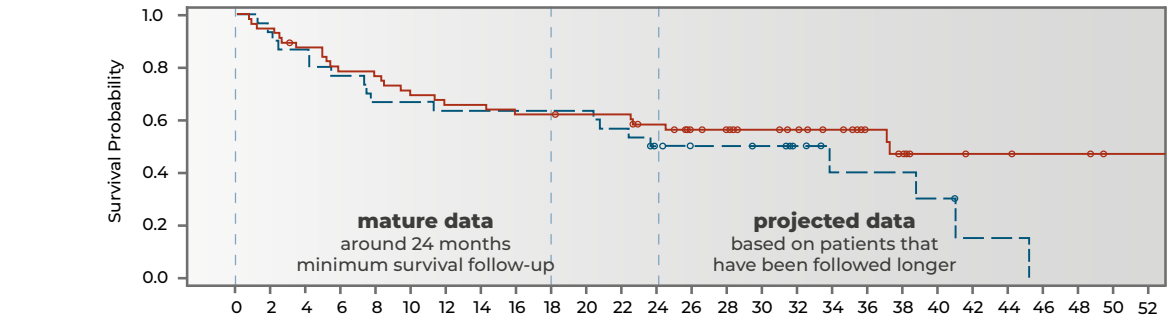
The overall safety and tolerability data was similar in both treatment groups, meaning that the addition of ilixadencel to sunitinib did not add toxicity. This confirms ilixadencel's favorable safety profile from previous studies and supports that ilixadencel is well-suited for combination therapies.

Summary
The results from the MERECA study reinforces the Company's view that ilixadencel has the potential to become part of the treatment paradigm in the future. Immunicum is currently assessing how to continue the clinical development of ilixadencel in RCC and other solid tumors in the most optimal way to offer patients better treatment options.

Completed Phase I/II trial

In 2014 Immunicum presented the results from a Phase I/II study in twelve patients with newly diagnosed metastatic renal cell carcinoma (mRCC). No treatment-related serious adverse events have been noted. The median overall survival time for the patient group as a whole was 48 months which compares favourable with updated historical control for sunitinib monotherapy which is approximately 26 months (Motzer et al, 2018)

Phase II MERECA: Kaplan-Meier survival probability



- Updated survival results now confirm a separation in survival in favor of the ilixadencel arm
- Survival curves projecting a benefit of ilixadencel on long-term survival, the **"tail of the survival curve"**

Studies in liver cancer (HCC)

Completed Phase I/II

In September 2017, Immunicum announced the topline results from an open-label, Phase I/II trial in which 18 patients with advanced liver cancer were enrolled, 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 and were followed for six months after last injection. The primary objective was to investigate safety and tolerability for ilixadencel in HCC as a second line therapy for patients not responding to previous treatments, or first line therapy administered with or without sorafenib.

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 tre-atment of which six patients were treated in combination with sorafenib. 14 patients received all three injections.

The final results of the completed Phase I/II clinical trial of ilixadencel in liver cancer were published in the Frontiers Oncology Journal in January 20191. The data confirm previously communicated positive safety and tolerability of ilixadencel when administered both alone and in combination with current first-line standard of care, sorafenib: the most common toxicity was grade 1 and 2 fever and chills. Only one single treatment-related grade 3 event was observed. An increased frequency of tumor-specific CD8+ T cells in circulating blood for a majority of evaluable patients (11/15) was demonstrated, indicating a systemic immune response.

Overall, one patient had a partial response (with ilixadencel as monotherapy) and five had stable disease as overall best response. In the largest subgroup of HCC patients receiving ilixadencel monotherapy as second line treatment after progression on first-line sorafenib (7 patients), the median OS was 10.9 months. This could be compared with an expected median OS of 10.6 months with regorafenib wich is standard of care in second line after progression on sorafenib. The complete results provide further insight on ilixadencel's mode of action, signs of clinical activity and important information that will guide the next stage of clinical development.

Overview of Immunicum's studies in kidney cancer

INDICATION	KIDNEY CANCER/RENAL CELL CARCINOMA	
PHASE	I/II	II
NUMBER OF PATIENTS	12	88 (of which 30 in the control group)
LOCATION	Uppsala University Hospital	Europe (23 sites), The US (5 sites)
NUMBER OF ILIXADENCEL DOSES	2 (5, 10 and 20 million immune cells per dose)	2 (10 million immune cells per dose)
COMBINATION TREATMENT	None, but half of the patients received add-on treatment with either sunitinib or pazopanib afterwards	In sequence: first ilixadencel before nephrectomy, then sunitinib after nephrectomy
TOP-LINE RESULTS	H1 2014 (Completed)	Q3 2019
SUMMARIZED DATA	» Median survival for the whole patient group of 48 months (as of May 2017) which compares favourable with historical controls.	The confirmed ORR for the ilixadencel treatment group was 42.2 % (19/45) versus 24.0 % (6/25) for the sunitinib control group. Higher number of complete responders in the ilixadencel combination group compared to the sunitinib monotherapy group. Primary endpoint Median survival not met at 18 months. 24 months survival rate was 54 % (30 of 56) in the ilixadencel treatment group compared with 37 % (11 of 30) of patients in the control group treated with sunitinib monotherapy

Overview of Immunicum's study in liver cancer

INDICATION	LIVER CANCER/HEPATOCELLULAR CARCINOMA
PHASE	I/II
NUMBER OF PATIENTS	18 (10 first-line, 7 second-line; 1 bile duct cancer)
LOCATION	Sahlgrenska University Hospital, Gothenburg
NUMBER OF ILIXADENCEL DOSES	3 (10 and 20 million immune cells per dose)
COMBINATION TREATMENT	First 12 patients: no combination. Last 6 patients: sorafenib concomitantly
TOP-LINE RESULTS	Q3 2017 (Completed)
SUMMARIZED DATA	» Only 1 out of 18 patients experienced grade 3 treatment-related adverse event, as compared to approx. 1 in 3 patients described in literature for standard of care sorafenib or regorafenib » 11 out of 15 evaluable patients exhibit an increase in, tumor-specific CD8 T-cell in peripheral blood. In the subgroup consisting of 7 patients who received ilixadencel as monotherapy after progression on sorafenib the median OS was 10.9 months which promising compared to historical data

Studies in gastrointestinal cancer (GIST)

Completed Phase I/II

Immunicum completed a Phase I/II clinical trial with ilixadencel in combination with different standard of care TKIs in GIST patients in June 2019. A total of six patients were enrolled. Treatment consisted of two intratumoral injections of ilixadencel two weeks apart. If further tumor progression was observed at the 3-month follow up, the TKI was withdrawn and the subject performed an end of study visit. Ilixadencel met the primary endpoint of safety, with no life-threatening treatment-related adverse events and no signs of autoimmunity. Two patients had stable disease (mRECIST) as best response; one of these patients (on third line regorafenib) progressed at 9 months and the other (a patient on second line sunitinib) showed continued stable disease at end of study (12 months). These two patients also developed a partial response as per Choi criteria with a duration of 3 and 6 months, respectively. Taken together, these data indicate that ilixadencel had a therapeutic impact by overcoming resistance to TKIs in GIST patients with metastatic disease whose disease previously progressed on the same TKI treatment.

Overview of Immunicum's study in gastrointestinal cancer

INDICATION	GASTROINTESTINAL STROMAL TUMORS
PHASE	**I/II**
NUMBER OF PATIENTS	**6**
LOCATION	Karolinska University Hospital, Stockholm
NUMBER OF ILIXADENCEL DOSES	2 (10 million immune cells per dose)
COMBINATION TREATMENT	Sunitinib, regorafenib or similar TKI
TOP-LINE RESULTS	**Q2 2019** (Completed)
SUMMARIZED DATA	Ilixadencel met the primary endpoint of safety, with no life-threatening treatment-related adverse events and no signs of autoimmunity. In two patients tumor growth halted and partially regressed for three and six months, respectively.

Overview of Immunicum's study in head and neck cancer (HNSCC), non-small cell lung cancer (NSCLC) and gastric cancer (GA).

INDICATION	HEAD AND NECK CANCER (HNSCC), NON-SMALL CELL LUNG CANCER (NSCLC) AND GASTRIC CANCER (GA)
PHASE	**Ib/II**
NUMBER OF PATIENTS	**150**
LOCATION	US and Europe
NUMBER OF ILIXADENCEL DOSES	2 or 3 (3, 10, 20 million immune cells per dose)
COMBINATION TREATMENT	Checkpoint inhibitor
RESULTS	**Phase Ib:** Advancement to non-staggered phase at the end of Q2 2020

Studies in head and neck cancer (HNSCC), non-small cell lung cancer (NSCLC) and gastric cancer (GA)

Phase Ib/II (ILIAD)

The ILIAD study is a multi-indication, open-label, randomized multicenter, Phase Ib/II trial that evaluates the safety and efficacy of intratumorally administered ilixadencel in combination with a checkpoint inhibitor (anti-PD-1/L1) at standard doses in the selected indications. The Phase Ib part of the study is ongoing in the US and the first patient was treated in February 2019. During this part ilixadencel will be combined with the anti-PD-1 antibody Keytruda® (pembrolizumab).

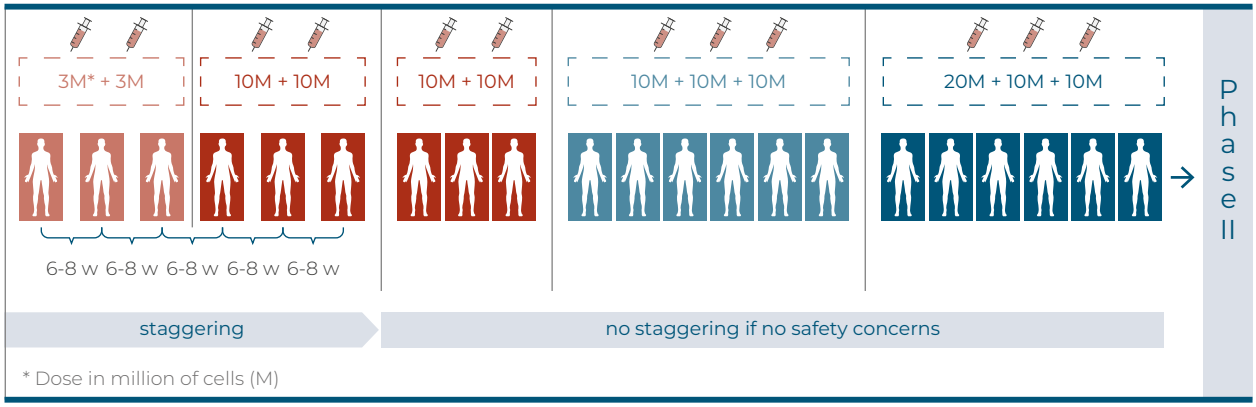
The purpose of the multi-indication trial is three-fold:

- to demonstrate clinical safety of the combination: by showing that ilixadencel can be safely combined with a checkpoint inhibitor.
- to demonstrate the proof of mechanism: by showing that ilixadencel generates a systemic tumor-specific immune response.
- to demonstrate improved clinical efficacy: by showing improved benefit of the combo in terms of clinical activity compared to checkpoint inhibitor alone in solid tumor patients.

In the Phase Ib part of the trial, 21 patients are enrolled with the aim to assess safety and define the optimal dose and schedule of ilixadencel administration in combination with Keytruda® (pembrolizumab). Ilixadencel showed a favorable safety profile with no serious adverse events in combination with Keytruda® in the first three patients that were dosed with two intratumoral injections of 3 million cells. Patients are now treated in the second/last cohort of 3 patients (10 million cells per dose) for the staggering phase of the trial and Immunicum expect to move to the "non-staggered" phase in the end of the second quarter of 2020 which will allow for a faster inclusion of patients.

The Phase II part of the trial will group patients by indication (HNSCC, NSCLC and GA) into three studies advancing in parallel. The aim of the Phase II study is to demonstrate a favorable impact of ilixadencel used in combination with checkpoint inhibitor therapy. Each indication group will include enough patients to observe statistically significant clinical activity for the combination group against predetermined efficacy criteria..

The design of the Phase Ib component is shown below.



Collaboration and supply agreement with Merck KGaA and Pfizer for ILIAD

In November 2018, Immunicum announced a collaboration with Merck KGAa and Pfizer for the evaluation of ilixadencel in combination with the anti-PD-L1 checkpoint inhibitor avelumab (Bavencio®) in the Phase II portion of ILIAD.

The safety and efficacy of ilixadencel in combination with avelumab will be evaluated in patients with head and neck cancer and gastric cancer. Immunicum will be fully responsible for the study and retains all commercial rights to ilixadencel.

Preclinical studies

Ilixadencel

Immunicum has performed preclinical studies in a mouse tumor model where cancer cells (CT26 colon carcinoma) are injected subcutaneously followed by treatment with checkpoint inhibitors (anti-PD1) and immune enhancers (anti-4-1BB/CD137). These two classes block the tumor's defenses against the activated immune system, or expand and further potentiate the activated immune system and are therefore highly complementary to ilixadencel's mechanism of action. Ilixadencel showed synergy in reducing tumor growth and increasing survival in combination with both classes, further positioning our strategy for ilixadencel as a key component in future combination therapies for solid tumors.

In addition, recently conducted preclinical studies in the same animal model show that animals that were treated with the combination of ilixadencel and the checkpoint inhibitor anti-CTLA-4 showed a stronger anti-tumor response as compared to animals treated with anti-PD-1 and anti-CTLA-4, a well-established combination of checkpoint inhibitors in the clinical setting.

Immunicum intends to conduct additional preclinical studies with ilixadencel to investigate further combinations.

IMM-2 platform

IMM-2 (formerly SUBCUVAX®/Adenovirus) shares the same technology basis as used for production of ilixadencel to benefit from the unique priming and activating technology. The major difference between IMM-2 and ilixadencel is that IMM-2 is transfected with an adenoviral vector to deliver tumor antigens directly to the immune priming cells.

The adenovirus vector was acquired in 2014 with the purpose of being included in the IMM-2 concept. Preclinical studies with the adenovirus vector for the development of IMM-2 are in progress in cooperation with Professor Magnus Essand at Uppsala University.

In the end of 2019, the European Patent Office granted a new Immunicum patent "Improved allogeneic dendritic cells for use in cancer treatment". The patent is based on a method in which the allogeneic dendritic cells (ilixadencel) are infected with an adenovirus carrying genes encoding tumor antigen, including mutation-derived neoantigen and tumor-associated virus antigen (oncoviral antigen). The method enables subcutaneous administration of this ilixadencel based immune primer instead of intratumoral administration.

IMM-3 platform

The Company's IMM-3 platform (formerly CD70) is positioned as a strategy that can be used to improve existing and new adoptive immunotherapeutics. Adoptive immunotherapy utilizes the patient's own T cells, which are isolated and usually genetically manipulated to specifically recognize cancer cells; such cells are termed CAR-T cells. The primary goal is to establish the IMMU-3-concept as a method for the ex-vivo expansion of CAR-T cells with superior survival capacity and cytotoxic efficacy as well as superior proliferative response during tumor cell killing in immunosuppressive environments, including solid tumors.

Immunicum's goal is to explore development opportunities for the IMM-3 concept and collaboration opportunities with CAR-T or similar technologies, upon which the platform would be dependent for further development.

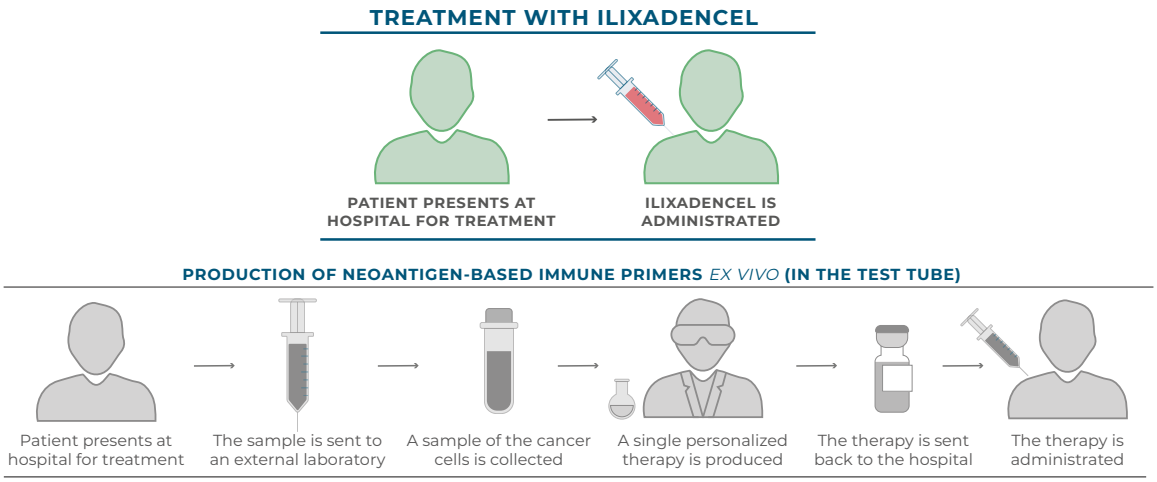
Patents

Ilixadencel, IMM-2 and IMM-3 as well as the manufacturing process are protected by granted patents and patent applications in a total of eight patent families in several countries in Europe, Asia and the US.

Manufacturing process: from development to commercial scale

Traditionally, dendritic cell based immunotherapeutics that have been evaluated in clinical studies require the characterization and synthesis in vitro (in a test tube) of patient specific neoantigens. This manufacturing process is entirely patient dependent, i.e. can only be performed after the neoantigens for each individual patient have been characterized, and requires the collection of a tissue sample from the patient's own tumor. This is a logistical challenge and delays treatment while product is being manufactured.

A way to avoid the practical problems associated with the identification of patient-specific tumor neoantigens ex-vivo, is to use the patient's existing tumor (or a metastases') as a direct neoantigen source. By injecting the activated immune primer (ilixadencel) directly into the patient's tumor, the resulting immune response kills tumor cells, releasing the tumor specific neoantigens which can be used to generate an immune response directly to that tumor. Because ilixadencel is manufactured from allogeneic cells (i.e. from a healthy donor rather from the patient), there is no delay in treatment as the product can be stockpiled, and is therefore available to use immediately after thawing. Furthermore, the production method for ilixadencel is short (6 days from start to finish) and uses standard culture instruments, which potentially simplifies the transfer of the process to multiple production facilities. In addition, the final product has a shelf-life of 4 years, which permits long-term storage at central depots and hospital pharmacies and means the product is readily accessible when required, as shown below.



Process development of ilixadencel with global commercial manufacturer

Immunicum believes it to be critical to increase chemistry, manufacturing and controls (CMC) efforts in order to have an optimized and commercially ready process in place for pivotal clinical studies and ultimately for commercial supply.

The investments in CMC are being used to transfer the current process to a strategic contract manufacturer in the US (HCATS) where process development activities will be performed. HCATS is a large organization with manufacturing capabilities in Japan, US, and EU.

The process development activities will include the development of new analytical assays and reference materials that can be used in combination with existing assays to fully characterize the product and to help understand how process parameters may also influence the product, thus helping to define a well-controlled manufacturing process. Development activities will also focus on the optimization of the process to improve not only process robustness but also product quality.

In collaboration with HCATS, the aim will be to develop a global commercial supply strategy within the one organization, which will reduce the risks related to equipment, facilities and product comparability in the longer term. Completion of the process development plan will allow the implementation of a well-defined process control strategy that will maximize product quality and consistency and will meet the regulatory requirements to support a future market authorization and commercial supply.

Introduction to immuno-oncology

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 targetetd therapies, including tyrosine kinase inhibitors. 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. Targeted therapies partly overcome these issues by blocking a specific pathway that is more active in tumor cells. 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.[1]

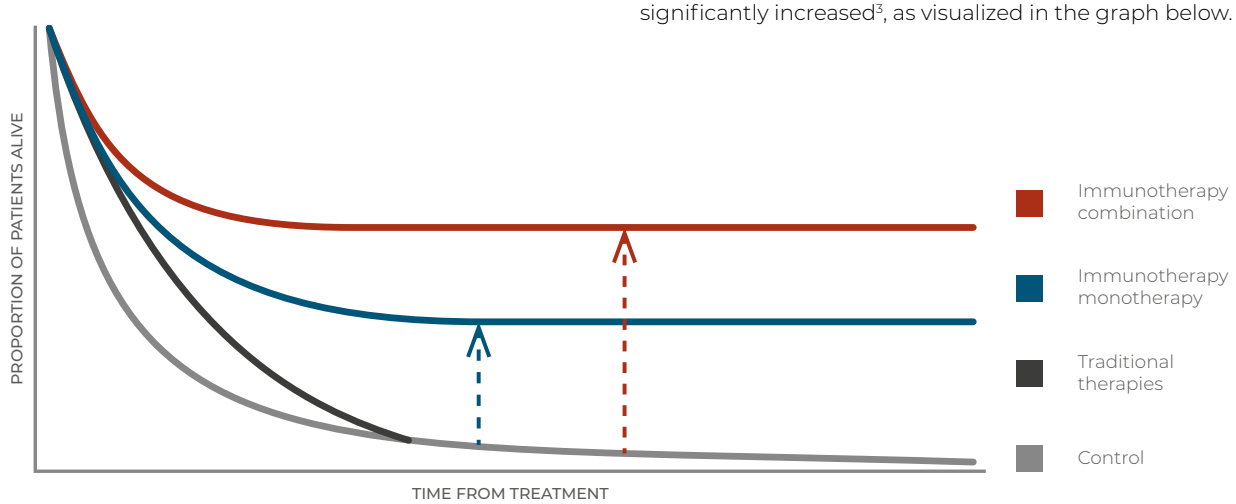
Immuno-oncology

Unlike traditional cancer therapies, immuno-oncology is designed to help the body's own immune system to fight cancer. Immuno-oncology can 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 primer as it helps to activate the patient's own immune cells to kill cancer cells.

Combination therapy

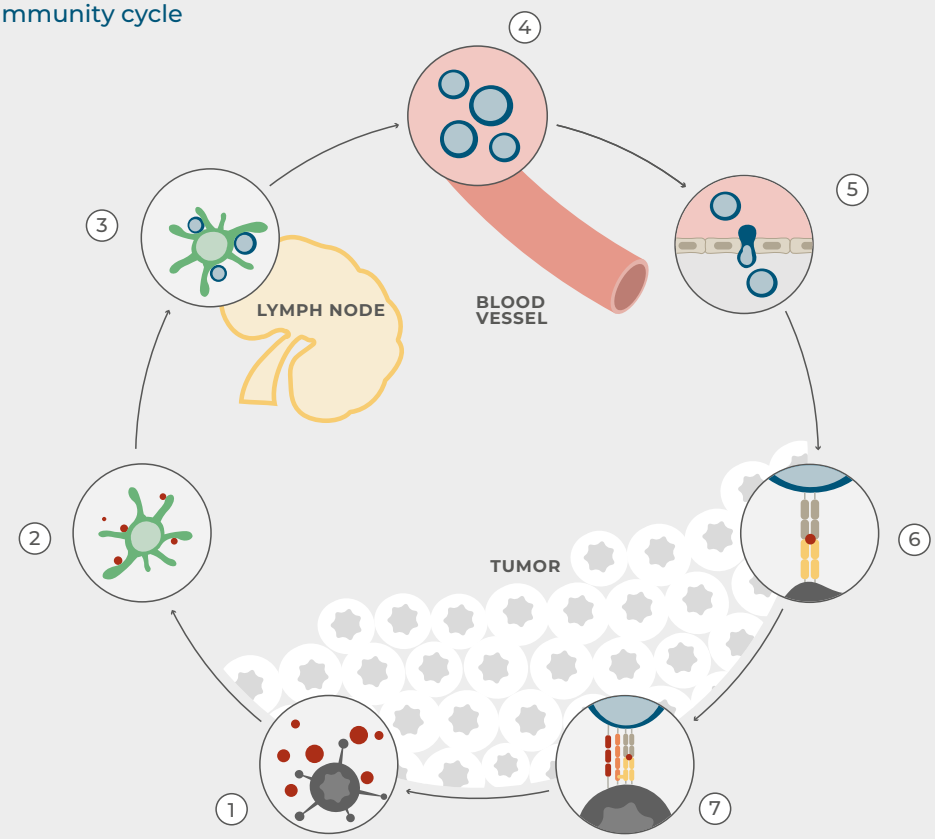
Combination therapy, a treatment regimen which combines two or more therapeutics, is becoming a cornerstone of cancer treatment. This treatment regimen attacks multiple aspects of the tumor, thereby preventing the tumor from developing resistance against one treatment, and thereby escaping.[2] The combinations 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 priming drugs, affecting stage 1-3 in the cancer immunity cycle, with drugs that block the tumor's immunosuppression in stage 7 of the cycle (see page 23), the survival rate and quality of life of patients can be significantly increased[3], as visualized in the graph below.



1. Ahronian LG, Corcoran RB, Strategies for monitoring and combating resistance to combination kinase inhibitors for cancer therapy, Genome Med 2017.
2. Mokhtari R. B., et al., Oncotarget, Combination therapy in combating cancer, June 2017.
3. Harris S. J., et al., Cancer Biology & Medicine, Immuno-oncology combinations: raising the tail of the survival curve, June 2016.

The cancer immunity cycle



Steps 1 to 3 of the cycle are where immune primers such as ilixadencel can stimulate the cancer immunity cycle, and step 7 is where therapeutics used to fight immunosuppression act upon the tumor and T cells.

First published in 2013, the cancer immunity cycle has been used as a framework to explain and conduct research about immuno-oncology[4]. 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 lead 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 primed 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.

4. Chen DS, Mellman I, Oncology meets immunology, the cancer immunity cycle, Immunity 2013.

Immune priming

- important components

Background

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.[1] 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 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.[2]

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.[3]

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.

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1. Dillman, Is there a role for therapeutic cancer vaccines in the age of checkpoint inhibitors?, 2017.
2. Schuhmacher et al., Science, Neoantigen in cancer immunotherapy, 2015.
3. Fritsch et al., Personal neoantigen cancer vaccines: The momentum builds, 2014.

> Solid tumors can be compared to a fortress with multiple defenses – difficult to attack and destroy. Some therapies, such as checkpoint inhibitors, can break down the entry gates into the tumor, but if the army or immune system is not strong enough to attack, the fortress will survive. Ilixadencel enables patients' immune systems to be poised for battle so that when the cancer's barriers are broken, they can stimulate an attack on the tumor."

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 preclinical 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.[4] 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.[5]

By using allogeneic dendritic cells as immune primers, 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

Preclinical 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".[6] Since Immunicum's dendritic cells are also 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".[7] 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.

4. Smed-Sörensen et al., Dendritic Cells at the Interface of Innate and Adaptive Immunity to HIV-1, 2011.
5. Pang et al., IL-1R signaling in dendritic cells replaces pattern-recognition receptors in promoting CD8+ T cell responses to influenza A virus, 2013.
6. Gustafsson et al., Recruitment and activation of natural killer cells in vitro by a human dendritic cell vaccine, 2008.
7. Wallgren et al., Direct allorecognition promotes activation of bystander dendritic cells and licenses them for Th1 priming: a functional link between direct and indirect allosensitization, 2005.

Market overview

Global oncology market

In a 2020 report from the World Health Organization (WHO), cancer is described as the second most common cause of death globally, accounting for close to 10 million deaths in 2018. The number of new cancer cases is expected to increase by over 60 percent by 2040, equivalent to close to 30 million new cases annually worldwide. The total economic burden of cancer in 2010 was estimated at USD 1.6 trillion, more than two percent of global GDP.[1]

The research makes constant progress, whilst at the same time it is clear that more and more people will suffer from cancer as the average life expectancy increases. Cancer remains a disease and state of ill health associated with high mortality, and five-year survival is low for most indications. It is hoped that future cancer therapies, particularly immunotherapies, will change the therapeutic landscape and make cancer a chronic, treatable state of ill health.

According to Iqvia Institute, the total market for cancer therapies in 2018 amounted to nearly USD 150 billion, representing a double-digit growth rate during the last five years. The future annual growth rate of the total market is estimated to be 11-14 percent per year until 2023 when it is expected to amount to USD 220-250 billion. The expected growth is based on a growing demand from patients in combination with the launch of new medicines.[2]

According to a new forecast from the Swedish National Public Health Agency and the Swedish Cancer Society, 100,000 Swedes a year will suffer from cancer in 2040, which is nearly double the number of cases today.[3]

Immuno-oncology

Immunology is a rapidly expanding field of cancer research and cancer treatment, which was not least proven when James P. Allison and Tasuku Honjo were awarded the Nobel Prize in Physiology or Medicine 2018 for their discovery of cancer treatment by inhibiting the immune system's braking mechanisms. Allison and Honjo discovered in parallel that some proteins act as a brake in the immune system and realized that by releasing the brake, it is possible to activate the immune system and cause it to attack tumor cells. Allison's and Honjo's research have opened the door to combining various methods of inhibiting the immune system's brakes in order to treat cancer. It is the Company's assessment that such methods can be supplemented with immune primers as ilixadencel in order to potentially get a more effective treatment.

According to Market Insight Report, the market for immune therapies is expected to grow at an annual growth rate of 13 percent, and amount to USD 150 billion by 2025.[4] Furthermore, Allied Market Research estimates that the global immuno-oncology market for checkpoint inhibitors will exceed USD 56 billion in 2025.[5] 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 processes for drug approval. Among the factors that hinder growth, mainly the high cost of new cancer therapies has been identified.

1. World Cancer Report 2020, International Agency for Research on Cancer, 2020.
2. Global Oncology Trends 2019, Therapeutics, Clinical development and Health system implications, Iqvia Institute 2019.
3. Forecast shows: Dramatisk ökning av cancerdrabbade till 2040, Folkhälsoinstitutet och Cancerfonden, 2016.
4. Market Insight Reports, Global Immuno-Oncology Market Research Report t, 2019.
5. Allied Market research. Immune Checkpoint Inhibitors Market- Global Opportunity Analysis And Industry Forecast, 2018-2025. 2018

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

Anti-immunosuppression is the more developed field within immuno-oncology where the majority of all large pharmaceutical companies currently operate. Pioneers in this field are Bristol-Myers Squibb's Opdivo® and MSD's Keytruda®, which were initially approved for malignant melanoma but have now become applicable to several other indications including lung cancer, head and neck cancer, renal cancer and lung cancer. These therapies are checkpoint inhibitors that block an immune pathway on T cells that the tumor can exploit to suppress the immune system.

Following the initial success of these leading checkpoint inhibitors, there is now seven checkpoint inhibitors approved by the FDA, including, Tecentriq® (Roche), Bavencio® (Merck KGaA, Pfizer), Imfinzi® (AstraZeneca) and Libtayo® (Regeneron, Sanofi). Since the first FDA approval these CPIs are approved for further indications, such as breast, bladder and liver cancer. Beyond these approved checkpoint inhibitors, the majority of large pharmaceutical companies now have a checkpoint inhibitor in development or on the market.

The Company and many key opinion leaders believe that anti-immunosuppressants such as the aforementioned drugs should be accompanied by immune primers to achieve best possible results. In this way, several of today's standard treatments that are known to inhibit tumor-derived immunosuppression (including certain tyrosine kinase inhibitors and chemotherapies), as well as the emerging standard of immunotherapies for cancer (e.g. checkpoint inhibitors), will form potential combination therapies rather than competing treatments.

Immune primers

Initially, research on immune primers was mostly based on different primers in combination with tumor-associated antigens. As limited efficacy was shown due to the immune system's tolerance to such tumor-associated antigens and the natural variability of each patient's tumor, the field has made an important paradigm shift to use neoantigens.

Though the field of immune primers has lagged behind the success of checkpoint inhibitors due to earlier setbacks using tumor-associated antigens, such as the cancer vaccine Provenge® (Dendreon), it has pushed the field into the right direction. Now, the category of neoantigen-based immune primers can be divided into two subgroups – **a)** immune primers that are used in combination with tumor-derived antigens (neoantigens) from the tumor of each specific patient that have been synthesized in the test tube and **b)** off-the-shelf immune primers for intratumoral injection in situ. The former, immune primer when combined with tumor-derived neoantigens, is an individualized cancer vaccine (immune primer plus antigen) prepared in a laboratory using a unique biopsy cell sample from the patient's own tumor. The fact that the therapy is completely individualized results in a very expensive and time consuming treatment inappropriate for large scale use. So far, these therapies have still not shown sufficient clinical efficacy in order to obtain approval for a market release.

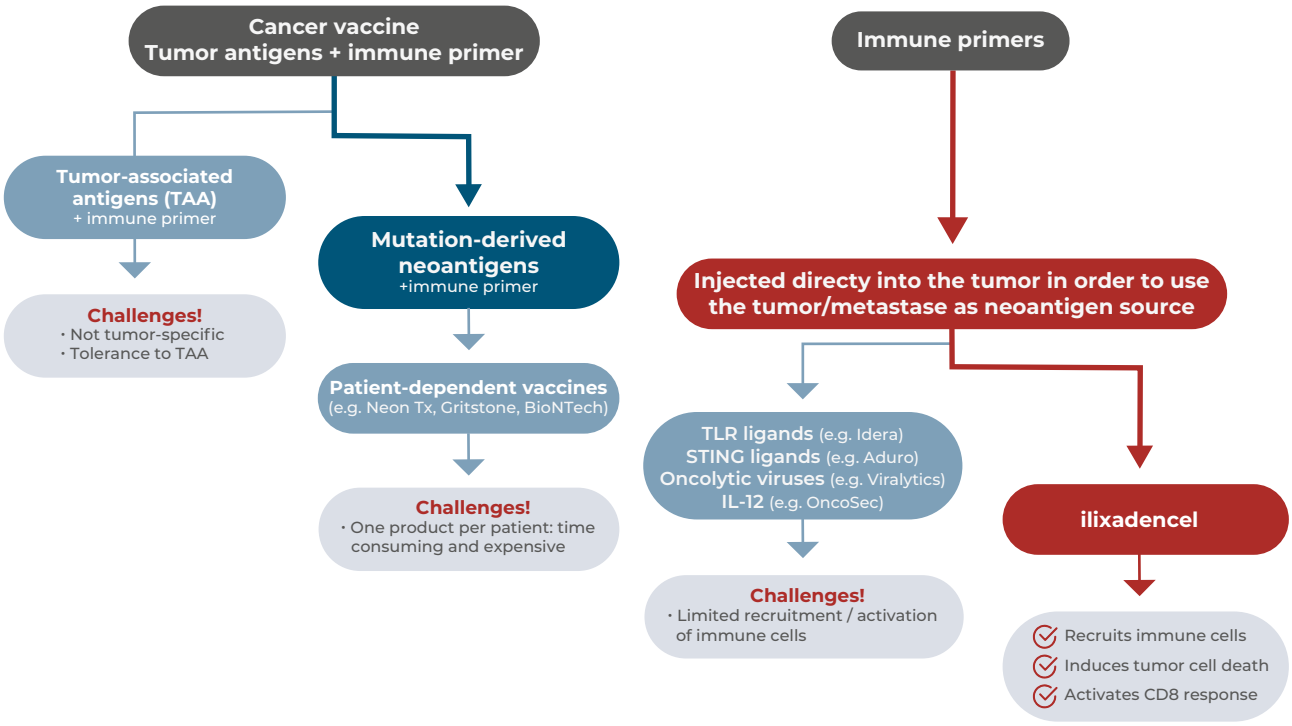
The latter subgroup – immune primers for intratumoral administration – utilizes the patient's own tumor as the neoantigen source in situ ("on site", i.e without need for extracting tumor material, characterizing the genes coding for neoantigens and subsequently synthesizing these neoantigens) in order to induce a neoantigen-specific immune priming.

This approach enables the use of a "universal" off-the-shelf product that can be used on all patients with an injectable solid tumor, without need for customization. This part of the immune primer landscape is where both Immunicum's ilixadencel and immune enhancers such as Toll Like Receptors (TLR)- and STING- ligands as well as oncolytic viruses operate. Although other immune primers are considered competitors of ilixadencel, it is Immunicum's assessment that they fall short of a key aspect; they are, unlike ilixadencel, only capable of addressing parts of the crucial immune priming process.[6]

The strength with Immunicum's immune primer ilixadencel is that it engages the entire immune system activation process needed, being **i)** recruitment of natural killer (NK) cells as well as dendritic cells into the tumor, **ii)** induction of NK-cell mediated tumor neoantigen release and **iii)** activation of recruited and neoantigen- loaded dendritic cells, subsequently leading to systemic activation of tumor specific killer T cells (CD8+ T cells). All this is achieved while having only few and mild side effects compared to other established cancer immunotherapies. The Company's assessment is therefore that the unique profile of ilixadencel, a cell-based off-the-shelf immune primer, can serve as, and is positioned to be, an optimal immune primer to be used in combination with anti-immunosuppression candidates.

6. Salmon et al., Expansion and Activation of CD103+ Dendritic Cell Progenitors at the Tumor Site Enhances Tumor Responses to Therapeutic PD-L1 and BRAF Inhibition, 2016.

The lanscape for cancer vaccines and immune primers



Trends in the market for oncology and specifically immuno-oncology

Immunicum expects the demand for immunotherapies to increase going forward. Below are the most evident trends in the market.

Increasing number of application areas for immunotherapies

The Company believes immunotherapeutic drugs have the potential to change the therapeutic landscape in the treatment of cancer. Immuno-oncology, the Company's focus area, is a relatively new and rapidly growing part of the market. According to the Company's assessment, there is considerable room for new players to take market shares and high potential for products that are based on new technology and potentially offer minor or no side effects.

Increasing collaborations

It is common for large pharmaceutical companies to cooperate with smaller, research-based, pharmaceutical companies in the development of pharmaceuticals. The costs of developing drugs are high, which is one of the reasons why smaller pharmaceutical companies can choose to license their products to major pharmaceutical companies 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.

Demographic development

That an increasing proportion of elderly people, where the number of new cancer cases typically are higher, coupled with higher incomes and better access to, as well as increased use of drugs in developing countries is expected to drive growth of the total pharmaceutical market.

Immunicum's focus areas

Current indications

With Immunicum's cancer immune primer ilixadencel it is possible to treat all solid tumors which are accessible via intratumoral injection. Immunicum has chosen to initially invest in metastatic renal cancer (mRCC) treatment. Immunicum has completed a Phase II trial called the MERECA (MEtastatic REnal cell CArcinoma) study showing that ilixadencel provides a systemic therapeutic benefit while maintaining a positive safety and tolerability profile. A Phase I/II study in gastrointestinal cancer (GIST) was completed in June 2019 and showed that ilixadencel had a favorable safety profile and initial signals of clinical benefit in two patients that showed partial response to the treatment. In January 2019, Immunicum announced the publication of final results from the completed Phase I/II study in liver cancer (hepatocellular carcinoma; HCC). Beyond these three indications, Immunicum is conducting a new Phase Ib/II study (ILIAD study) in combination with checkpoint inhibitors, in non-small cell lung cancer, head and neck cancer and gastric cancer. The important information that Immunicum have and will receive from these studies, together with continuously ongoing analysis of the cancer treatment landscape, will continue to shape the development plan for ilixadencel.

The market for Immunicum's current indications

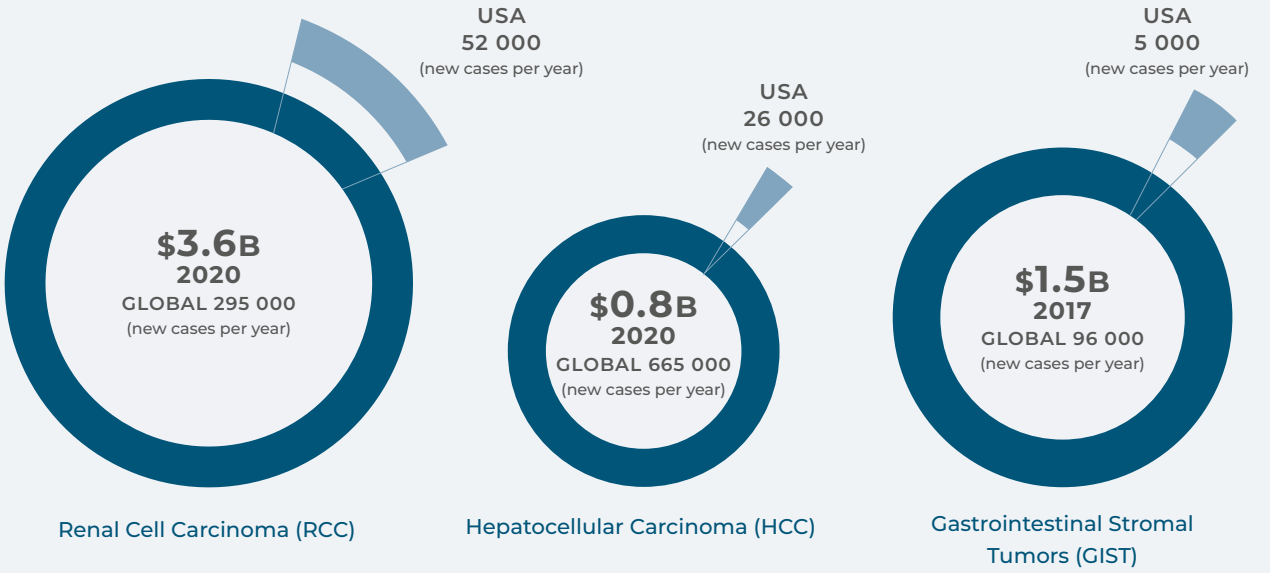
Immunicum is developing ilixadencel in indications in which limited treatment options are available. Chemotherapies, targeted therapies and the introduction of checkpoint inhibitors as combination therapies in both earlier and advanced treatment settings of these indications will continue to change the market trends and sizes. Immunicum will develop and further position ilixadencel in combination with checkpoint inhibitors and other targeted therapies in different treatment settings, which will be favorable from both regulatory and market perspectives. Given the limited efficacy of checkpoint inhibitors as monotherapy, and the incremental efficacy targeted therapies are assumed to add based on its growth inhibiting mechanism, Immunicum anticipates immunotherapy combinations to capture a significant part of the market for these indications. Ilixadencel may act as an optimal treatment combination to a number of targeted therapies and immunotherapies based on its safety and priming positioning in the cancer immunity cycle complementary to these therapies.

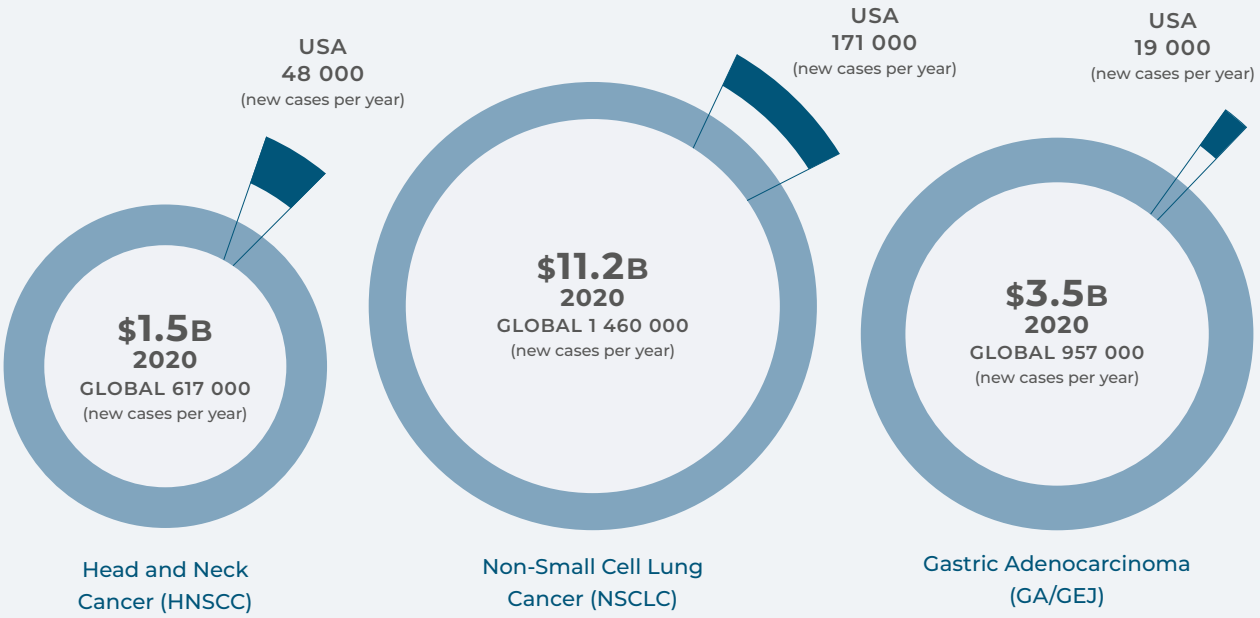
On the next page is an overview of the indications for which ilixadencel is currently in clinical development, with their current patient populations (incidence) and forecasted market size for the major markets (including US and Europe), based on data from GLOBOCAN, GlobalData and Peristence Market Research.

Broader market potential

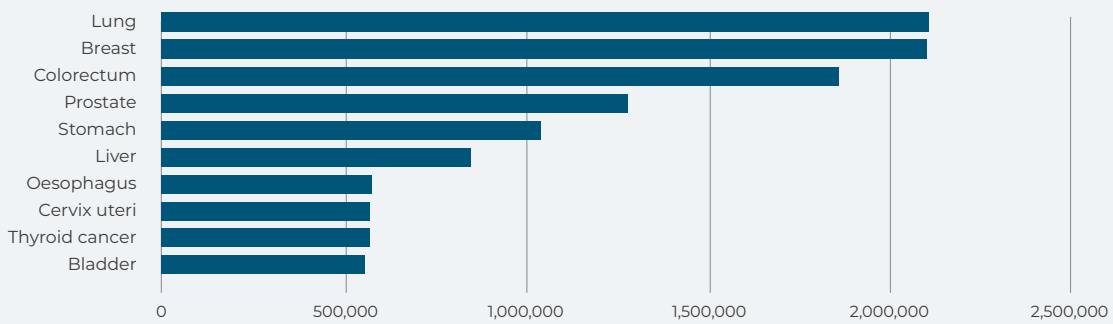
In addition to the current and new indications outlined above, ilixadencel could potentially be used to treat all injectable, immunogenic solid tumors or injectable metastases of solid tumors. Hence, it is the Company's assessment that a large number of additional indications constitute future potential target markets for Immunicum. Such indications include among others breast cancer, colorectal cancer, cervical cancer, pancreatic cancer and melanoma. On the next page is an overview of the 10 most common cancer indications globally.

Market sizes





Most common cancer indications globally (new cases per year)



Source: GLOBOCAN 2018, Global Cancer Observatory, International Agency for Research on Cancer 2019.

The share, share capital and ownership structure

The share

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. The share book is maintained by Euroclear, with address Euroclear Sweden AB, Box 191, SE-101 23 Stockholm.

The share has been traded since April 22, 2013 on Nasdaq First North under the short name IMMU with ISIN code SE0005003654. As of January 15, 2018, the share is traded on Nasdaq Stockholm's main market.

During the year, the share price rose by 40 percent and the last price paid in 2019 was SEK 10.52 (7.44). The year's highest closing price was SEK 16.14 and was listed on August 2. The lowest price was SEK 5.72 and was listed on September 18.

Number of shares

The number of shares in the company as of December 31, 2019 amounted to 92,257,531 (71,874,119) and the share capital amounted to 4,612,876.55 (3,593,705.95).

Liquidity

In total, 258 (48) million shares in Immunicum were traded in 2019, corresponding to a value of approximately SEK 2,323 million (388). On average, 1,03 million shares were traded on each trading day, corresponding to SEK 9.3 million.

Ownership

At year-end, Immunicum had 9,808 (5,591) shareholders, of which 469 (288) were registered as legal entities and 9,339 (5,303) as private individuals. The share capital is owned to 92,5 (91.5) percent of Swedish-registered owners and to 7.5 (8.5) percent of foreign owners.

Ten largest shareholders 2019-12-31

Shareholders	Number of shares	Share of capital/votes
Fourth Swedish National Pension Fund	8,234,047	8,9 %
Nordnet Pension Insurance	7,000,000	7,6 %
Loggen invest AB	4,640,380	5,0 %
Holger Blomstrand Byggnads AB	3,240,000	3,5 %
BNP Paribas Sec Serv Luxembourg	2,975,386	3,2 %
Alfred Berg Funds	957,450	1,0 %
Göran Källebo	956,293	1,0 %
Elivågor AB	931,863	1,0 %
The Bank of New York Mellon SA/NV	875,000	0,9 %
SEB Funds	873,836	0,9 %
Ivar Nordqvist	857,300	0,9 %
Other	775,716	0,8 %
Övriga	59,940,260	65,0 %
Total	**92,257,531**	**100,00 %**

The share capital

Immunicum's share capital as of December 31, 2019 amounted to 4,612,876.55 divided into 92,257,531 shares with a quotient value of SEK 0.05.

Share capital development

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

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	New share issue	24,999,990	50,958,531	1,249,999.5	2,547,926.55	0.05
2018	New share issue	41,299,000	92,257,531	2,064,950	4,612,876.55	0.05

Dividend policy and proposed dividend

The Board of Directors propose that no dividend should be paid for the financial year 2019.

Organization

Mikael Oredsson

CHAIRMAN OF THE BOARD OF DIRECTORS SINCE 2018

Shares: 17,560

MSc in International Business Administration from Lund University, born 1960

Professional experience: Michael Oredsson was until the end of 2017/2018 the CEO of listed Bioinvent. Prior to that, Michael was CEO of Probi (2007-2013), Biosignal in Australia (2002-2007) and Nutripharma in Norway (1999-2001). During the eighties and nineties he worked in senior positions in companies such as Pharmacia, M&M/Mars and Nestlé.

Other on-going assignments: CEO and Board member of Biome Australia Ltd (Melbourne). CEO and Board member of NLSC - Northern Lights Southern Cross AB.

Independence: Michael Oredsson 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: Chairman of the board of directors and CEO of Allmora Life Science AB. Board member of Kancera AB and Gesynta Pharma AB.

Independence: Charlotte Edenius 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 Attgeno AB, Addi Medical AB, Addi Optioner AB, Galecto Biotech AB, Cantargia AB, Initiator Pharma AS and Perma Ventures AB. Board member of Cerecor Inc, Karolinska Development AB, NeuroVive AB, P O Persson i Lidingö AB and Själbådan AB.

Independence: Magnus Persson 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 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: Glazer Consultancy ApS, Partner, Ventac Partners.

Independence: Steven Glazer 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, Promore Pharma AB, KVS Invest AB, Klifo A/S, Gedea Biotech AB and Cavastor AB.

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

Management team

Alex Karlsson-Parra

INTERIM CEO SINCE 2019, CO-FOUNDER, CHIEF SCIENTIFIC OFFICER (CSO) SINCE 2008

Shares: 621,736
(including related parties)

Options: 184 000

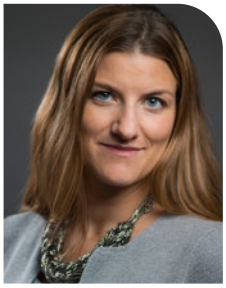
M.D., Ph.D. and Adjunct Professor in Clinical Immunology, Uppsala University, born 1950

Professional experience:
Assocciate Professor Karlsson-Parra has over 20 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 has formerly had the position as chief physician at the Department of Clinical Immunology at Uppsala University Hospital and Sahlgrenska University Hospital, Gothenburg.

Other on-going assignments: -

Michaela Gertz

CHIEF FINANCIAL OFFICER (CFO) SINCE 2018



Shares: 21,000

Options: 230 644

Professional experience: Michaela Gertz has over 10 years of experience from the Life science industry with various positions in finance. She has long experience of listed companies, raising capital and IPOs. Michaela Gertz comes from a position as CFO & Investor Relations Manager at PledPharma AB and previously as Head of Investor Relations & Financing at Accelerator Nordic AB. Before joining the life science industry, she worked at the venture capital company ITP Invest AB and at Handelsbanken Asset Management.

Other on-going assignments: -

Sharon Longhurst

HEAD OF CMC SINCE 2017

Shares: 8,493

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

Options: 180 000

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: -

Sijme Zeilemaker

CHIEF OPERATING OFFICER SINCE 2019, SENIOR DIRECTOR BUSINESS DEVELOPMENT SINCE 2017

Shares: 13,302

Options: 230 644

Masters 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: -

Margareth Jorvid

HEAD OF REGULATORY AFFAIRS SINCE 2015 AND QUALITY ASSURANCE (QA) SINCE 2017

Shares: 29,418

Options: 230 644

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 and Lobsor Pharmaceuticals AB. Deputy board member of A-transport Jorvid AB.

Directors' report

» **The Board of** Directors and the Chief Executive Officer of Immunicum AB (556629-1786) hereby submit the Annual Report for the January 1, 2019–December 31, 2019 fiscal year.

Immunicum's 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 induce a personalized anti-tumor immune response.

The Company's drug candidate, ilixadencel, has been developed to be able to take advantage of each patient's unique profile of tumor-specific antigens by injecting ilixadencel directly into the tumor. This approach thereby eliminates the need to characterize, select and produce each patient´s tumor-specific antigens before treatment.

Ilixadencel is currently being evaluated in kidney cancer, liver cancer, gastrointestinal stromal tumors, head and neck cancer, non-small cell lung cancer and gastric cancer; with kidney cancer being the furthest advanced indication with a Phase II study completed.

In 2019, the company focused primarily on the multi-indication study ILIAD, in which ilixadencel is tested in combination with checkpoint inhibitors. Focus was also on the read out of the Phase II study MERECA in which ilixadencel was combined with sunitinib in 88 patients. During the year, results from the GIST study treating patients with incurable gastrointestinal stroma cell tumors was presented. At the end of the year, CEO Carlos de Sousa resigned and CSO Alex Karlsson-Parra was appointed interim CEO.

Immunicum was founded in 2002 as a spin-off from the Sahlgrenska University Hospital in Gothenburg. The company's share is listed on Nasdaq Stockholm. The company is a public limited liability company registered in Sweden, with its registered offices in Gothenburg. The address of the head office is Östermalmstorg 5, SE-114 42 Stockholm, Sweden.

Five-year overview

Amount in KSEK	2019	2018	2017	jul-dec 2016	2015/2016
Net sales	-	-	–	–	–
Operating profit/loss	-132,324	-97,846	-80,700	36,737	-43,643
Profit/loss before taxes	-134,016	-97,860	-80,338	-36,794	-43,923
Profit/loss for the period	**-134,016**	**-97,860**	**-80,338**	**-36,794**	**-43,923**
Earnings per share before and after dilution (SEK)	-1.5	-1.9	-3.1	-1.4	-2.2
Shareholders' equity	272,781	406,041	189,556	102,386	139,180
Cash flow from operating activities	-145,808	-104,668	-46,447	-33,738	-40,229
Cash and cash equivalents at the end of the period	**296,811**	**443,798**	**128,883**	**102,899**	**119,949**

Financial overview

Financial results

Immunicum's research and development costs for the fiscal year amounted to SEK 103,1 million (70,9), with the increase primarily due to intensified activity in the clinical programs involving ilixadencel and the increased development costs related to the process development activities to strengthen the manufacturing process of ilixadencel. The operating loss for the year amounted to SEK -132,3 million (SEK -97,8 million). The net loss amounted to SEK -134 million (SEK -97,9 million).

Earnings per share, before and after dilution, amounted to SEK -1.5 (SEK -1.9).

Cash flow and investments

Cash flow from operating activities amounted to SEK -145,8 million (SEK -104,7 million). The increase is according to plan and primarily due to costs related to intensified activity in the clinical programs as well as process development for manufacturing of ilixadencel. Cash flow from investing activities amounted to SEK -0,25 million (SEK 0 million) and referred a transfer from cash to pledged assets. Cash flow from financing activities totalled SEK 0,76 million (SEK 419,6 million), which relate to warrant premiums from the incentive program that was initiated in May.

Financial position

At December 31, 2019, the company's cash and cash equivalents amounted to SEK 296,8 million (SEK 443,8 million) and equity to SEK 272,8 million (SEK 406 million).

Significant events during the financial year

- Immunicum announced the topline data from the exploratory Phase II MERECA clinical trial. Five patients had complete responses and the topline data on survival benefit in all patients showed that a higher percentage of ilixadencel patients were alive as per data cut-off in July 2019.
- Immunicum announced positive topline results from its completed Phase I/II clinical trial examining the safety and tolerability of Immunicum's lead candidate, ilixadencel, in combination with tyrosine kinase inhibitors (TKIs) in six patients with Gastrointestinal Stromal Tumors (GIST), a rare and difficult-to-treat disease indication.
- At the AGM a long-term incentive program for all employees was approved. The program was subscribed to 94,4 %.
- Immunicum announced upcoming oral presentation on MERECA trial at the ASCO-SITC Clinical Immuno-Oncology Symposium.
- Immunicum announced resignation of Carlos de Sousa as CEO and Alex Karlsson-Parra was appointed interim CEO.
- Immunicum announced advancement to next dosage group level in Phase Ib/II ILIAD combination trial.
- Immunicum announced positive preclinical data on Ilixadencel in combination with CTLA-4 Immune Checkpoint Inhibitor.
- The European Patent Office decided to grant the new Immunicum patent "Improved allogeneic dendritic cells for use in cancer treatment".

Significant events after the end of the period

- Immunicum presented updated data from Phase II MERECA trial of Ilixadencel in kidney cancer at ASCO-SITC Clinical Immuno-Oncology Symposium. December 2019 data showed a separation in survival curves in favor of the ilixadencel group.
- Immunicum announces that its CFO, Michaela Gertz, will leave the company in summer 2020.
- Immunicum announced that Peter Suenaert, MD, PhD, will resume the role of Chief Medical Officer (CMO) at Immunicum effective May 1st, 2020
- COVID-19 pandemic impact on operations
  The COVID-19 pandemic is evolving rapidly and will have a significant impact on the global healthcare system. Many hospitals, regions and countries are updating their guidelines and Immunicum follow the development closely to take necessary steps to fully comply with new guidance. Immunicum has also taken necessary actions to ensure the well-being, safety and security of the Company's employees.

  At reporting date the ongoing ILIAD study continues as planned in the US. However, there is a risk that the circumstances may change quickly if for instance hospitals have to prioritize the care and treatment of subjects infected by the novel coronavirus and/or redirect resources to handling COVID-19. This could have a negative impact on the Company as there is a risk that the recruitment of patients to the study may be delayed.

  Similarly, this may affect the collection of follow-up survival data like for the MERECA study and/or result in a delay or gap in the clinical study data collection and/or processing by the CRO.Sufficient stock of ilixadencel, to complete the Phase 1b part of the ILIAD study, have been shipped to storage depots and the company does not currently foresee delays in the shipment of product to site(s) as a consequence of the COVID-19 pandemic. At reporting date, upcoming planned regulatory authority interactions are not affected. There is a general risk associated with the the impact the COVID-19 pandemic will have on the capital markets. If extended in time it could adversely affect the Company's access to the capital markets, which could have a negative impact on the Company's business.

Other information

Environment

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 in relation to 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.

Share capital and ownership

The number of shares in the company at December 31, 2019 amounts to 92,257,531 (71,874,119) and the share capital amounted to SEK 4,612,876.55 (SEK 3,593,705.95). On December 31, 2019, Avanza Pension was the largest owner, with a total of 8,234,047 shares representing 8.9 percent of the votes and capital in the company.

Employees

Immunicum's organization consists of employees (permanent and consultants) with key skills within drug discovery that together cover all the relevant aspects of developing ilixadencel. At year-end, the number of employees amounted to 11 (11), of whom 7 (6) were women and 4 (5) men.

Proposal for guidelines for remuneration to senior executives of the company

The board of directors proposes that the annual general meeting adopt the following guidelines for remuneration to the CEO and other senior executives. The guidelines also apply to prospective compensation to the board of directors' members in excess of the board of directors' fee.

The guidelines apply to remuneration agreed to after the annual general meeting 2020 and to amendments to already agreed remunerations which are made thereafter. These guidelines do not apply to issues or transfers that fall within Chapter 16 of the Swedish Companies Act or fees and other remuneration resolved by the general meeting. For employments governed by regulations other than Swedish, pension benefits or other benefits may be duly adjusted for compliance with mandatory rules or established local practice, considering, to the extent possible, the overall purpose of these guidelines.

The guidelines' promotion of the Company's business strategy, long-term interests and sustainability

In order to successfully implement the Company's business strategy and safeguard the Company's long-term interests, including its sustainability, it is required that the Company is able to recruit and retain qualified employees. The Company's area of operation, immunology, is an area with high demand, for individuals with the right competence, both from a national and an international perspective. The Company aspire to offer a competitive total compensation at market level both from a national and an international perspective and thereby be able to attract and retain qualified employees.

Forms of remuneration, etc.

The remuneration shall be at market level, be in relation to responsibility and authority and consist of the following components: fixed salary, any variable remuneration in accordance with separate agreements, pension and other benefits. The general meeting may in addition – irrespective of these guidelines – resolve on, shares or share price-based instruments that form part of.

Fixed salary

The fixed salary shall constitute the base of the total compensation and shall consist of fixed cash salary, which shall be reviewed annually. The fixed salary shall be competitive and reflect the requirements of the position regarding competence, responsibility, complexity and in which way the remuneration promotes the business goals.

Variable remuneration

In addition to the fixed salary, the CEO and other senior executives may, in accordance with separate agreements, receive variable remuneration upon fulfilment of predetermined criteria. Any variable remuneration shall consist of annual variable cash salary and may not exceed 35 per cent of the fixed annual salary.

The variable renumeration shall be linked to one or several predetermined and measurable objectives and shall be designed to promote the Company's business strategy and long-term interests, including sustainability, and be determined by the board of directors. The variable salary shall depend on the individual's achievement of qualitative and quantitative objectives. The objectives shall be based on both the Company's overall objectives with the business and on individual objectives relevant to the senior executive's position in the Company. The criteria shall be valid for one financial year at a time.

When the measurement period for fulfillment of the criteria for payment of variable remuneration has been completed, the extent to which the criteria have been fulfilled shall be assessed. The assessment shall be based on an actual achievement of the individual criteria and on an overall view.

Pension

For the CEO and other senior executives, pension benefits, including health insurance, shall be fixed and for the CEO the premiums may not exceed 30 per cent and for other senior executives may not exceed 25 per cent of the fixed annual salary. Variable renumeration shall not contribute to pension.

Other benefits

Other benefits, which may include travel benefit and health care insurance, shall be at market level and constitute a limited share of the total renumeration. Premiums and other costs arising from such benefits may not exceed 15 per cent of the fixed annual salary.

Termination of employment

The notice period for termination for the CEO and other senior executives shall be a maximum of twelve months. When termination is made by the Company, severance may be paid with an amount corresponding to a maximum of twelve months fixed salary.

Additional remuneration may be paid for non-compete undertakings. Such renumeration shall compensate for loss of income. The remuneration may not exceed 60 per cent of the fixed salary at the time of termination of employment and be paid during the time the non-compete undertaking applies, however not for more than 18 months following termination of employment.

Remuneration to the board of directors

The members of the Company board of directors, elected by the general meeting, may under certain circumstances and during a limited period be paid for services, which is not part of the work of the board of directors, within their field of competence. The remuneration for such services (including services conducted by a company wholly owned by the member of the board of directors) shall be at market rate and the services shall contribute to the Company's business and long-term interest, including sustainability.

Salary and employment conditions for employees

In the preparation of the board of directors' proposal of these guidelines, the salary and employment terms of the Company's employees have been considered through the inclusion of information on the employees' total compensation, the components of the remuneration and the remunerations increase and growth rate over time.This information has informed the renumeration committee and the board of directors when evaluating and deciding whether the guidelines and the limitations set out herein are reasonable.

Preparation and decision procedure

The board of directors has established a remuneration committee. The committee's tasks include, among other things, to prepare principles for remuneration to the senior executives and prepare the board of directors' resolution regarding proposal for guidelines for remuneration to senior executives. The board of directors shall prepare a proposal for new guidelines at least every fourth year and present it to the annual general meeting. The guidelines shall be in force until new guidelines are adopted by the general meeting.

The remuneration committee shall also monitor and evaluate programs for variable remuneration for the senior executives, the application of the guidelines for salary and other remuneration to the senior executives as well as the current remuneration structures and compensation levels in the Company. Remuneration to the CEO shall be resolved by the board of directors after preparation and recommendation from the remuneration committee and remuneration to other senior executives shall be resolved by the board of directors based on proposal from the CEO. The CEO or other senior executives do not participate in the board of directors' processing of, and resolutions regarding, remuneration-related matters if they are affected by such matters.

Deviations from the guidelines

The board of directors may resolve to deviate from the guidelines, in whole or in part, if in a specific case there is special cause for a deviation and that deviation is necessary to serve the Company's long-term interests, including its sustainability, or to ensure the Company's financial viability. As stated above, the remuneration committee's duties include preparing the board of directors' resolutions regarding remuneration-related matters, including resolutions to deviate from the guidelines.

Information regarding previously resolved remuneration that has not fallen due for payment

On 10 June 2019, new regulations were implemented in the Swedish Companies Act, inter alia regarding the wording of the guidelines for remuneration. According to the transitional provisions, the proposal for guidelines for remuneration shall contain information regarding previously resolved remuneration that has not fallen due for payment.

Save for the variable remuneration that the Company's former CEO is, under certain conditions, entitled to in the event of a sale of all or most of the Company's assets, a licensing of the Company's intellectual property or other transactions deemed by the board of directors to be of similar import and the obligation to continuously pay remuneration such as fixed salary, pension and other benefits to senior executives there is no previously resolved remuneration to any senior executive that has not fallen due for payment. The variable remuneration that the Company's former CEO may be entitled to in accordance with above is only relevant for the financial year 2020. No such compensation will be payable in the event that a sale etc. occurs after the financial year 2020.

For current guidelines adopted at the Annual General Meeting 2019, see the Corporate Governance Report on pages 58-66.

Corporate governance

According to the Corporate Governance Code, a Corporate Governance Report shall be available on the web. The Corporate Governance Report for 2019 is available on pages 58-66.

Significant risks and uncertainty factors

The risks related to the company's operations and industry include the following primary risks:

Immunicum is a development company without historical revenue earnings capacity

Immunicum has not yet, either independently or via partners, launched any cancer immune primers or any other drug on the market. Therefore, the company has not engaged in the sale of any pharmaceutical products, nor has it generated any revenue. If the present product candidates' introduction on the market is delayed, are made more expensive, or never occur, it could have a significant negative impact on the company's business operations, financial results and financial position.

Risks related to potential future revenue

Immunicum'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. If Immunicum fails to enter into agreements for the licensing of products, sales of intellectual property rights or similar transactions on terms and conditions that are favorable to the company, if such agreements lead to delays and/or increase costs, or if payments to be made pursuant to such agreements are delayed or are not received at all, this could have a significant negative impact on the company's business operations, financial results and financial position.

Need of additional financing

It may take a long time for the company's pharmaceutical products to be sold commercially and generate regular cash flow from the company's operations. The company's planned clinical studies entail significant costs and there is a risk that the company's development of product candidates can be more time- and resource-demanding than planned. Immunicum will therefore continue in the future to have a need to raise additional capital in order to carry out further research and development. There is a risk that new capital cannot be obtained when the need arises, that it cannot be acquired on preferential terms, or that it cannot be acquired at all. If Immunicum cannot obtain financing, the company may be forced to seriously restrict its research and development activities or in the worst case, suspend its operations, which could have a significant negative impact on the company's business operations, financial results and financial position.

Dependence on key individuals and qualified personnel

Immunicum's activities are highly dependent on a number of key individuals, some of whom hold senior positions and are shareholders in the company. If Immunicum cannot recruit and retain key persons and other qualified personnel to the extent and under the terms and conditions that are required, it could have a significant negative impact on the company's operations, financial results and financial position.

Research and Development

The preclinical development and clinical studies that the company pursues are based on ilixadencel and the platform technologies IMM-2 and IMM-3. Neither ilixadencel nor any product based on these platform technologies has yet to be approved for release on the market. Before a medicinal product can be put on the market, the safety and efficacy concerning the treatment of humans must be assured for each individual indication, which is proven by preclinical investigations carried out with animals and with clinical trials in humans. Unforeseen trial results or the late or non-recruitment of patients may delay or prevent the market launch of product candidates, should government agencies or other decision-makers decide that the company's product candidates do not meet the established criteria. If Immunicum cannot prove to a sufficient extent via clinical studies that a product candidate is safe and effective, and thus enabling it to be commercialized, that could have a significant negative impact on the company's business operations, financial results and financial position.

Immunicum's intellectual property rights, know-how and confidentiality

Immunicum's future success will largely depend on its ability to obtain and maintain the protection of intellectual property rights, mainly patent protection, in the USA, EU, Asia and other countries, for the intellectual property rights relating to the company's product candidates. There is a risk that the company will not be able to maintain its intellectual property rights or that these will not provide adequate commercial protection, which would have a significant negative impact on the company's business operations, financial results and financial position.

Competition

Immunicum operates in a competitive industry, and many companies, universities and research institutions are engaged in research and development of pharmaceutical products, including those who can, or may in the future, compete with the company's product candidates. If the company is not able to effectively compete in the market, it could have a significant negative impact on the company's business operations, financial results and financial position.

Changes within the pharmaceutical industry could make the company's products obsolete

The pharmaceutical industry is characterized by rapid changes in legislation, authorization requirements, technology, new technological advances and an ongoing improvement of industrial know-how. There is a risk that such conditions could increase the company's costs, impede the development of the company's product candidates or cause the company's existing or future planned products to lose their commercial value, which would have a significant negative impact on the Company's business operations, financial results and financial position.

The recommendation of the Board of Directors for the appropriation of the company's profits/losses

Amount in SEK	
The following unrestricted shareholders' equity are available to the Annual General Meeting for its disposition:	
Share premium reserve	731,828,355
Retained earnings	-329,644,592
Net profit for the year	-134,015,842
Total	**268,167,921**
The Board of Directors proposes that the profits available for distribution and unrestricted reserves be allocated as follows:	
To be carried forward	268,167,921
Total	**268,167,921**

Financial information

Income statement

Amounts in KSEK	Note	2019-01-01 - 2019-12-31	2018-01-01 - 2018-12-31
Other operating income	3	893	184
		893	**184**
Operating expenses			
Sales, general and administration expenses	4,5,6,7	-28,498	-25,614
Research and development expenses	6,7	-103,144	-70,930
Other operating expenses	8	-1,576	-1,485
Operating profit/loss		**-132,324**	**-97,846**
Result from financial items			
Financial income	9	10	-
Financial expenses	10	-1,701	-14
Profit/loss after financial items		**-134,016**	**-97,860**
Total profit/loss before taxes		**-134,016**	**-97,860**
Income tax expense	11	-	-
Profit/loss for the period		**-134,016**	**-97,860**
Earnings/loss per share before and after dilution (SEK)	12	-1.5	-1.9

Statement of comprehensive income

Amounts in KSEK	2019-01-01 - 2019-12-31	2018-01-01 - 2018-12-31
Result for the period	-134,016	-97,860
Other comprehensive income		-
Total comprehensive result for the period	**-134,016**	**-97,860**

Balance sheet

Amounts in KSEK	Note	2019-12-31	2018-12-31
ASSETS			
Fixed assets			
Tangible assets			
Equipment	13	-	9
Total tangible assets		-	*9*
Financial assets			
Other securities held as fixed assets	14	1	1
Other long term receivables	15	251	
Total financial assets		*252*	*1*
Total fixed assets		**252**	**10**
Current assets			
Inventories	16		*1,469*
Current receivables			
Other receivables		2,983	3,307
Prepaid expenses and accrued income	17	3,783	1,788
Total current receivables		*6,766*	*5,095*
Cash and bank balances		*296,811*	*443,798*
Total current assets		**303,577**	**450,363**
TOTAL ASSETS		303,829	450,373
SHAREHOLDERS' EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
Restricted equity			
Share capital	18	4,613	3,594
New share issue in progress		-	1,019
Total restricted equity		*4,613*	*4,613*
Unrestricted equity			
Share premium reserve		731,828	731,073
Retained earnings		-329,645	-231,785
Profit/loss for the period		-134,016	-97,860
Total unrestricted equity		*268,168*	*401,428*
Total shareholders' equity		**272,781**	**406,041**
LIABILITIES			
LONG-TERM LIABILITIES			
Other long-term liabilities	19	850	850
Total long-term liabilities		*850*	*850*
CURRENT LIABILITIES			
Accounts payable		12,819	31,266
Other liabilities		1,644	838
Accrued expenses and deferred income	20	15,736	11,378
Total current liabilities		*30,199*	*43,482*
Total liabilities		**31,049**	**44,332**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		303,829	450,373

Report on changes in shareholders' equity

Amounts in KSEK	Not	Share capital	Share premium reserve	Retained earnings incl. profit/loss for the period	Total
Opening shareholders' equity 01/01/2018		2,548	418,793	-231,785	189,556
Profit/loss for the period				-97,860	-97,860
Comprehensive result for the period				**-97,860**	**-97,860**
Transactions with owners					
Share issue		2,065	348,977		351,042
Costs for new share issue			-36,697		-36,697
Total transaction with owners		**2,065**	**312,280**		**314,345**
Shareholders' equity 31/12/2018		**4,613**	**731,073**	**-329,645**	**406,041**
Opening shareholders' equity 01/01/2019		**4,613**	**731,073**	**-329,645**	**406,041**
Profit/loss for the period				-134,016	-134,016
Comprehensive result for the period				**-134,016**	**-134,016**
Transactions with owners					
Premiums for warrants	22		756		756
Total transaction with owners			**756**		**756**
Shareholders' equity 31/12/2019		**4,613**	**731,828**	**-463,661**	**272,781**

Cash flow statement

Amounts in KSEK	2019-01-01 - 2019-12-31	2018-01-01 - 2018-12-31
Operating activities		
Operating profit/loss	-132,324	-97,846
Adjustment for items not included in cash flow	9	58
Interest income received	10	-
Interest expense paid	-17	-14
Increase/decrease in other current receivables and inventories	-202	5,389
Increase/decrease in accounts payable	-18,447	19,552
Increase/decrease in other current liabilities	5,164	-31,807
Cash flow from operating activities	**-145,808**	**-104,668**
Investment activities		
Investment in financial fixed assets	-251	-
Cash flow from investing activities	**-251**	**-**
Financing activities		
New share issues	-	456,281
Premiums for warrants	756	-
Costs attributable to the new share issues	-	-36,697
Cash flow from financing activities	**756**	**419,584**
Cash and cash equivalents at the beginning of the period	443,798	128,883
Cash flow for the period	-145,303	314,913
Foreign exchange difference in cash and cash equivalents	-1,684	-
Cash and cash equivalents at the end of the period	**296,811**	**443,796**

Notes

Note 1 - Accounting principles

Immunicum AB (publ), 556629-1786, conducts operations within pharmaceutical development. The company is a Swedish company with its registered offices in Gothenburg. The address of the head office is Östermalmstorg 5, SE-114 42 Stockholm, Sweden. The Board of Directors approved this Annual Report on April 2, 2020, and it will be presented for adoption at Annual General Meeting on April 28, 2020.

Basis of preparation

The Annual Report and accompanying financial statements have been prepared in accordance with the Swedish Annual Accounts Act and pursuant to the Recommendation of the 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 company is not part of any group and therefore consolidated financial statements are not prepared.

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

Functional currency and reporting currency

The company's functional currency is Swedish kronor (SEK). This means that the financial statements are presented in SEK. All amounts, unless otherwise stated, are rounded to the nearest thousand SEK (KSEK).

IFRS 16 Leases

From 1 January 2019 IFRS issuers are required to apply the new standard IFRS 16. The standard causes changes to the lessee but does not entail any material change for the lessor. The amendment compared with the current IAS 17 Leases is that all contracts in which the company is the lessee are to be handled in the same way as Financial leases have been handled in accordance with IAS 17. The company applies the simplification rule in RFR 2 and will continue to report leasing costs linearly over the lease term. Accordingly, IFRS 16 has not had any effects on the financial reports for the company

There are no other IFRSs or IFRIC interpretations that have not yet come into effect that are expected to have any material impact on the company.

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.

Other operating income

Grants received are recognized in the balance sheet as deferred income and are recognized as income in the period when the cost to be supported is reported.

Government grants are recognized 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 recognized 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.

The company has made the assessment that there is currently no prerequisite for capitalization of development costs.

Leasing

For all leasing agreements the leasing fees are recognized 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 recognized 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 recognized as personnel expenses when they fall due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments may benefit the company.

Income taxes
The company is currently not in a tax position and therefore does not pay income tax. Deferred tax assets relating to unutilized losses carried forward and deductible temporary differences are recognized only to the extent that it is probable that these will be able to be utilized against future taxable profits. As there is some uncertainty concerning when the company's tax loss carryforwards may be able to be used for offsetting against taxable profits, deferred tax assets relating to tax loss carryforwards are not recognized at any value.

Inventories
Inventories are valued at their acquisition value (cost) with a deduction for accumulated depreciation.Inventories are amortized on a linear basis over their expected useful life.

Depreciation based on useful life: 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 cash and cash equivalents, pledged assets, other receivables, other long-term marketable securities, accounts payables, other outstanding debts and loans payable. Cash and cash equivalents consist of bank deposits.

Accounting for financial instruments
A financial asset or a financial liability is recognized in the balance sheet when the company becomes a party in accordance with the contractual provisions of the instrument. Liabilities are recognized when the counterparty has performed and there is a contractual obligation to pay, even if an invoice has not yet been received. Accounts payable are recognized 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 recognized on the "trade date", i.e. the date the company entered into the transaction, committing to purchase or sell the asset.

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

Financial assets at amortized cost
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 recognized 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 recognized at cost and in subsequent valuations in accordance with the lowest cost principle at the lower of cost or fair 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.

Financial liabilities at amortized cost
Loan liabilities and amounts payable to suppliers are initially recognized at cost after deduction of transaction costs. If the carrying amount differs from the amount to be repaid at maturity, the difference is amortized 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 recognized 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 production of pharmaceuticals. The company is of the opinion that this business, in its entirety, constitutes a single operating segment.

Note 2 – Financial risk management
Through its operations, the company is exposed to different financial risks: market risks (including exchange-rate risk, interest rate risk and other price risks) and liquidity risk.

The company's overall risk management focuses on the unpredictability of the financial markets and strives to reduce potential unfavourable effects on the company's financial earnings. The company's financial transactions and risks are managed centrally by the Company through the Company's CFO and CEO. The overall aim in relation to financial risks is to provide cost-effective financing and liquidity management as well as to ensure that all payment obligations are managed in a timely manner. Every year, the Board of Directors establishes a Finance Policy with associated risk parameters.

Foreign exchange exposure

Immunicum's foreign exchange exposure increases as development projects progress in the value chain and the costs for services in connection with clinical trials increase. 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 activities other than cash denominated in foreign currency. Immunicum is primarily exposed to changes in the EUR/SEK and USD/SEK exchange rates related to accounts payable. Operational exchange rate differences for the fiscal year amounted to a net loss of KSEK 683 (KSEK 1,301).

The company is exposed to certain effects of changes in foreign exchange rates, mainly in EUR and USD. A change in exchange rates of +1% (where foreign currencies increase in value against SEK) would effect the book value in the balance sheet as of December 31, 2019. The effect on earnings would be SEK -0,1 million for EUR, and SEK 0,2 million for USD.

Interest rate exposure

Immunicum's exposure to market risk for changes in interest rates relates to bank deposits, investments in interest-bearing securities and from interest bearing liabilities. During the fiscal year, the company paid interest on interest-bearing liabilities received of KSEK 13 (KSEK 14).

Liquidity risk

Liquidity risk is the risk that the company will have difficulties fulfilling its obligations associated with financial liabilities. The Board of Directors manages liquidity risk by continuously monitoring the cash flow to reduce liquidity risk and to ensure the company's ability to pay. Considering that the company currently does not have its own earnings capacity, it is of the utmost importance that financing can be secured from owners and independent investors so that the company's operations can be conducted according to plan. The Board of Directors conducts long-term work with owners and independent investors to ensure that liquidity is available for the company as the need arises.

Note 3 - Other operating income

Other operating income amounts to TSEK 893 (184) and refers to exchange rate gains on accounts payable.

Note 4 - Leases

The company's leases relate only to the rental of office premises where the business is conducted. Future minimum fees according to non-cancellable leases at the end of the reporting period fall due for payment as follows:

Amounts in KSEK	01/01/2019 –31/12/2019	01/01/2018 -31/12/2018
Within one year	1,022	1,209
Later than one year, but within five years		96
Later than five years	-	-
Total	**1,022**	**1,305**
Leasing cots for the year concerning the rental of offices amounted to	1,265	1,403

General description of the company significant leasing agreements:

The current lease contract for Stockholm office run until December 31, 2020, with the possibility of extension after the end of the rental period. The agreement has fixed rent and there is no index clause in the agreement. Contract for office space in Gothenburg runs until December 31, 2020, with the right to extension. The agreement limits the company to conduct business within Life Science, the agreement contains an index clause based on changes in the CPI.

Note 5 - Remuneration to the auditors

Amounts in KSEK	01/01/2019 –31/12/2019	01/01/2018 -31/12/2018
KPMG		
Audit fees	-	280
Audit-related fees	100	91
Other fees	-	63
EY		
Audit fees	395	-
Audit-related fees	-	-
Other fees	-	-
Total	**495**	**434**

The audit assignment involves review of the Annual Report, interim reports and financial acounts and the administration by the Board of Directors and the CEO.

Note 6 - Employees and personnel costs

Amounts in KSEK	01/01/2019 –31/12/2019	01/01/2018 -31/12/2018
Average number of employees		
Men	4	5
Women	7	7
Total	**11**	**12**
Gender breakdown of Members of the Board and senior management		
Board Members	6	6
of which, men	4	4
CEO, and others in senior management	7	7
of which, men	4	4
Salaries, other remuneration and social costs		
Salaries and other remuneration	18,701	19,803
Social costs	3,573	5,990
(of which, pension costs)	(1,729)	(1,901)
Total	**22,274**	**25,794**
Salaries and other remuneration Distributed between Board Members, senior management and other employees		
Board Members and senior management	14,393	15,956

Amounts in KSEK	01/01/2019 –31/12/2019	01/01/2018 -31/12/2018
(of which bonus and similar remunerations)	(1,240)	(1,572)
Other employees	4,309	3,847
(of which bonus and similar remunerations)	(242)	(262)
Total	**18,701**	**19,803**
(of which bonus and similar remunerations)	(1,482)	(1,834)
Remuneration and other benefits provided to Board Members		
Agneta Edberg, (COB until 2017 AGM)	-	78
Michael Oredsson, COB	495	338
Charlotte Edenius	175	150
Steven Glazer	200	175
Martin Lindström, board member until 2017 AGM	-	40
Magnus Nilsson	35	140
Magnus Persson	190	165
Kerstin Valinder Strinnholm	180	175
CEO's remuneration and employment benefits 01/01/2019 - 12/12/2019 Carlos De Sousa		
Fixed salary	3,526	3,423
Variable remuneration	588	735
Other benefits	-	0
Pension costs	917	941
Acting CEO´s remuneration and employment benefits 13/12/2019 - 31/12/2019 Alex Karlsson-Parra		
Fixed salary	70	-
Variable remuneration	106	-
Pension costs	-	-
Remuneration and employment benefits to other senior management		
Six persons (five persons)		
Fixed salary	8,351	8,875
Variable remuneration	652	837
Other benefits	431	641
Pension costs	257	378

Variable remuneration for financial year 2019 (2018) is an expensed bonus to be paid in 2020 (2019). 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 25 April 2019 decided that fees based on a financial year comprising a period of 12 months would amount to SEK 425,000 to the Chairman and SEK 150,000 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, SEK 35 000 to the Chairman and SEK 15,000 to each other Board members who serve on the Remuneration 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 Senior executives

At the Annual General Meeting on April 25, 2019, it was resolved to approve the Board's proposal for guidelines for remuneration to senior executives, as described below, until the time of the Annual General Meeting 2020.

Remuneration to the CEO and other senior executives consists of basic salary, pension benefits and variable remuneration. Other senior executives refer to six (six) persons: Chief Financial Officer, Chief Medical Officer, Chief Scientific Officer, Head of CMC, Head of Regulatory Affairs and quality assurance (consultant) and Senior Director Business Development.

Periods of notice and severance pay

For the Company's CEO, CFO, CMO 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.

Pension

All pension commitments are defined contribution plans. The retirement age for the CEO is 65 and the pension premium is 30 % of the basic salary. Pension commitments for other Swedish senior executives correspond to the current ITP plan. For foreign employees, a salary supplement of 10 % is used for pension purposes. The retirement age is 65 for all other senior executives.

No other pension obligations exist.

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 resigning CEO Carlos de Sousa 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 according to current guidelines for remuneration to senoir executives, amount to maximum 30 % of the fixed salary.

Note 7 - Depreciation

Amounts in KSEK	01/01/2019 –31/12/2019	01/01/2018 -31/12/2018
Equipment	9	60
Total	**9**	**60**

Note 8 - Other operating expenses

Other operatiing expenses amount to 1 576 (1 484) and refers to currency exchange loss from accounts payable.

Note 9 - Interest income and similar items

Amounts in KSEK	01/01/2019 –31/12/2019	01/01/2018 -31/12/2018
Interest income	10	-
Total	**10**	**-**

Note 10 - Interest expense and similar items

Amounts in KSEK	01/01/2019 –31/12/2019	01/01/2018 -31/12/2018
Interest expenses	-17	-14
Foreign exchange difference in cash and cash equivalents	-1,684	-
Total	**-1,701**	**-14**

Note 11 - Income tax expense

Amounts in KSEK	01/01/2019 –31/12/2019	01/01/2018 -31/12/2018
Current taxes	-	-
Deferred taxes	-	-
Recognized tax expense on the year's net income	**-**	**-**
Difference between recognized tax expense and an estimated tax expense based on the current tax rate:		
Total profit/loss before taxes	-134,016	-97,860
Income tax according to current tax rate	28,679	21,529
Tax effect of non-deductible expenses	-117	-137
Tax effect of non-taxable income	-	-
Deductible issue costs reported over equity	-	8,073
Tax effect of loss carryforwards for which deferred tax assets have not been recognized	-28,165	-29,466
Tax expense	**-**	**-**
The current tax rate is 21,4 % (22 %)		
Loss carryforwards for which no deferred tax asset has been recognized	548,396	414,928

The loss carryforwards have no time limit.

Note 12 - Earnings per share

Amounts in SEK	01/01/2019 –31/12/2019	01/01/2018 -31/12/2018
Earnings per share, before dilution		
Net profit/loss for the year	-134,015,842	-97,859,852
Average number of shares outstanding	91,866,616	51,387,301
Earnings per share, before dilution, SEK	**-1.5**	**-1.9**
Earnings per share, after dilution		
Net profit/loss for the year	-134,015,842	-97,859,852
Average number of shares outstanding	91,866,616	51,387,301
Earnings per share, after dilution, SEK	**-1.5**	**-1.9**

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. There is no dilution effect for the stock option program, as earnings for the periods have been negative. At 31 December 2018 there was a dilution effect of the ongoing rights issue due to not registered shares. This dilution effect has not been taken into account as earnings for the periods have been negative.

Note 13 - Equipment

Amounts in KSEK	31/12/2019	31/12/2018
Opening balance accumulated acquisition values	427	427
Acquisition during the year	-	-
Closing balance accumulated acquisition values	**427**	**427**
Opening balance accumulated depreciation	-418	-357
Depreciation for the year according to plan	-9	-60
Closing balance accumulated depreciation	**-427**	**-418**
Closing book value	**-**	**9**

Note 14 - Other long-term securities

Amounts in KSEK	31/12/2019	31/12/2018
Holdings of shares of LFF Service AB	1	1
Total	**1**	**1**

The share in LFF Service AB is pledged and gives Läkemedelsföreningens Service AB an option to acquire the share at its quotient value (SEK 1,000) if Immunicum AB (publ) withdraws from the share agreement with LFF Service AB.

Note 15 - Other long term receivables

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 via a general pledge of bank deposits in the amount of SEK 251,137 (565,537).

At reporting date credit amount used amounted to TSEK 84.

Note 16 - Inventory

Amounts in KSEK	31/12/2019	31/12/2018
Medicines for clinical trials	-	1,469
Total	**-**	**1,469**

Most of the amount relates to advances to suppliers

Note 17 - Prepaid expenses and accrued income

Amounts in KSEK	31/12/2019	31/12/2018
Prepaid expenses relating to preclinical development/clinical trials	1,928	115
Prepaid insurance premiums	303	382
Prepaid rents	469	764
Other prepaid expenses	1,083	528
Total	**3,783**	**1,788**

Note 18 – Share capital

Immunicum's share capital as of December 31, 2019 amounted to 4,612,876.55 divided into 92,257,531 shares with a quotient value of SEK 0.05.

Note 19 - 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. To this should be added interest calculated as the reference rate set by the Swedish National Bank for the calendar half-year in question, plus an additional two percentage points.

Note 20 - Accrued expenses and deferred income

Amounts in KSEK	31/12/2019	31/12/2018
Accrued expenses relating to preclinical development/clinical trials	12,283	4,772
Accrued personnel-related costs	2,582	4,789
Other accrued expenses	870	1,818
Total	**15,736**	**11,378**

Note 21 – Financial assets and liabilities

	Financial assets and liabilities as of December 31, 2019			Financial assets and liabilities as of December 31, 2018		
Amounts in KSEK	Financial assets at amortized cost	Non-financial assets	Sum reported value	Financial assets at amortized cost	Non-financial assets	Sum reported value
Financial assets						
Financial fixed assets	252		252	1		1
Other receivables	7	2,976	2,983	3,307		3,307
Short term investment		3,783	3,783	1,788		1,788
Cash and cash equivalents	296,811		296,811	443,798		443,798

Amounts in KSEK	Financial liabilities at amortized cost	Non-financial liabilities	Sum reported value	Financial liabilities at amortized cost	Non-financial liabilities	Sum reported value
Financial liabilities						
Account payables	12,819		12,819	31,266		31,266
Long term interest bearing debts	850		850	850		850
Other current liabilities	-	1,644	1,644	838		838
Accrued expenses and deferred income	14,946	790	15,736	11,378		11,378

For all of the above items, the book value is an approximation of the fair value.

Note 22 – Share option program

The purpose of share-based incentive programs is to promote the company's long-term interests by motivating and rewarding the company's senior management and other co-workers in line with the interest of the shareholders. There is currently one outstanding incentive program in the Company. In accordance with a decision by the Shareholder's General Meeting in April 2019, a new share-based incentive program; "LTI 2019/2022" was introduced. The warrants are issued to the Participants at a price that corresponds to the fair market value (the warrant premium). The warrant premium to be paid for the warrants is SEK 0.347 per warrant. The fair value on the grant date was calculated using an adapted version of the Black & Scholes valuation model, which takes into consideration the exercise price, the term of the options, share price on the allotment date and expected volatility in the share price, and risk-free interest for the term of the options.

The average share price at valuation was 7,95 SEK, the risk-free interest rate -0,53% and the expected dividend 0%. The expected volatility amounted to 40,8% and is based on the share price development during the last 3 years. A discount has been given since the warrants are not exchange-listed.

Each warrant entitles the holder to subscribe for one (1) share in the Company during the period commencing on 28 May 2022 up to and including 28 July 2022. The subscription price for the shares upon exercise of the warrants is SEK 19.90 per share.

Simultaneously with the subscription, payment in cash shall be made for the number of shares to which the subscription relates.

Full utilization of granted options corresponding to 2,178,089 shares will result in a dilution for shareholders of 2,3 percent.

Note 23 – 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	731,828,355
Retained earnings	-329,644,592
Net profit/loss for the year	-134,015,842
Total	**268,167,921**
The Board of Directors proposes that the profits available for distribution and unrestricted reserves be allocated as follows:	
To be carried forward	268,167,921
Total	**268,167,921**

Note 24 – Pledged assets

Amounts in KSEK	31/12/2019	31/12/2018
Pledged assets for own liabilities and provisions		
Pledged bank deposit	251	566
Total	**251**	**566**

Note 25 - Transactions with related parties

Margareth Jorvid, Head of Regulatory Affairs and Quality System, and member of Immunicum´s management team, has invoiced Immunicum TSEK 1,547 in consultant fees via the company Methra i Uppsala AB for services related to regulatory issues rendered in 2019. Board members and company management at Immunicum have, in addition to board fees and salaries (presented in Note 6) and the above consulting fee to Margareth Jorvid, not received any other remuneration.

Note 26 – Events after the balance date

- Immunicum Presented Updated Data from Phase II MERECA Trial of Ilixadencel in Kidney Cancer at ASCO-SITC Clinical Immuno-Oncology Symposium. December 2019 data showed a separation in survival curves in favor of the ilixadencel group

- Immunicum Announces that its CFO, Michaela Gertz, Will Leave the Company in Summer 2020

- Immunicum announced that Peter Suenaert, MD, PhD, will resume the role of Chief Medical Officer (CMO) at Immunicum effective May 1st, 2020

- COVID-19 pandemic impact on operations
  The COVID-19 pandemic is evolving rapidly and will have a significant impact on the global healthcare system. Many hospitals, regions and countries are updating their guidelines and Immunicum follow the development closely to take necessary steps to fully comply with new guidance. Immunicum has also taken necessary actions to ensure the well-being, safety and security of the Company's employees.

  At reporting date the ongoing ILIAD study continues as planned in the US. However, there is a risk that the circumstances may change quickly if for instance hospitals have to prioritize the care and treatment of subjects infected by the novel coronavirus and/or redirect resources to handling COVID-19. This could have a negative impact on the Company as there is a risk that the recruitment of patients to the study may be delayed.

  Similarly, this may affect the collection of follow-up survival data like for the MERECA study and/or result in a delay or gap in the clinical study data collection and/or processing by the CRO. Sufficient stock of ilixadencel, to complete the Phase 1b part of the ILIAD study, have been shipped to storage depots and the company does not currently foresee delays in the shipment of product to site(s) as a consequence of the COVID-19 pandemic. At reporting date, upcoming planned regulatory authority interactions are not affected. There is a general risk associated with the the impact the COVID-19 pandemic will have on the capital markets. If extended in time it could adversely affect the Company's access to the capital markets, which could have a negative impact on the Company's business.

Certification

The Board of Directors and the CEO certify that the Annual Report has been prepared in accordance with good accounting practice in Sweden. The Annual Report provides a true and fair view of the company's financial position and result. The Directors' Report rovides a true and fair view of the development of the company's operations, position and earnings, and describes the significant risks and uncertainties facing the company.

Stockholm April 2, 2020

Michael Oredsson
CHAIRMAN OF THE BOARD

Charlotte Edenius
BOARD MEMBER

Steven Glazer
BOARD MEMBER

Kerstin Valinder Strinnholm
BOARD MEMBER

Magnus Persson
BOARD MEMBER

Alex Karlsson-Parra
CHIEF EXECUTIVE OFFICER

Our Audit Report was submitted on April 2, 2020
ERNST & YOUNG AB

Anna Svanberg
Authorized Public Accountant

Auditor’s report

» **To the general** meeting of the shareholders of Immunicum AB (Publ), corporate identity number 556629-1786

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts of Immunicum AB (Publ) for the year 2019. The annual accounts of the company are included on pages 38-53 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 (Publ) as of 31 December 2019 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. Our opinions in this report on the annual accounts are consistent with the content of the additional report that has been submitted to the company’s audit committee in accordance with the Audit Regulation (537/2014) Article 11.

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 the company in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

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

Key Audit Matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts as a whole, but we do not provide a separate opinion on these matters.

We have determined that that there are no key audit matters that need to be communicated in the auditor’s report.

Other Information than the annual accounts

This document also contains other information than the annual accounts and is found on pages 1-37 and 59-69. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 intends 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 skepticism 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 audi 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 a 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.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

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 (Publ) for the year 2019 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 the company 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 parent 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.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional skepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined whether the proposal is in accordance with the Companies Act.

Ernst & Young AB, Jakobsbergsgatan 24, Stockholm, was appointed auditor of Immunicum AB (Publ) by the general meeting of the shareholders on the 25 April 2019 and has been the company's auditor since the 25 April 2019.

Stockholm, April 2 2020

ERNST & YOUNG AB

Anna Svanberg
Authorized Public Accountant

Corporate Governance Report

» **Immunicum Aktiebolag (publ),** corporate identity number 556629-1786, is a Swedish public limited liability company with registered offices in Gothenburg. The company's share is listed on Nasdaq Stockholm, Small Cap, and traded under the ticker IMMU.

Immunicum's corporate governance is based on applicable laws, rules and recommendations for listed companies, such as the Swedish Corporate Governance Code ("The Code"), Nasdaq Stockholm's Rule Book for Issuers, the Articles of Association and company-specific rules and guidelines. This report, which is separate from the annual report, pertains to the 2019 financial year and has been reviewed by the company's auditors

Deviations from the Code, stock exchange rules or generally accepted practice in the securities market.

During 2019, the company deviated from the Code on one points. The company did not deviate from any stock exchange rules. Additionally, the company has not been the subject of any rulings by the Nasdaq Stockholm Disciplinary Committee nor a decision on infringement of generally accepted practice in the securities market by the Swedish Securities Council.

Corporate governance at Immunicum

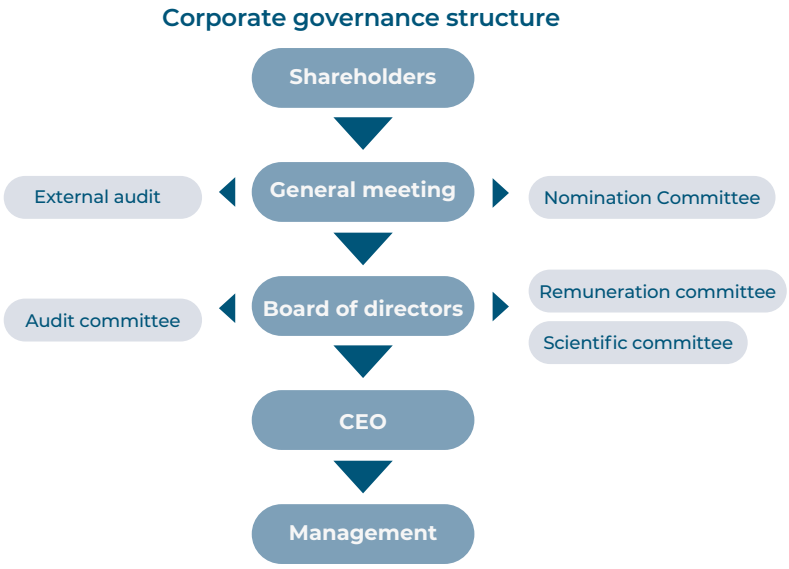
Corporate governance at Immunicum aims to create a clear delegation of roles and responsibilities among owners, the Board of Directors and senior management. Responsibility for governance, management and control at Immunicum is allocated among the general meeting, the Board of Directors, its elected committees and the CEO.

External regulations that impact corporate governance

- The Swedish Companies Act
- Regulations for external reporting
- Nasdaq Stockholm's Rule Book for Issuers
- The Swedish Corporate Governance Code
- Other applicable laws and regulations

Important internal regulations and documents

- Articles of Association
- Formal work plan for the Board of Directors, including instructions for the Board's committees
- CEO directive, including instructions for financial reporting
- Guidelines for remuneration to senior executives of the company
- IT policy
- Financial handbook
- Authorization instructions
- Employee handbook
- Code of Conduct
- Information and insider policy



Corporate governance structure

Shareholders and the share

Immunicum AB is a CSD-registered company, which means that the company's shareholder register is maintained by Euroclear Sweden AB. Share capital in Immunicum AB consists of one class of share, which entitles the holder to equal voting rights and equal right to participations in the company's assets. Immunicum's share is traded on Nasdaq Stockholm, Small Cap. At year-end, Immunicum had 9,808 (5,591) shareholders, of which 469 (288) were registered as legal entities and 9,339 (5,303) as natural persons. Owners registered in Sweden own 92.5 (91.5) percent of the share capital, and owners in foreign countries own 7.5 (8.5) percent. For more information about shareholders and Immunicum's share, see page 32 in the annual report and immunicum.com.

General meeting of shareholders

In accordance with the Companies Act, shareholders exercise their influence in the company at a general shareholder meeting, which is the company's highest decision-making body. At a general meeting, shareholders resolve on key issues, including amendments to the Articles of Association, the adoption of income statements and balance sheets, any dividends and appropriation of the company's profit, election of Board members and auditors and their remuneration, and discharge from liability of Board members and the CEO. The general meeting also resolves on guidelines for remuneration of senior executives.

According to the Articles of Association, notice convening a general shareholder meeting is to be given in the form of an announcement in the Official Swedish Gazette (Sw. Post- och Inrikes Tidningar) and by publishing the notice on the company's website. At the same time as the notice for the Meeting occurs, the company is to inform the general public that the notice for the Meeting has occurred, via placing an announcement in Dagens Industri. Notice of convening the Annual General Meeting (AGM) and Extraordinary General Meeting of Shareholders (EGM) at which issues relating to amendments to the Articles of Association are be addressed must be issued not earlier than six weeks and not later than four weeks before the Meeting. Notice of convening an EGM is to be issued not earlier than six weeks and not later than three weeks prior to the Meeting.

Shareholders who are entered in the shareholders' register in the manner described in the Companies Act and who have notified the company of their participation at the meeting by the date specified in the notice of the Meeting will be entitled to participate in the Meeting. This day may not be on Sunday, any other public holiday, Saturday, Midsummer Eve, Christmas Eve or New Year's Eve, and may not fall earlier than the fifth weekday prior to the Meeting.

At the AGM, the following matters are to be dealt with:

1. Election of a chairperson to chair the meeting.
2. Preparation and approval of the voting list.
3. Presentation and approval of the agenda.
4. Appointment of one or two persons to verify the minutes.
5. Determination of whether the AGM has been duly convened.
6. Presentation of the Annual Report and the Auditor's Report, and where relevant the consolidated financial statements and Auditor's report for the group.
7. Decisions concerning:

- the adoption of the income statement and the balance sheet and, where relevant, the consolidated income statement and consolidated balance sheet.
- allocation of the company's profit or loss according to the duly adopted balance sheet.

» discharge from liability vis-à-vis the company for the members of the Board and the CEO.

8. Determination of remuneration and other fees for the members of the Board and the Auditor.

9. Election of members to the Board and appointment of auditor(s) and any alternate auditors.

10. Other matters that are to be dealt with at the AGM pursuant to the Swedish Companies Act or the Articles of Association.

2019 Annual General Meeting

Immunicum's 2018 AGM took place on Thursday, 25 April at the Konferenscentret Sturegatan 15, in Stockholm. Approximately 14.8 percent of the votes were present at the Meeting. Attorney Mats Dahlberg was elected to chair the Meeting. The meeting resolved on, among other items:

» The re-election of Michael Oredsson as Chair of the Board

» The re-election of members of the Board Charlotte Edenius, Steven Glazer, Magnus Nilsson, Magnus Persson and Kerstin Valinder Strinnholm.

» The election of Ernst and Young as auditor, with Anna Svanberg as the auditor-in-charge.

» The proposed guidelines for remuneration of senior executives were approved.

» The discharge from liability of the Board of Directors and CEO for the 2018 financial year.

» Resolution on issue of warrants and introduction of long-term incentive program LTI 2019/2022

» It was resolved to authorize the Board of Directors, for the period until the next AGM, on one or more occasions, with or without deviation from the shareholders' preferential rights, to decide on a new issue of not more than 9,225,753 shares and of warrants or convertible debentures equivalent to approximately 10 percent of the capital and voting rights.

» Unabridged minutes and information about the 2019 AGM are available at www.immunicum.com under Corporate Governance.

2020 Annual General Meeting

Immunicum's 2019 AGM will be held at 10:30 a.m. on April 28 at IVA conference center, at Grev Turegatan 16, in Stockholm.

For more information and the right to participate, see page 67 in the Annual Report or www.immunicum.com.

The minutes from the AGM will be available at www.immunicum.com

Nomination Committee

The Nomination Committee represents Immunicum's shareholders and has the task of preparing the AGM's decisions in relation to election and remuneration issues. According to the instructions adopted by the AGM on 25 April 2019, the Nomination Committee is to comprise four members appointed by the four largest shareholders that have accepted the invitation to participate in the Nomination Committee. If 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 who has not already had the right to appoint a member of the Nomination Committee is to be offered the opportunity to appoint a member. Should they desire to exercise this right, they are to announce their decision within one week. The Nomination Committee is to appoint a chairman from within its ranks. The members of the Nomination Committee are to be presented on the company's website no later than six months prior to the 2019 AGM. In the event that four shareholders have not announced their intention to participate in the nomination work by that point in time, the Nomination Committee will consist of fewer members. If a change in ownership entailing that a shareholder who appointed a member of the Nomination Committee is no longer one of the four largest shareholders takes places not later than two months prior to the 2019 AGM, the member appointed by such a shareholder is to step down from the Committee and the new shareholder that has become one of the four largest shareholders in the company will be entitled to appoint a new member. The Nomination Committee's mandate period is to extend until a new Nomination Committee has been appointed. 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. Shareholders of the company are entitled to present proposals of Board members for consideration by the Nomination Committee. The Nomination Committee is to consider, based on the company's operations and stage of development, etc., that the Board is to have an appropriate composition, and a diverse and broad range of qualifications, experience and backgrounds. Members of the Nomination Committee are not entitled to any remuneration. However, the company shall carry all reasonable costs for the work of the Nomination Committee. If deemed necessary, the Nomination Committee may engage external consultants to identify candidates with relevant experience and the company shall carry the costs for such consultants. The company shall also provide resources in the form of personnel if needed to support the Nomination Committee in its work.

The Nomination Committee ahead of the 2020 AGM was convened by the Chair of Immunicum's Board, Michael Oredsson, and comprises Martin Lindström (appointed by Loggen Invest AB), Jannis Kitsakis (appointed by The Fourth Swedish National Pension Fund),Johan Stein (appointed by Alfred Berg Funds) and Jamal El-Mosleh (appointed by Holger Blomstrand Byggnads AB). The Nomination Committee has appointed Jannis Kitsakis as Chair of the Nomination Committee.

The Nomination Committee's duties include preparing the following proposals to the 2020 AGM: (i) proposal concerning election of the Chair of the AGM; (ii) proposal concerning election of Board members; (iii) proposal concerning election of the Chair of the Board of Directors; (iv) proposal concerning the remuneration to the Board of Directors; (v) proposal concerning election of auditors (if instructed pursuant to Chapter 8, Section 49 b, Paragraph 2 of the Companies Act); (vi) proposal concerning remuneration to the auditors; and (vii) proposal concerning principles of the nomination process ahead of the 2021 AGM.

According to the Code, in connection with the announcement of the 2020 AGM the Nomination Committee is to present an opinion on the company's website regarding its proposal of Board members, taking into account the Code's rules on the composition of the Board of Directors, to provide specific reasons for the proposal with respect to the requirements for an even gender distribution and to present a brief description of the Nomination Committee's work. The Nomination Committee shall also present relevant information on the website about new Board members proposed for election and members proposed for re-election, primarily their education and work experience, other significant assignments within and outside the company, and their own and related parties' holdings in the company.

The Board of Directors

Composition and independence of the Board of Directors

According to Immunicum's Articles of Association, the Board is to consist of no fewer than three and no more than eight members. The AGM held on 25 April 2019 elected five ordinary Board members: Michael Oredsson (Chair of the Board), Charlotte Edenius, Steven Glazer, Kerstin Valinder Strinnholm and Magnus Persson, all of whom will serve until the close of the next AGM. All Board members are deemed to be independent of the company and its management as well as the company's major shareholders.

Information about Board members, including year of birth, year elected to the Board, education, experience, current and previous assignments and shareholding in the company is available in the 2019 Annual Report on pages 34-35. Shareholdings in the company include own and/or related parties' holdings.

Under the Code, the majority of Board members shall be independent of the company and its management. At least two of the Board members who are independent of the company and its management shall also be independent in relation to the company's major shareholders. All Board members are deemed to be independent of the company and its management and in relation to the company's major shareholders. Major shareholders are shareholders who directly or indirectly control 10 percent or more of the shares or votes in the company.

The work and responsibility of the Board of Directors

The duties of the Board of Directors are regulated by the Companies Act, the Articles of Association and the Code. The Board of Directors has also adopted written rules of procedure that govern the Board of Director's work, delegation of work and responsibility among the Board, committees, Chair of the Board and CEO. Additionally, the rules of procedure concern the number of scheduled Board meetings and items to be addressed at each meeting, the forms for convening meetings, meeting and decision-making procedures, documentation for Board meetings, the duties of the Chair of the Board, minutes, disqualification and conflicts of interest, compulsory items that the CEO shall submit to the Board of Directors, financial statements and authorized signatories. The Board of Directors' rules of procedure shall be adopted annually. In addition, the Board of Directors adopted a directive for the CEO and other special policies, such as ethical guidelines (a Code of Conduct), finance policy, authorization instructions and an information and insider policy. In addition to the Board meetings, the Chair of the Board and the CEO have a continuous dialogue regarding issues significant for the company.

The Board is responsible for the company's organization and the administration of its affairs, the company's overall business plan, material organizational changes, changes to the focus of the company's operations and the income statement and balance sheet. The Board of Directors shall also make decisions on investments, acquisitions or divestments of material assets, shares or operations, loans and credit facilities, guarantees provided, and signing and amending material contracts or contracts between the company and the shareholders. Furthermore, the Board of Directors is to address matters referred to the Board of Directors by the CEO. The Board of Directors assumes overall responsibility for ensuring that the company's organization is designed so that accounting, asset management and the company's financial circumstances are controlled in a satisfactory manner and is responsible for continuously assessing the CEO's work. The Board of Directors is also responsible for ensuring the quality of the financial reporting, including monitoring systems and the internal control of the company's financial reporting and position. In addition, the Board is responsible for ensuring that the information the company discloses externally is transparent, correct, relevant and clear. The Board of Directors is responsible for preparing the required guidelines and other policy documents.

The Chair leads the Board of Directors' work and has special responsibility for ensuring that the Board of Directors' work is well organized and effectively implemented. The Chair, in consultation with the company's CEO, is responsible for ensuring that Board members receive an agenda for every meeting and the necessary documentation in sufficient time prior to each Board meeting. The Chair is also to ensure that each Board member continuously updates and broadens their knowledge of the company and that new Board members receive the necessary introductory training and any other training that the Chair and the new member deem appropriate. The Chair is responsible for contact with shareholders in owner-related matters and forwarding shareholders' opinions to the Board of Directors, and also for ensuring that the Board of Directors' work is evaluated every year following a systematic and structured process aimed at developing the Board of Directors' work forms and methods. The results of the evaluation are to be presented to the Nomination Committee.

Work of the Board and important events during 2019
The Board normally meets six times per year. Additional meetings may be held to address issues which cannot be referred to an ordinary meeting. The Board of Directors held eight (8) meetings during 2019 in which minutes were recorded, excluding those held per capsulam. Members' attendance at Board meetings is shown in the table on the next page. In 2019, the Board has handled the following matters:

- The company's strategic direction
- Product development
- Risk management and risk assessment
- Governing documents
- Evaluation of the CEO
- Financial reports including reporting from external audit

The Board of Directors has planned six (6) meetings for 2020.

Board committees
The Board of Directors elects three committees from within ranks: the Audit Committee, the Remuneration Committee and the Scientific Committee, which work according to the established instructions from the Board of Directors.

Audit Committee
The Board of Directors has appointed an Audit Committee comprising Michael Oredsson (Chair of the Board), Kerstin Valinder Strinnholm and Magnus Persson. Michael Oredsson has been appointed Chair of the Audit Committee. The Committee fulfils the company's requirements for independence as well as accounting and auditing expertise.

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. Furthermore, the Audit Committee is 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 tasks, 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 four 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 to a meeting of the Board at least twice per year. The Audit Committee has met five (5) times during the year to discuss the period's financial information, risks, internal controls, the auditors' review of the company and the financial statements.

Scientific Committee
Board member Steven Glazer is Chair of the Scientific Committee and Board members Charlotte Edenius and Magnus Persson are members of the Scientific Committee, and none of the aforementioned Board members are employed by the company.

The work of the Scientific Committee is regulated in the Board's work plan and in an article that 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. The company's Chief Scientific Officer and/or the CEO is to prepare the meetings of the Scientific Committee. 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.

The Scientific Committee met three (3) times during the year to discuss the clinical studies and analyzing of results. The committee has also discussed the preclinical studies and had an ongoing dialogue with the company's CMO and CSO.

Remuneration Committee
The Remuneration Committee consists of Board member Michael Oredsson (Chair of the Remuneration Committee), and Kerstin Valinder Strinnholm. The Committee is assessed as fulfilling the Code's requirements for independence as well as for the necessary knowledge and experience in remuneration of senior executives.

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 AGM'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. The Remuneration Committee met two (2) times during the year to discuss existing compensation systems in the company, proposals for guidelines for the CEO and senior executives as well as the ongoing incentive program.

For information about salaries and remuneration to the CEO and senior executives, see Note 6 in the 2019 Annual Report.

		Independence in relation to the		Compensation, KSEK				
	Function	Company	Owners	Board fees	Audit Committee	Remuneration Committee	Scientific Committee	Total
Michael Oredsson	Chairman	Yes	Yes	425	35	35		495
Charlotte Edenius	Board member	Yes	Yes	150			25	175
Steven Glazer	Board member	Yes	Yes	150			50	200
Magnus Nilsson[1]	Board member	Yes	Yes	-	-	-	-	-
Magnus Persson	Board member	Yes	Yes	150	15		25	190
Kerstin Valinder Strinnholm	Board member	Yes	Yes	150	15	15		180

	Attendance			
	Board[2]	Audit Committee	Remuneration Committee	Scientific Committee
Michael Oredsson	8/8	5/5	2/2	
Charlotte Edenius	8/8			3/3
Steven Glazer	8/8			3/3
Magnus Nilsson[1]	1/9		1/2[3]	
Magnus Persson	8/8	5/5		3/3
Kerstin Valinder Strinnholm	8/8	5/5	2/2	

CEO and management

TThe CEO is responsible for the ongoing management and development of Immunicum in accordance with applicable legislation and rules, including Nasdaq Stockholm's Rule Book for Issuers, the Swedish Corporate Governance Code and the guidelines, instructions and strategies established by the Board of Directors. The CEO shall ensure that the Board of Directors has the necessary factual and relevant information to take a well-founded decision. The CEO also monitors compliance with Immunicum's goals, policies and strategic plans established by the Board of Directors and is responsible for informing the Board of Directors about Immunicum's development between Board meetings.

The interim CEO of Immunicum is Alex Karlsson-Parra. Carlos de Sousa was the CEO of Immunicum until mid December 2019. The CEO leads the work in the management team, which is responsible for the overall development of the company's operations and business. In addition to the CEO, management over the year has consisted of Immunicum's Chief Financial Officer (CFO), Chief Medical Officer (CMO), Chief Scientific Officer (CSO), Head of CMC, Head of Regulatory Affairs and Senior Director Business Development (a total of seven individuals). A presentation of Alex Karlsson-Parra can be found in the section Board of Directors, senior executives and auditors on page 34-37 in the Annual Report.

1. Board member until the Annual General Meeting April 25, 2019
2. Excluding per capsulam meetings
3. Member of the Remuneration Committee until the Annual General Meeting on April 25, 2019

Remuneration

Remuneration to the members of the Board of Directors

The Nomination Committee, which is appointed according to the principles approved by the AGM, provides its proposals for fees to the Board of Directors. Fees to the Board are payable pursuant to a resolution adopted by the AGM and are presented in the table.

Remuneration to senior management

Remuneration issues for senior executives are addressed by the Board of Directors' Remuneration Committee. The Board of Directors decides the CEO's remuneration based on the proposal from the Remuneration Committee. Remuneration and terms for senior executives are to be based on market conditions and a balanced mix of a fixed annual salary, variable salary, pension benefits, other benefits and terms and conditions upon termination of employment.

Guidelines for remuneration to senior executives 2019

Deviations from the guidelines

The Board of Directors is entitled to deviate from the guidelines if justified due to special circumstances in the individual case.

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, the licensing of the company's 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 next phase of Immunicum's development.

According to the guidelines for remuneration to senior executives that were adopted at the AGM on 25 April 2019, Immunicum shall offer a total compensation package at market level that enables the recruitment and retention of qualified senior executives. Compensation to the senior executives shall be comprised of a fixed salary, variable salary based on the individual's achievement of goals and other benefits. If the Board of Directors considers that new share-based incentive schemes – for example, employee share options – should be introduced, the Board of Directors shall propose that such schemes are resolved upon by the general meeting.

Fixed salary

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.

Variable salary

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 CEO and other senior executives, amount to a maximum of 35 percent of the fixed annual salary.

Pension

Pension benefits shall be premium-based. The pension premiums shall, for the CEO, 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.

Severance pay, etc.

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

Other benefits

The senior executives are entitled to other customary benefits, such as corporate health care.

Preparation and decision-making process

The CEO's compensation shall be prepared and resolved upon by the Board of Directors. Other senior executives' remuneration shall be prepared by the CEO who shall propose remuneration 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.

External auditor

The company's auditor is elected by the AGM. Immunicum's auditor is the registered accounting firm Ernst and Young AB. Authorized public accountant Anna Svanberg is the auditor-in-charge.

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 and the corporate governance report as well as in a special opinion on compliance with remuneration of senior executives, which are presented to the AGM. In addition, the auditors submit accounts of performed reviews to the Audit Committee and to the Board of Directors in its entirety.

The fees invoiced by the auditors for the last two financial years are reported in Note 5 in the 2019 Annual Report.

Internal control and risk management

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 company has an annual risk process in place where risks are identified from a company perspective to provide an overview of the most important risks for Immunicum, which are followed up by the management team during the year. Each identified risk is to be documented with a potential action plan to reduce risk whenever possible. 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 bank 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 cornerstones 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. The CEO ensures that the Board of Directors constantly receives reports on the development of the company's operations, including the development of the company's results and position as well as information about important events including research results and important agreements. 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 efficiency of the internal control and the risk management of the financial reporting. In light of the foregoing, the Board of Directors has decided not to establish a separate internal audit function, but shall evaluate the matter annually.

External audit

The company's auditor is appointed by the AGM for the period until the close of the next AGM. The auditor shall review the Annual Report and financial accounts plus the management by the Board of Directors and the CEO. Following each financial year, the auditor is to submit an audit report to the AGM. Every year, the company's auditors report their findings and their assessments of the company's internal controls to the Board of Directors.

Stockholm April 2, 2020

Michael Oredsson
CHAIRMAN OF THE BOARD

Charlotte Edenius
BOARD MEMBER

Steven Glazer
BOARD MEMBER

Kerstin Valinder Strinnholm
BOARD MEMBER

Magnus Persson
BOARD MEMBER

Alex Karlsson-Parra
CHIEF EXECUTIVE OFFICER

Auditor's report on the corporate governance statement

To the general meeting of the shareholders of Immunicum AB (Publ), corporate identity number 556629-1786

Engagement and responsibility

It is the Board of Directors who is responsible for the corporate governance statement for the year 2019 on pages 58-66 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit

Our examination has been conducted in accordance with FAR's auditing standard RevU 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

Opinions

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the annual accounts and are in accordance with the Annual Accounts Act.

Stockholm den 2 April 2020
ERNST & YOUNG AB

Anna Svanberg
Authorized Public Accountant

Welcome to the 2020 Annual General Meeting

» **Immunicum's Annual General** Meeting will be held on April 28, 2020 at the IVA conference center, Grev Turegatan 16, Stockholm at 10:30 a.m. Registration begins at 10:00 am. Shareholders who wish to participate shall be registered in the shareholders' register maintained by Euroclear by April 22, 2020.

Notification

Notification of attendance at the Annual General Meeting must be submitted no later than April 22, 2020

Notification must be made in writing to Immunicum AB (publ), Östermalmstorg 5, SE-114 42 Stockholm or via email to info@immunicum.com

- In the notification, the shareholder shall provide:
- Name
- Personal/Corporate Registration Number
- Address and daytime telephone number
- Number of shares
- Where appropriate, information about any proxies/assistants

Nominee-registered shares

To be eligible to participate in the Annual General Meeting, shareholders whose shares are registered in the name of a nominee must request that their shares be temporarily re-registered in their own names. Shareholders who require such re- registration, a voting rights registration, must inform their trustees of this well in advance of April 22, 2020, the date at which such re-registration must be completed.

Proxy

Shareholders who will be represented by a proxy must issue a written, signed and dated power of attorney. If the power of attorney is issued by a legal entity, a certified copy of relevant registration certificates for the legal entity (or an equivalent document for foreign legal entities) must be attached to the power of attorney. Power of attorney is valid for one year after issuing, or the longer applicable period given in the document, though no longer than five years.

Shareholder information

Interim reports, annual reports, and Immunicum's press releases are available at Immunicum se and can be ordered from Immunicum AB, Östermalmstorg 5, SE-114 42 Stockholm. A printed version of the 2019 Annual Report is available upon request, and is always available for download at Immunicum.se

Calendar

- Annual General Meeting, April 28, 2020
- Interim report Q1 2020, April 28, 2020
- Interim report Q2 2020, August 27, 2020
- Interim report Q3 2020, November 5, 2020
- Year-end report for 2020, February 18, 2021

Contact information:

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E-mail: info@Immunicum.com • Website: Immunicum.se

IMMUNICUM
INNOVATION IN IMMUNO-ONCOLOGY

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