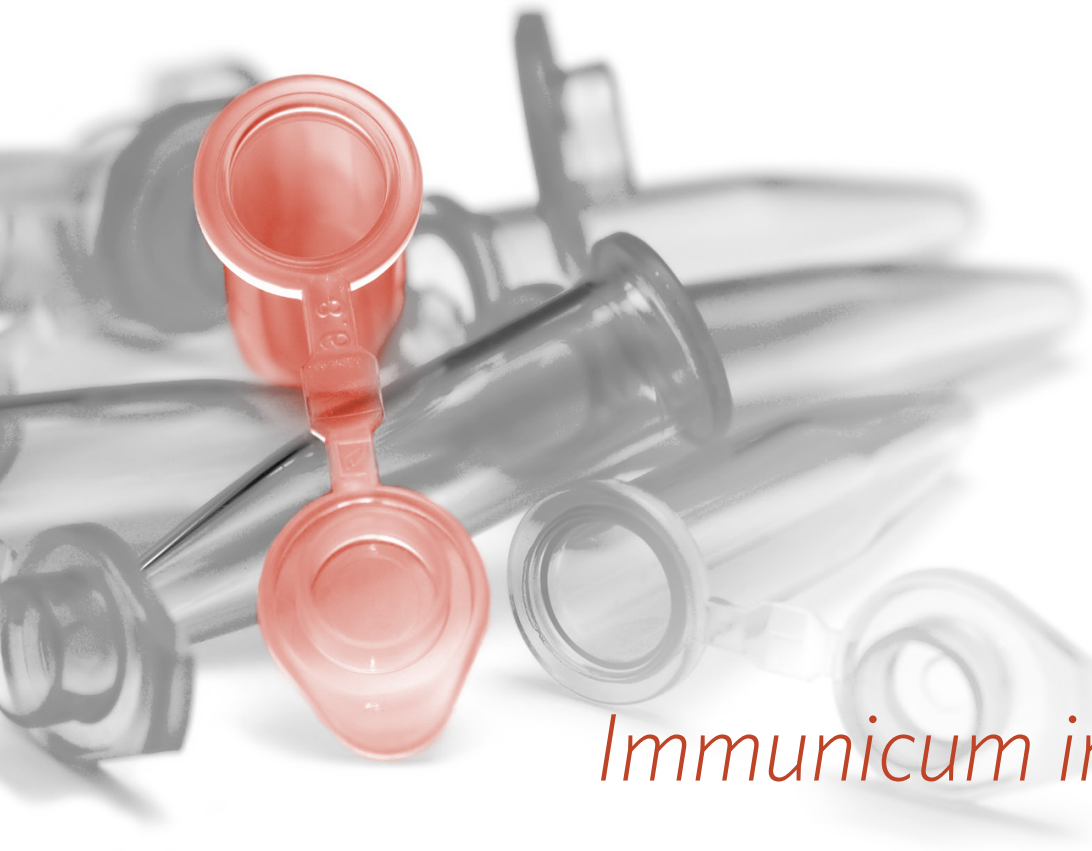
11/12

ANNUAL REPORT

IMMUNICUM
ALLOGENEIC DC-BASED IMMUNOTHERAPIES

CONTENTS



Immunicum in brief

Immunicum is a biopharmaceutical company that develops unique therapeutic cancer vaccines. The company was founded in 2002 as a spin-off from Sahlgrenska University Hospital in Gothenburg, Sweden.

Its founders (three researchers) have been involved in the field of immunology for many years, studying the rejection process of transplanted organs. The initial purpose was to try to inhibit this rejection process when they realized that instead, it could be used to teach the body to reject harmful substances, such as cancer cells. It was discovered that the main cause of rejection of transplanted organs are the accompanying white donor blood cells, which were therefore used as a basis for the creation of cancer vaccines.

In 2002 they decided to file a patent application based on this discovery and founded a company. However, the only activity of the company was R&D until September 2007, when Immunicum was accepted into Chalmers Innovation's business incubator. The organization was set up with new management, new board members, and a Scientific Advisory Board (SAB) Since 2007, a number of important milestones have been reached (see table on p. 5) and one vaccine is already being tested in human. Immunicum's project portfolio consists of four different projects, protected by one approved Swedish patent, one approved European patent, and six pending patent applications.

BUSINESS IDEA

Immunicum's business idea is to advance therapeutic cancer vaccines through clinical phase II studies and then seek to out-license the product candidates to larger pharmaceutical companies developing cancer immunotherapies. Since Immunicum's vaccines are based on platform technologies, the company can develop vaccines against many different types of cancer indications. The licensing agreements are expected to generate upfront payments in addition to milestone payments, which will enable the company to develop vaccines for new indications.

PROJECT PORTFOLIO

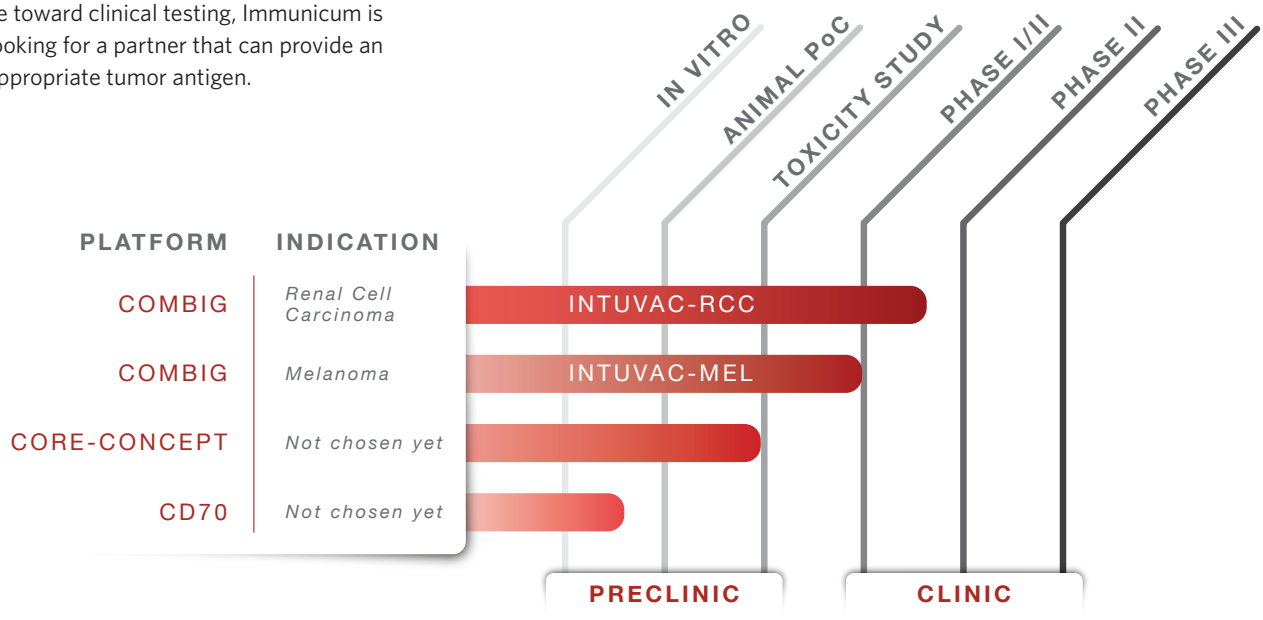
Immunicum currently runs four different projects, but with a strong focus on the one based on the prioritized COMBIG-platform on which the vaccine INTUVAC™ is being developed. The CD70-platform is still in a preclinical phase and is currently under development in close collaboration with the research group lead by the renowned professor Magnus Essand at Uppsala University Hospital. The Core-concept has undergone several important animal studies with positive results, and in order to advance toward clinical testing, Immunicum is looking for a partner that can provide an appropriate tumor antigen.

INTUVAC-RCC

Immunicum's leading vaccine, INTUVAC, is currently used in a clinical phase I/II trial in renal cell carcinoma (RCC) in Sweden. The trial will be conducted on 12 patients and is expected to be completed in the fall of 2013. The patients that have been treated so far show promising results and improved general health. No signs of serious side effects or detrimental effects on quality of life due to the treatment have been reported.

INTUVAC-MEL

Immunicum plans to initiate another clinical study - in melanoma using INTUVAC - and is currently in discussions with the Cancer Vaccine Institute (CVI) in London, which has shown interest in collaborating in the study. Under the right conditions, a study could be underway already during the second half of 2013.



MILESTONES

YEAR	MILESTONES	FUNDING
2002	» Immunicum is founded.	
2002 - 2007	» Immunicum completes several in vitro-studies and publishes data in different scientific journals.	
2007	» Immunicum's organization is restructured with new management, new Board of Directors, and a Scientific Advisory Board. Jamal El-Mosleh is employed as CEO.	
2008	» Financing round #1 secured.	4 MSEK
	» Grants secured.	0,85 MSEK
	» Winning Venture Cup.	0,2 MSEK
2009	» The CD70-platform is developed and a patent application is submitted to protect the technology. » The COMBIG-platform is developed and successful in vitro-studies are completed.	
2010	» Financing round #2 is secured.	6 MSEK
	» A major grant form VINNOVA.	3,5 MSEK
	» COMBIG/INTUVAC patent application is submitted.	
	» Successful INTUVAC proof-of-concept study in rats is completed.	
	» Agneta Edberg joins as Chairman of the Board.	
2011	» Successful INTUVAC toxstudy and biodistribution studies are completed.	
	» A trademark application for INTUVAC™ is submitted.	
	» The Medical Products Agency approves a clinical trial in RCC.	
	» EPO (European Patent Office) grants European patent protection for the Core-concept.	
	» Cancer Vaccine Institute letter-of intent is received.	
	» The CD70 platform is developed further and new patent applications are submitted. » Immunicum enters an agreement of research collaboration with professor Magnus Essand at Uppsala University Hospital.	
2012	» Financing round #3 is secured.	CA 6,3 MSEK
	» A clinical phase I/II-trial in RCC is initiated and promising data on immunological response is gathered.	
	» A patent application to protect the production process is prepared.	

GOALS

Immunicum has set the following goals through 2013:

COMPLETE A CLINICAL PHASE I/II TRIAL IN METASTATIC RENAL CELL CARCINOMA

INITIATE A CLINICAL PHASE I/II TRIAL IN A NEW INDICATION

2013

A few words from the CEO

VD,
JAMAL EL-MOSLEH

During 2012 and 2011, Immunicum took several important steps toward testing its most important vaccine – now known as INTUVAC – in human. Among other things, several important animal studies were conducted and showed positive results. All this effort eventually resulted in an application for clinical testing to the Medical Products Agency, which was filed in the fall of 2011. At the end of November that same year, we were happy to be informed that the application had been approved. This also meant that we had reached one of our most important milestones!

Today the study is under way and the patients that have been treated so far show promising clinical responses. In other words, available data indicates that there is reason for optimism, since no serious side effects have been reported, while at the same time there is strong evidence to support the proposed working mechanism of INTUVAC. The patients show clear signs of tumor specific activation of the immune system with improvements to their general health, and we look forward to recruiting more patients for the study, which is planned to continue until fall of 2013.

During the year we have also made progress strengthening our patent portfolio, since Immunicum's patent applications for COMBIG as well as CD70 entered what is known as "national phase". The company also recently submitted a patent application to protect the future production process of INTUVAC, which when granted will constitute a very important protection during the commercialization phase of the vaccine. We believe we will be well positioned to claim several years of market exclusivity for INTUVAC after obtaining market approval.

Immunicum has also received quite a lot of media attention during the last year, partly in relation to the initiation of our first clinical trials but also since the discovery of the dendritic cell and its vital role in all immune responses received the 2011 Nobel prize in Medicine. The unique profile of INTUVAC as being the world's only DC cell based cancer vaccine taken from healthy donors was highlighted by Thomson Reuter's "A Pharma Matters Report - The Ones To Watch", as being one of the most interesting drugs to change change clinical phase during Q1 of 2012. We believe this is only the beginning of the interest that INTUVAC will generate as we gather additional exciting clinical data and we look forward to introducing the company to potential future partners at various conferences going forward.

Finally, I would like to draw your attention to a significant change in the company structure. On August 9, 2012, we held an extraordinary general meeting where the decision was taken to change status of Immunicum to a public company, and to let Euroclear manage the share register from now on. Furthermore, it was decided to make a share split of 1:1000. Since a requirement for a public company is to have a share capital of no less than 500 000 SEK, it was also decided to increase the share capital to this level. Each decision was taken in order to facilitate Immunicum's upcoming financing rounds, by making it possible to invite a broader range of investors.

In conclusion, Immunicum is looking forward to an exciting time ahead! We look forward to delivering good news during the coming year, in particular by continuing to create value for our patients in the ongoing clinical trial, but also with the hope of initiating a new study in a new indication.

The INTUVAC™ technology platform

Immunicum is the proprietor of three different platform technologies for the development of therapeutic cancer vaccines.

Two of these technologies (Core-concept and the COMBIG-platform) are based on findings showing that white blood cells from other individuals function as great adjuvants in combination with tumor antigens when used for cancer vaccination.

The main difference between the technologies is that vaccine cells based on the Core-concept must be combined with tumor antigens in vitro while INTUVAC, which is based on the COMBIG platform, is injected intratumorally and uses the patient's own tumor as an antigen source. The third technology, CD70, belongs to the field of adoptive immunotherapy and will not be dealt with in this section, even though this technology is based on unique findings regarding the "allo-reaction".

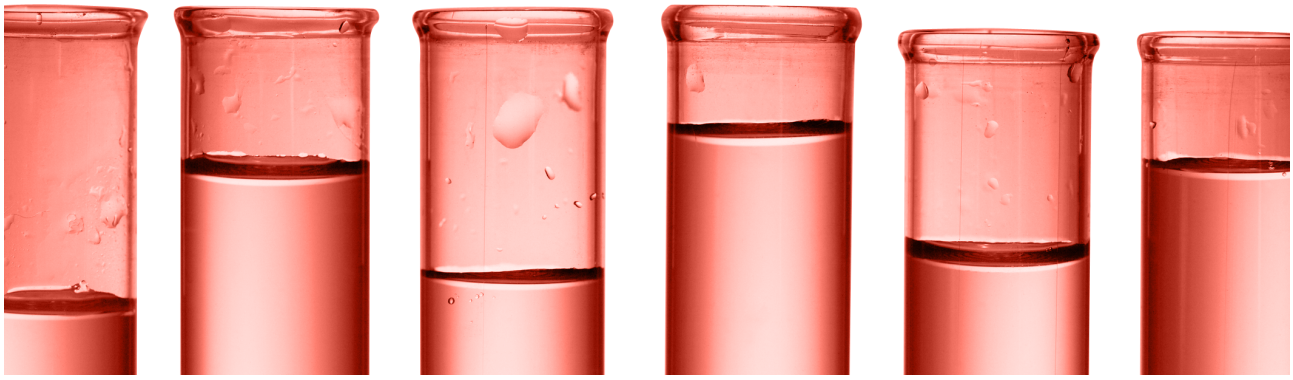
BACKGROUND

Traditional cancer therapies, such as surgery, radiation and chemotherapy, are often insufficient in treating patients and usually cause severe side effects. Today, only about 60% of all cancer patients are cured from their disease. Cancer vaccines, which trigger the immune system to destroy harmful substances, have shown promise as additional effective treatments with fewer side effects. The immune system recognizes and attacks that which is foreign to the body, but the problem with cancer is that tumor cells are not considered unknown invaders. This makes it difficult for the immune system to effectively neutralize tumor cells, which is why several methods have been developed, mainly with cellular vaccines, to enhance the immunological response against cancer.

It is now well established that the immune system has cells, particularly CD8+ cytotoxic T-lymphocytes (CTLs), that can recognize and potentially kill tumor cells. Nevertheless, a major problem is that these T-cells are either not induced at all or only weakly induced, i.e. the T-cells are not evident in the systemic circulation. One possibility is that there is inadequate tumor antigen presentation by dendritic cells (DCs), "nature's immune boosters/adjuvants" for eliciting T-cell immunity. Another is that tumor-reactive T-cells are made tolerant by the tumors.

DCS ARE VITAL IN ALL IMMUNE RESPONSES

Dendritic cells (DCs) can be derived from immature white blood cells (monocytes) and are the single most important components in all immune responses since they activate systems that help the body eliminate harmful foreign material. DCs process antigens and present them to T-cells, whose job it is to attack cells that have been invaded by harmful agents. Antigens are proteins or other types of molecules that can be found on the surface of, or inside, a cell and that may be able to stimulate an immune response. Many vaccine companies have to go through the rigorous process of identifying/characterizing what is thought to be appropriate tumor antigens, namely proteins that can be found abundantly on cancer cells but not on normal cells. And even when the antigens have been identified, one cannot be certain that they will be adequately immunogenic until they have been tested extensively in human trials. DCs have been described as the most potent and efficient antigen-presenting-cells (APC), capable of activating both mature and immature T-cells. Immature T-cells "learn" to respond to new dangerous substances by being presented with antigens that are



specific for the harmful substances. In this way, the immune system also learns how to attack cancer cells, instead of regarding them as harmless. Once DCs are activated, they migrate to the draining lymph nodes where they interact with immature T-cells by presenting antigens and thereby triggering the immune system.

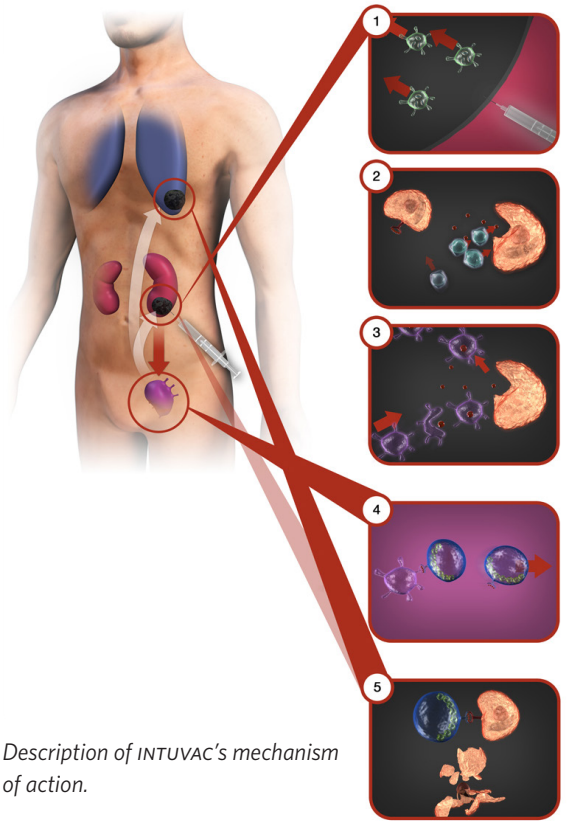
To circumvent some of the problems in cancer therapy, several immunotherapeutic studies have focused on optimizing the antigen presentation function of autologous (from the patient) DCs in vitro (in test tube) so that these antigen-loaded DCs can be transferred back into the body. Ideally, this would yield DCs that, following injection, traffic to the draining lymph node and efficiently activate tumorspecific T-cells, leading to the generation of an effective immune response against tumor cells. However, the immune responses to such DC-based vaccines are often weak, and clinical responses are rarely complete and long lasting. Nevertheless, the first therapeutic cancer vaccine, Provenge (owned by Dendreon) that managed to gain market approval (in 2010) is based on autologous DCs.

THE PROBLEMS OF AUTOLOGOUS DC-VACCINES

It is common knowledge that DCs from one human being injected into another (allogeneic DCs) as foreign material will be eliminated by the host's immune system. DC-research has therefore focused on autologous concepts. Autologous DC vaccines, such as those of Dendreon's, extract patients' own DCs, load them with tumor antigens and then stimulate/activate them in vitro before re-injecting them into the patients. However, since autologous DC-cancer vaccines have to be tailor made for each individual patient there are several drawbacks to this method. Creating a new, unique vaccine for each patient is: complex, time consuming, expensive, and physically stressful for the sick patients.

ALLOGENEIC DCS ARE GREAT IMMUNE BOOSTERS

Little has been known regarding the fate and function of in vitro activated autologous DCs after they have been injected. In the human setting, the migration pattern of injected vaccine DCs was recently tracked in vivo (in human) and notably, less than 5% of the injected DCs reached the draining lymph nodes while the majority of DCs remained at the injection site (Verdijk et al. 2009). These locally trapped vaccine DCs rapidly lost their viability and were subsequently cleared by recruited APCs. In line with these findings, data has now been provided that injected vaccine DCs indirectly prime naïve CD8+ T-cells in vivo by acting as a pure immune adjuvant that recruits and activates APCs in the body (Yewdall et al 2010). By using allogeneic DCs as vaccine cells, such cells will further be regarded as foreign invaders that most likely will induce an inflammatory reaction that further promotes the recruitment and activation of DCs in the body at the vaccination site (Wallgren et al 2005). This hypothesis has now been verified by Immunicum in rat and mouse cancer models in which tumor growth was significantly reduced by therapeutic vaccinations with tumor-loaded allogeneic DCs (Alder et al 2008, Siders et al 2009, Edlich et al 2010).



ALLOGENEIC DCS ARE INJECTED INTRATUMORALLY.

NK-CELLS ARE RECRUITED TO THE TUMOR WHERE THEY INDUCE AN NK-CELL MEDIATED TUMOR CELL DEATH, THUS RELEASING TUMOR ANTIGENS READY FOR UPTAKE BY ANTIGEN-PRESENTING-CELLS SUCH AS DCS.

AUTOLOGOUS DCS ARE RECRUITED TO THE TUMOR WHERE THEY ENGULF TUMOR ANTIGENS AND MIGRATE TO THE DRAINING LYMPH NODES.

DCS PRESENT TUMOR ANTIGENS TO NAÏVE T-CELLS WHO SUBSEQUENTLY BECOME TUMOR SPECIFIC CYTOTOXIC T-LYMPHOCYTES (CTLS).

CTLS SCAN THE BODY FOR CANCER AND ATTACK TUMOR CELLS IN THE KIDNEY AND IN LUNG METASTASES.

Description of INTUVAC's mechanism of action.

THE COMBIG-PLATFORM

During 2010, Immunicum optimized its Core-concept into a new type of vaccine-concept, a technology the company calls the COMBIG-platform (COMBined tolllike receptor Interferon- Gamma). The company recently registered INTUVAC as a trademark for vaccines developed under the COMBIG-platform to signify that the VACCINES are injected INTRA-TUMORALLY. The new concept circumvents the need to combine the new adjuvant with tumor antigens or tumor cells for creation of an effective cancer vaccine. Since INTUVAC is administered directly into tumors, recruitment of monocytes/pre-DCS and activation of DCS occur inside the tumor where there already are extremely high amounts of tumor specific antigens (these antigens are available for DC-uptake since INTUVAC induces a concomitant NK-cell recruitment and activation that will lead to NK-cell mediated tumor cell death), which the recruited DCS can engulf and thus get loaded with. There are four major advantages of this concept:

1. INTUVAC TARGETS ANY TYPE OF CANCER WHICH CAN BE TREATED BY INTRATUMORAL INJECTION.
2. THE VACCINE CAN BE MASS PRODUCED..
3. THE CONCEPT UTILIZES PATIENTS' OWN TUMOR ANTIGENS, THUS GUARANTEEING THAT THE OPTIMAL BATTERY OF ANTIGENS IS USED FOR EACH AND EVERY PATIENT IN THE ACTIVATION OF A TUMOR-SPECIFIC IMMUNE RESPONSE.
4. IMMUNICUM IS NOT DEPENDENT ON THIRD PARTY ANTIGEN INLICENSING.

Below is a statement from professor Angus Dalgliesh, who is the principal of Cancer Vaccine Institute and one of the world's leading cancer vaccine authorities, supporting Immunicum's COMBIG-platform.

"We recently met with representatives of Immunicum who presented the COMBIG concept of allo- DC vaccination. Our own experience with allo-vaccines (much of which was done in collaboration with Onyvax Ltd), in the context of whole cell vaccination, has been very convincing. The concept that allo-vaccination with DCs triggers a cascade of immune responses including innate (NK cell activation) and subsequent adaptive, antigen specific responses is interesting and is deserving of further development. We are fully supportive of this work and believe that this allo-DC model may well result in the initiation of anti-tumoural responses where in vitro manipulated autologous DCs have limitations both in terms of GMP manufacture and in their capacity to generate consistent clinical responses. The use of intralesional delivery is of further interest to us and is supported by several recent publications on the intralesional delivery of cellular therapies. Our own clinical experience suggests that such an approach would be of benefit in melanoma and a range of other solid tumours."
Professor Angus Dalgleish, principal at Cancer Vaccine Institute, London, England, March 2011

The figure on the previous page shows that INTUVAC creates an inflammation in the tumor that will attract NK-cells (for release of autologous tumor antigens) and autologous DCs for uptake of autologous antigens.

Thus, what Immunicum is able to accomplish through a standardized vaccine is to load patients' own DCs with their own tumor antigens in vivo, thus in a way also personalizing the vaccine. This makes it a unique concept.

ALLOGENEIC DC-COMPETITORS

Immunicum has identified three competitors (Genzyme, DC-Prime, and BruCells) that claim to develop allogeneic DC-based vaccines, but whose concepts are markedly different from that of Immunicum. This section aims to describe the differences of their technologies to that of Immunicum.

GENZYMES SEMI-ALLOGENEIC VACCINE HAS BEEN TERMINATED

Genzyme' s technology differs from Immunicum in that they believed that allogeneic DCs needed to be fused with autologous DCs for the vaccine to be effective. Only recently have they realized that a fully allogeneic vaccine concept (which is more commercially attractive), such as Immunicum's is equally effective (if not more) as semiallogeneic ones. In fact, in 2009, Genzyme (now acquired by Sanofi-Aventis which does not have an active cancer vaccine programme) published data from animal studies they had conducted on a fully allogeneic vaccine concept and came to the following conclusion:

"Fully allogeneic hybrids, to our knowledge, have not yet been reported. [...] Interestingly, our results clearly showed that fully allogeneic vaccines were as efficacious as syngeneic or semi-allogeneic vaccines and reproducibly provided equivalent levels of antitumor protection. This finding introduces the possibility of using allogeneic tumor and DC lines to simplify vaccine manufacturing."
Siders et al., 2009.

Thus what Genzyme did was to confirm the effect and potential of a vaccine concept for which Immunicum applied for patent protection seven years earlier (2002).

DCPRIME AND BRUCELLS ARE NOT DEVELOPING DC-VACCINES FROM HEALTHY DONORS

DCPrime and BruCells cooperate to develop DC-vaccine cells that are based on precursor DC cell lines, which actually are tumor cells. DCPrime' s and BruCells DCprecursor cell lines are so called MUTZ-3 tumor cells. These cells are aimed at acting as semiallogeneic DCs that directly activate CD8+ T-cells from HLA-2/3 positive patients but could hypothetically be used as fully allogeneic DCs, thus similar to Immunicum' s concept. However, the precursor cell lines have been shown to generate DCs that lack expression of many important substances that are central to the immune response, which is why the anti-tumor is expected to be weaker for this type of cell.

Market Overview

The global cancer vaccine market was worth around $3.5 billion in the year 2010 (in the seven major markets - USA, France, Germany, Spain, England, Italy and Japan). By the year 2020, this number is estimated to have risen to $9 billion thanks to the introduction of new therapeutic cancer vaccines and an increasing number of cancer patients. The number of people living with cancer is expected to increase by 50% by the year 2020.

INDICATIONS

By using Immunicum's COMBIG-platform, it is possible to create vaccines (INTUVAC) against all solid tumors that can be accessed through intratumoral injection. However, the company has decided to initially focus on metastatic RCC and has an ongoing clinical trial in this indication. Yet another study on melanoma is planned. Both tumor forms are considered immunogenic and today lack appropriate treatment alternatives, and especially regarding RCC, there are considerable shortcomings regarding the efficacy and safety profiles of the standard treatments.

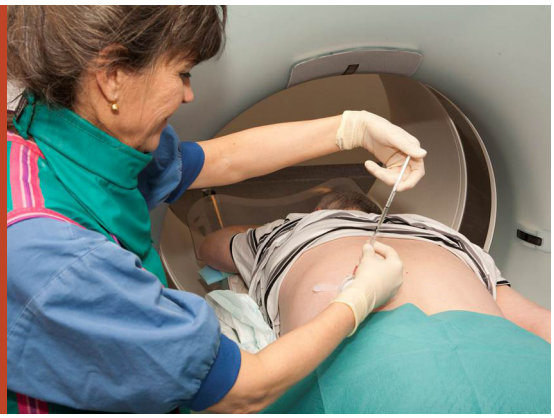
Approximately 273 000 new cases of RCC are diagnosed worldwide each year, representing approximately two percent of all cancers GlobalData estimates that the global RCC market was worth $1.3 billion in 2009 and is forecast to grow at a Compound Annual Growth Rate (CAGR) of 13.9% to reach $3.8 billion by 2017. (Renal Cell Carcinoma (RCC) Therapeutics – Pipeline Assessment and Market Forecasts to 2017, 2010). This high growth forecast is primarily attributed to population growth and high diagnosis rates.

In addition, the RCC market will continue to be driven by the strong pipeline landscape of first-in-class drugs with better survival rates, safety and efficacy profiles. The market has a relatively large unsatisfied demand due to the limited efficacy and safety profiles of current products, hence there are considerable opportunities for new competitors to gain market share and a large potential for products such as INTUVAC, which are based on new technology, with few or no side effects.

According to GlobalData, the global RCC market in 2009 was made up of mainly six products - Avastin (bevacizumab), Sutent (sunitinib), Nexavar (sorafenib), Afinitor (everolimus), Votrient (pazopanib) and Torisel (temsirolimus). These products have considerable side effects but for many patients there are no alternatives to these treatments, which can, in fact, provide some disease relief. The total annual cost of treatment for current therapies falls in the interval $38.000 - $124.000, but a new competitor with a superior therapy could easily charge more.

METASTATIC RCC AS A PRIMARY TARGET SEGMENT

If the cancer is diagnosed at an early stage, before it has spread outside the kidney, between 80-90% of patients can be cured through surgery. Once the tumor spreads outside the kidney, it is more difficult to treat. Nearly 20–25% of patients with RCC have distant metastases at presentation. Another 50% develop metastases or local recurrence during follow-up after the treatment of the primary tumor. RCC can recur at any time after a surgical procedure to remove the primary tumor usually metastasizes via venous and lymphatic routes. After the development of metastasis the prognosis is often poor, as non-operative modalities for advanced renal carcinoma have failed to improve survival significantly. The relative 5-year survival rate of stage IV renal cell carcinoma (distant metastases) is estimated to 8% by GlobalData.



The picture shows the first patient to be treated with INTUVAC

According to GlobalData, in 2010 there were a total of 60 000 cases of RCC registered in the seven major markets, i.e. USA, Great Britain, Germany, France, Italy, Spain and Japan. The US accounted for 38% of the new cases, wheras the top five EU countries made up 48%. The remaining 14% of new RCC cases were in Japan. GLOBOCAN 2008 estimates the number of RCC patients in 2020 to 67 416. The frequency is higher in the so called BRIC countries (Brazil, Russia, India and China) compared to the seven major markets mentioned above. The BRIC countries accounted for approximately 80 000 new cases. These statistics come from GlobalData's 2010 report on RCC, and the numbers are relatively low compared to most other databases. As an example, in the US alone, the number of new RCC cases is often estimated to just over 60 000 per year, which is the same number that GlobalData provides for the seven major markets together, and the corresponding estimate for Europe is usually even higher.

Assuming that about 25% of newly diagnozed RCC patients have metastases, the above statistics indicates that the total number of eligible RCC-patients in Immunicums geographical target markets exceeds 35 000 annually. This means that the actual number is probably even greater. Furthermore, assuming INTUVAC will be priced at the current total mean cost of RCC-therapy ($38 000 - $124 000/year), a low estimate of the total market value would be $1.3-$4.3 billion. Datamonitor estimates the theoretical maximum market potential for a therapeutic melanoma vaccine in the seven major markets/7MM (The US, France, Italy, Spain, the UK, Germany, and Japan) to about $300 million.

COMPETITORS

The following section describes current market approved RCC-drugs, therapeutic RCC-vaccines under development, and therapeutic cancer vaccine competitors in general. Several current treatments can probably be used in a benificial combination with INTUVAC, which is why some competitors, such as Pfizer, should also be considered potential partners.

CURRENT RCC-DRUGS ON THE MARKET

The arrival of Sutent and other targeted drugs in 2006 represented a major step forward compared to the previous standard treatment of interferon-alpha and interleukin-2. Most of the new treatments target tyrosine kinase pathways and block angiogenesis, the formation of new blood vessels which help the tumour grow. Sutent earned around $1 billion in worldwide sales in 2010 according to Pfizer' s annual report. Even though Sutent and other targeted drugs on the market have been shown to prolong overall survival of metastatic RCC-patients, there is room for improvement, as these drugs are associated with severe side effects and limited efficacy. Therefore, numerous pharma companies are looking to produce a drug which would represent this next step forward.Immunicum' s vaccine INTUVAC could be a good alternative since it has the potential to effectively treat cancer without causing any serious side effects.

THERAPEUTIC RCC-VACCINES UNDER DEVELOPMENT

Immunicum has identified four companies that are currently developing therapeutic RCC-vaccines. Argos Therapeutics has a DC-based vaccine in phase III, but as all other DC-cancer vaccine competitors, the vaccine is based on the patient' s own cells, which places high limitations on production. Immatics develops a vaccine, currently in phase III, which is based on combining multiple allogeneic tumor antigens with the adjuvant GM-CSF. However, using allogeneic antigens increases the risk that the immune system is not activated against the patient's specific tumor profile (tumor escape), and GM-CSF has not yet shown any convincing clinical effect. Agenus develops a vaccine, currently in phase II, which is based on the heat shock protein gp96 and tumor antigens. Agenus needs to tailor each vaccine to each specific patient which limits production capabilities. Finally, Mologen develops an allogeneic tumor antigen vaccine, currently in phase I/II, which is combined with their own proprietary adjuvant, but as mentioned before, using allogeneic tumor antigens increases the risk of tumor escape.

THERAPEUTIC CANCER VACCINE COMPETITIVE LANDSCAPE

The following section is largely based on information taken from Datamonitors report "Pipeline insight: Therapeutic Cancer Vaccines" from 2009.

Therapeutic cancer vaccines can be divided into two principal categories: personalized vaccines and standardized (or "off-the-shelf") vaccines. Standardized (or off-the-shelf') vaccines account for the majority (96 vaccines, 68%) of therapeutic cancer vaccines in clinical development. In theory, personalized vaccines are highly attractive from a clinical point of view. These vaccines are potentially applicable to a broad range of patients because they can be tailored to the antigenic profile of each individual patient. This therefore negates the problem of heterogeneous tumor antigen expression, which can limit response rates to standardized vaccines based on a narrow range of antigens (Kalinski et al., 2009).

The discovery of the dendritic cell and its vital role in all immune responses received the Nobel Prize in Medicine in 2011

From a commercial point of view, however, there are several significant drawbacks associated with personalized therapeutic cancer vaccines. Mass-scale production, storage, and distribution of personalized vaccines present a great challenge, even for the most capable of companies, and could greatly reduce profitability in comparison to the more straightforward standardized vaccines (Kalinski et al., 2009).

"Immunicum, however, is unique in the sense that it has developed a standardized vaccine which still uses patients own tumor antigens and thus keeps the benefits of personalized vaccines.

JAMAL EL-MOSLEH
CEO OF IMMUNICUM, 2012

Antigen-based vaccines account for 37 (26%) of all therapeutic cancer vaccines in clinical development, making this the most common class of technology platform in the therapeutic cancer vaccines pipeline. This partly reflects the relative ease of production of antigenbased vaccines compared to other more technically challenging classes of technology such as antigenpresenting cell (APC) vaccines. Immunicum is unique in the sense that it develops an APC-vaccine that can be mass-produced, in contrast to competing APC-vaccines.

The number of APC-vaccines in clinical development has more than doubled since 2006 and has now become the second most common technology platform in the therapeutic cancer vaccines clinical pipeline. As personalized vaccines, APC-vaccines require a high level of technical expertise to develop, making the barriers to successful commercialization of this class of vaccine high (again, note that Immunicum is alone in developing an APC-vaccine which is not personalized, but which still keeps the benefits of personalized vaccines). Nevertheless, US market approval for Provenge (sipuleucel-T; Dendreon) in 2010 and recent advances in the understanding of APC-based vaccine approaches (Kalinski et al., 2009) appear to have stimulated increased interest in this class of vaccine. In fact, the Nobel Prize in Medicine 2011 was awarded the discoverer of the dendritic cell, the most efficient APC known today.

Organization

Immunicum has chosen to run its business as a virtual organization in order to enable the company to keep its flexibility and continue to work cost effectively. As of today, the company employs three persons. One of which is one of the founders who holds the position of Chief Scientific Officer.

BOARD OF DIRECTORS

AGNETA EDBERG

CHAIRMAN

Alumna from Stockholm School of Economics, Biomedical Analyst
Born 1956

CEO of Mylan Nordic. Previously: Chief Operating Officer (COO) at Bactiguard AB and VP Senior Venture Manager at LinkMed. CEO of LFF Service AB, The Swedish Pharmaceutical Insurance Association, 2005–2006. Previous leading positions at Pfizer and Pharmacia, CEO for NM Pharma AB, Cederroth International, Farmos Group AB, and CILAG AB.

ALEX KARLSSON-PARRA

BOARD MEMBER, FOUNDER/INNOVATOR & CHIEF SCIENTIFIC OFFICER

M.D., Ph.D. Associate Professor of Clinical Immunology, Uppsala University Hospital
Born 1950

Over 20 years of experience from work within the field of transplantation immunology and former chairman of the Swedish Expert Committee in Clinical Immunology.

PER-OLOF GUNNESSON

BOARD MEMBER

MBA
Born 1945

Consultant to InDex Pharmaceuticals AB responsible for Finance. Over 40 years of experience from the pharmaceutical industry. Mr Gunnesson has held several management positions at the Astra Group focussing on Finance and Licensing.

BENGT ANDERSSON

BOARD MEMBER, FOUNDER/INNOVATOR

M.D., Ph.D. Associate Professor of Clinical Immunology, Sahlgrenska University Hospital
Born 1952

Over 20 years of experience from work within the field of infection immunology.

BENGT FURBERG
BOARD MEMBER

M.D., Ph.D., Associate Professor of Clinical Physiology
Born 1941

Bengt Furberg is an expert in clinical trials and has written several books and scientific articles on the topic. He spent 10 years as Medical Director of British GlaxoWellcome in Sweden and was also part of the company's management team in addition to being member of the corporate group's Medical Board and Safety Board. Since 1994, he has also been member of the Swedish Academy for Pharmaceutical Sciences. Bengt Furberg currently works as VP of Medical Affairs at Artimplant. He is also a member of the board of directors at Dignitana.

MARTIN LINDSTRÖM
BOARD MEMBER

M. Sc. Civil Engineering, B. Sc. Business and Administration
Born 1980

Manages a real estate company.

SCIENTIFIC ADVISORY BOARD
CHAIRMAN: BENGT FURBERG

ROLF KIESSLING
MEMBER OF THE SAB

M.D., Ph.D. Professor of Experimental Oncology, Karolinska Institutet
Born 1948

Rolf Kiessling is a professor of Experimental Oncology at Karolinska Institutet since 1995 and has a part-time position as Chief Physician at Radiumhemmet, Karolinska hospital. R.K. has published more than 200 publications in peer review journals and has broad scientific expertise in the field of experimental and clinical immunology. Among his earliest achievements, he discovered and named the NK- cell during the mid 70s, a discovery for which he was awarded "Anders Jahres medicinska pris for yngre forskare" 1985 and "Erik Fehrnströms pris" 1989. A more recent research focus of his group has been the area of immune therapy of cancer where his group is carrying out investigator initiated clinical trials on cancer patients and also performing basic research in pre-clinical animal models.

ROGER HENRIKSSON
MEMBER OF THE SAB

M.D., Ph.D. Professor of Experimental Oncology
Born 1953

Roger Henriksson is professor of experimental oncology and Chief Physician, Medical Oncology and Radiotherapy since 1994. He has also served as Senior Medical Director (advisor) at Astra Zeneca, globally, part time since 2000. Roger Henriksson has published more than 270 publications in peer reviewed journals regarding all phases of drug development. Current scientific positions include Head/Deputy Head of the Dept of Radiation Sciences, Chairman of the National (Nordic 2001) Group for Treatment of CNS Tumours, Member of the Scientific Advisory Board for the Swedish Cancer Society, Board Member of the National Group for Treatment of Lung cancer.

CURT FURBERG

MEMBER OF THE SAB

Professor of Public Health Sciences
Born 1936

Dr. Furberg is an internationally recognized cardiovascular epidemiologist with expertise in clinical trials and public health. He coauthored the first text on clinical trials methodology entitled "Fundamentals of Clinical Trials." He is also the coauthor of a new text, "Data Monitoring in Clinical Trials. A Case Studies Approach", and has published more than 400 articles. As a strong proponent for evidence-based medicine, his public health background provides a strong foundation for his views on drug evaluation and patient safety. He has served on the FDA Advisory Committee on Drug Safety and Risk Management and testified before Congress. Dr. Furberg' s honors and awards include the National Institutes of Health Director' s Award, the Women' s Health Initiative Achievement Award (NHLBI), the Established Investigator in Clinical Science Award - Wake Forest University, Ancel Keys Lecture Award - American Heart Association, the Joseph Stokes, III Award - American Society of Preventive Cardiology, a Doctor Honoris Causa Award - Umeå University, Sweden and The Rockefeller Foundation Residency Award, Bellagio, Italy, Fellow of the Society for Clinical Trials, and Healthcare Heroes Award.

DAN MAGNUSSON

MEMBER OF THE SAB

M.Sc. Pharmacy, Economy.
Born 1945

Dan Magnusson has broad experience from pharmaceutical industry production and from acting as Qualified Person. Previous experiences include working as International Marketing Manager for Astra/Hässle for the international launch of Losec.

MANAGEMENT

JAMAL EL-MOSLEH

CHIEF EXECUTIVE OFFICER

M. Sc. Industrial Engineering and Management, Innovation and Entrepreneurship
Born 1981

Jamal El-Mosleh is a graduate from Chalmers University of Technology (Industrial Engineering and Management) and Göteborg International Bioscience Business School (Innovation and Entrepreneurship). He has previously worked as a management consultant and as a project manager for a biotech startup.

ALEX KARLSSON-PARRA

CHIEF SCIENTIFIC OFFICER

The share and ownership structure

CHANGES IN SHARE CAPITAL

DATE	EVENT	NUMBER OF SHARES	SHARE CAPITAL
2002-07-12	Share register created	9 600	240 000
2003-09-18	Directed new share issue of 26 250 SEK (1 050 new B-shares)	+1 050	+26 250
2004-12-08	Directed new share issue of 50 625 SEK (2 025 new B-shares)	+2 025	+50 625
2007-05-03	Directed new share issue of 185 625 SEK (7 425 new B-shares)	+7 425	+185 625
2008-04-10	Directed new share issue of 171 600 SEK (6 864 new B-shares)	+6 864	+171 600
2008-05-06	Directed new share issue of 13 900 SEK (556 new B-shares)	+556	+13 900
2009-04-02	Decrease in share capital of 555 425 SEK through cancellation of 22 217 shares	-22 217	-555 425
2009-04-02	Conversion of all shares to Ordinary shares		
2010-05-14	Directed new share issue of 33 150 SEK (1 326 new +1 326 Ordinary shares)	+1 326	+33 150
2012-02-13	Directed new share issue of 15 000 SEK (600 new Ordinary shares)	+600	+15 000
2012-09-07	7 221 771 new shares, split ratio 1000:1	+7 221 771	
2012-09-07	Capitalization issue of 319 275 SEK (12 771 000 new Ordinary shares)	+12 771 000	+319 275
	SUM	20 000 000	500 000

THE TEN MAJOR SHAREHOLDERS OF IMMUNICUM

OWNER	NUMBER OF SHARES	CAPITAL/VOTES
Loggen Invest AB	5 425 370	27,13 %
Holger Blomstrand Byggnads AB	4 260 617	21,3 %
Stiftelsen Chalmers Innovation	3 007 332	15,04 %
Bengt Andersson	1 081 754	5,41 %
Mats Dahlgren	1 081 754	5,41 %
Jamal El-Mosleh	879 790	4,4 %
Alex Karlsson-Parra	702 725	3,51 %
AnnaCarin Wallgren	702 725	3,51 %
Kurt Andersson	608 659	3,04 %
Christer Mikaelsson	395 629	1,98 %
Total, ten major share holders	**18 14 6355**	**90,73** %
Remaining shareholders	1 853 645	9,27 %
Total	**20 000 000**	**100** %

Management report

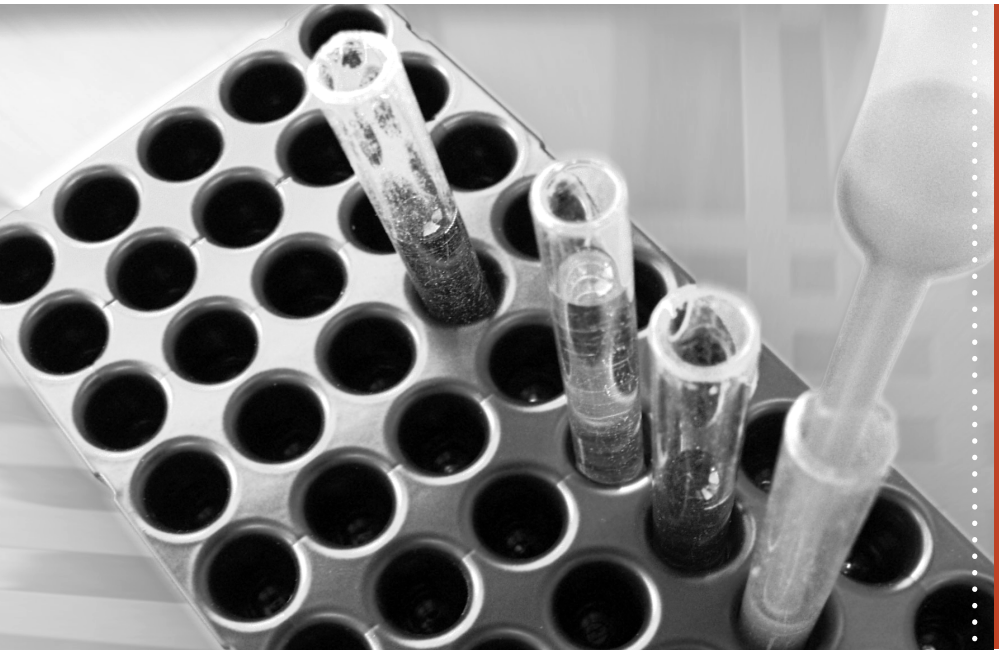
The Board of Directors and CEO of Immunicum AB (publ.), Corporate Identity 556629-1786 hereby submit the annual accounts for the July 1, 2011 – June 30, 2012 financial year.

BUSINESS DESCRIPTION

Immunicum develops therapeutic cancer vaccines. The main product is based on white blood cells taken from healthy donors, so called allogeneic dendritic cells. The role of the dendritic cell has been found so vital to all immune responses that the 2011 Nobel Prize for Medicine was awarded to its discoverer.

Immunicum plans to continuously conduct clinical trials in order to validate the effect of the vaccine on human in several different cancer indications. There is currently one clinical trial being conducted on patients with metastatic renal cell carcinoma.

Today, the company has one registered patent in Sweden and one in Europe, where the decision has been made to continue further and validate the patent in a total of 11 other countries. In addition to this, Immunicum has another 6 pending patent applications.



IMPORTANT EVENTS DURING THE JULY 1, 2011 – JUNE 30, 2012 FINANCIAL YEAR

» On July 5, 2011 Immunicum concluded a successful biodistribution study, as an important step toward obtaining regulatory approval from the Medical Products Agency (MPA) to begin its first trial in human.

» On November 24, 2011, the MPA approved Immunicum's clinical trials.

» In February of 2012, Immunicum's vaccine cells were approved by a Qualified Person as supposed drug for the upcoming clinical trial, and therapeutic treatment of the first patient was initiated the same month.

» In February, Immunicum conducted a directed share issue to raise capital from two current share holders and one new investor.

» In May of 2012, Immunicum filed an application for trademark registration of INTUVAC, the vaccine which is based on the COMBIG platform and is currently in a clinical trial.

» Data has been collected from the first patients. No signs of serious side effects have been reported, however there is now support for INTUVAC's supposed mechanism of action, and data suggests that patients' immune system have been activated specifically against cancer.

» In May of 2012, Immunicum is mentioned in Thomson Reuter's "A pharma matters report – the ones to watch", as one of the most interesting drugs to change clinical phase in Q1 2012.

IMPORTANT EVENTS AFTER THE JULY 1, 2011 – JUNE 30, 2012 FINANCIAL YEAR

» On August 9, 2012, an extraordinary general meeting was held, where the decision was made to change Immunicum's status to a public company and for a record-day clause to be entered into the Articles of Association. At the same time, the pre-emption clause was removed. Furthermore it was decided to split the shares 1000:1. The number of shares after split but before capitalization issue (see below), is 7 229 000. It was also decided to increase the share capital from 180 725 SEK to 500 000 SEK. The increase in share capital was made through a capitalization issue by transferring 85 875 SEK from the reserve fund and the rest from unrestricted equity. 12 771 000 new shares were issued to the current share holders in relation to their previous holdings. The total number of shares is now 20 000 000 after split and capitalization issue. Each decision was taken in order to facilitate Immunicum's upcoming financing rounds, by making it possible to invite a broader range of investors.

RESEARCH AND DEVELOPMENT

The focus of product development will be validation of the effect of the various vaccine concepts in human, but also combinatorial studies to investigate potential synergistic effects of combining Immunicum's vaccine with existing therapies. Immunicum also conducts tests to study and optimize the production process.

PROPOSED DISTRIBUTION OF PROFIT OR LOSS

	SEK
The Board of Directors propose that available funds:	
retained earnings	-6 228 369
share premium reserve	16 217 551
loss for the year	-2 629 325
Total	**7 359 857**
be distributed:	
carried forward	7 359 857
Sum	**7 359 857**

Financial Summary

INCOME STATEMENT	2012	2011	2010
Net sales	5 134	12 328	5 006
Operating expenses	-2 698 934	-2 726 492	-2 316 020
Operating income	**-2 693 800**	**-2 714 164**	**-2 311 014**
Net financial income	64 475	43 861	23 720
Profit/loss before tax	**-2 629 325**	**-2 670 303**	**-2 287 294**
Tax	-	-	-
Profit/loss for the period	**-2 629 325**	**-2 670 303**	**-2 287 294**

BALANCE SHEET	2012	2011	2010
Intangible fixed assets	3 194 967	1 583 401	1 249 535
Tangible fixed assets	57 206	8 935	11 550
Financial non-current assets	1 000	1 000	-
Other current assets	270 035	336 010	103 104
Cash and cash equivalents	5 750 558	4 317 205	6 318 269
Assets	**9 273 766**	**6 246 551**	**7 682 458**
Equtiy	7 626 457	3 919 782	6 590 085
Non-current liabilities	850 000	850 000	850 000
Current liabilities	797 309	1 476 769	242 373
Equity and liabilities	**9 273 766**	**6 246 551**	**7 682 458**

SUMARY CASH FLOW STATEMENT	2012	2011	2010
Cash flows from operating activities	-3 233 502	-1 666 198	-2 293 653
Cash flows from investing activities	-1 669 145	-334 866	-565 404
Cash flows from financing activities	6 336 000	-	6 278 361
Change in cash and cash equivalents	1 433 353	-2 001 064	3 419 304
Cash and cash equivalents at beginning of year	4 317 205	6 318 269	2 898 965
Cash equivalents at end of period	**5 750 558**	**4 317 205**	**6 318 269**

KEY RATIOS	2012	2011	2010
Liquid ratio (%)	755%	315%	265%
Equity/assets ratio (%)	82%	63%	86%
Adjusted equity	7 626 457	3 919 782	6 590 085
Dividend	-	-	-

Financial definitions

Liquid ratio: Current assets divided by current liabilities

Equity/assets ratio: Equity as a percentage of total assets

Income Statement

Amounts in SEK	*Note*	*1 July 2011 - 30 June 2012*	*1 July 2010 - 30 June 2011*
Net sales		5 000	-
Other operating income		134	12 328
		5 134	**12 328**
OPERATING EXPENSES			
Other external expenses	1	-1 089 748	-1 346 242
Personnel costs	2	-1 599 878	-1 377 635
Depreciation and write-down of tangible and intangible	3	-9 308	-2 615
Operating income		**-2 693 800**	**-2 714 164**
PROFIT/LOSS FROM FINANCIAL ITEMS			
Interest income and similar profit/loss items		98 883	63 654
Interest expenses and similar profit/loss items		-34 408	-19 793
Profit/loss after financial items		**-2 629 325**	**-2 670 303**
PROFIT/LOSS BEFORE TAX		**-2 629 325**	**-2 670 303**
NET LOSS FOR THE YEAR		**-2 629 325**	**-2 670 303**

Balance Sheet

Amounts in SEK	*Note*	*30 June 2012*	*30 June 2011*
ASSETS			
FIXED ASSETS			
Intangible fixed assets			
Capitalised expenditure for development work and similar work	4	1 052 178	242 435
Concessions, patents, licenses, trademarks and similar rights	5	2 142 789	1 340 966
		3 194 967	**1 583 401**
Tangible fixed assets			
Equipment, tolls, fixtures and fittings	6	57 206	8 935
		57 206	**8 935**
Financial non-current assets			
Other investments held as fixed assets	7	1 000	1 000
		1 000	**1 000**
Total fixed assets		**3 253 173**	**1 593 336**
CURRENT ASSETS			
Current receivables			
Other receivables		154 760	271 988
Prepaid expenses and accrued income	8	115 275	64 022
		270 035	**336 010**
Cash and bank balances		5 750 558	4 317 205
Total current assets		**6 020 593**	**4 653 215**
TOTAL ASSETS		**9 273 766**	**6 246 551**

Balance Sheet

Amounts in SEK	*Note*	*30 June 2012*	*30 June 2011*
EQUITY AND LIABILITIES			
EQUITY	9		
Restricted equity			
Share capital (7,229 shares)		180 725	165 725
Statuary reserve		85 875	85 875
		266 600	**251 600**
Non-restricted equity			
Share premium reserve		16 217 551	9 896 551
Profit or loss brought forward		-6 228 369	-3 558 066
Net profit/loss for the year		-2 629 325	-2 670 303
		7 359 857	**3 668 182**
Total equity		**7 626 457**	**3 919 782**
NON-CURRENT LIABILITIES			
Other liabilities to credit institutions	10	850 000	850 000
		850 000	**850 000**
CURRENT LIABILITIES			
Accounts payable - trade		81 497	880 911
Other liabilities		98 829	79 856
Accrued expenses and deferred income	11	616 983	516 002
		797 309	**1 476 769**
TOTAL EQUITY AND LIABILITIES		**9 273 766**	**6 246 551**

PLEDGED ASSETS AND CONTINGENT LIABILITIES

	30 June 2012	*30 June 2012*
Pledged assets and other securities for the Company's own liabilities	None	None
Contingent liabilities	None	None

Cash flow analysis

INDIRECT METHOD

OPERATING ACTIVITIES	notes	2010	2011	2012
Operating profit/loss before financial items		-2 311 014	-2 714 164	-2 693 800
Depreciation/amortisation		-2 413	2 615	9 308
Other non-cash items		14 766	0	0
		-2 298 661	**-2 711 549**	**-2 684 492**
Interest received		32 338	63 654	98 883
Interest paid		-8 618	-55 907	-34 408
Income tax paid		0	19 108	666
		-2 274 941	**-2 684 694**	**-2 619 351**
Increase/decrease in accounts receivable - trade		0	-196 792	0
Increase/decrease in other current receivables		3 210	0	65 975
Increase/decrease in accounts payable - trade		-14 751	818 070	-799 414
Increase/decrease in other current operating liabilities		-7 171	397 218	119 288
Cash flows from operating activities		**-2 293 653**	**-1 666 198**	**-3 233 502**

INVESTING ACTIVITIES	notes	2010	2011	2012
Investments in intagnible fixed assets	4:5	-552 329	-333 866	-1 611 566
Sales of intangible fixed assets		0	0	0
Investments in tangible fixed assets	6	-13 075	0	-57 579
Investments in other financial non-current assets		0	-1 000	0
Cash flows from investing activities		**-565 404**	**-334 866**	**-1 669 145**

FINANCING ACTIVITIES	notes	2010	2011	2012
New share issue		5 980 416	0	6 336 000
Borrowings		297 945	0	0
Cash flows from financing activities		**6 278 361**	**0**	**6 336 000**

Cash flow for the year	**3 419 304**	**-2 001 064**	**1 433 353**
Cash and cash equivalents at beginning of year	**2 898 965**	**6 318 269**	**4 317 205**
Cash and cash equivalents at year-end	**6 318 269**	**4 317 205**	**5 750 558**

Accounting principles and comments to the accounts

Amounts in SEK unless stated otherwise.

GENERAL ACCOUNTING PRINCIPLES

The annual report has been prepared in accordance with the Swedish Annual Accounts Act and the general advice and guidelines of the Swedish Accounting Standards Board. The accounting principles remain unchanged as compared with previous years.

REVENUE RECOGNITION

Income is reported in accordance with BFNAR 2003:3 Revenue.

VALUATION PRINCIPLES, ETC.

Assets, provisions and liabilities are valued at acquisition cost, unless stated otherwise below.

CAPITALISED EXPENDITURE FOR RESEARCH AND DEVELOPMENT WORK

Expenses attributable to for the Company's own research and development work are reported as and when they arise. Expenses regarding development projects (attributable to the construction and testing of new products) are capitalised as intangible assets to the extent that these expenses are expected to generate future economic benefits.

RECEIVABLES

Receivables are reported at acquisition cost less any write-downs.

PATENTS

Patents are reported in amounts corresponding to the direct expenses attributable to the development of the patent. Depreciation takes place systematically over the estimated useful life of the asset.

DECPRECIATION PRINCIPLES FOR TANGIBLE FIXED ASSETS

Depreciation according to plan is based on the original acquisition costs less estimated residual value. Depreciation takes place on a straight-line basis over the estimated useful life of the asset.

The following percentage of depreciation has been applied, whereby consideration has been taken to the holding period for assets acquired and divested during the year.

Fixed asstes	*% per year*
Tangible fixed assets:	
-Equipment	**20**

CASH FLOW STATEMENT

The cash flow statement has been prepared using the indirect method. The reported cash flow includes only those transactions that have resulted in receipts or payments.

Notes

NOTE 1 AUDIT FEES

	1 July 2011 - 30 June 2012	1 July 2010 - 30 June 2011
Audit fees	25 000	28 000
Total	**25 000**	**28 000**

NOTE 2 EMPLOYEES AND PERSONNEL COSTS

AVERAGE NUMBER OF EMPLOYEES	1 July 2011 - 30 June 2012	1 July 2010 - 30 June 2011
Men	1	1
Women	1	1
Total	**2**	**2**

SALARIES, OTHER REMUNERATION AND SOCIAL SECURITY CONTRIBUTIONS	1 July 2011 - 30 June 2012	1 July 2010 - 30 June 2011
Board of Directors and CEO	791 226	644 352
Other employees	351 447	336 601
Total	**1 142 673**	**980 953**
Social security contributions	428 208	370 242
(of which pension costs SEK 44,256 previous year SEK 45,885)		

NOTE 3 DEPRECIATION OF TANGIBLE AND AMORTISATION OF INTANGIBLE FIXED ASSETS

	1 July 2011 - 30 June 2012	1 July 2010 - 30 June 2011
Equipment	9 308	2 615
Total	**9 308**	**2 615**

NOTE 4 CAPITALISED EXPENDITURE FOR DEVELOPMENT WORK

	1 July 2011 - 30 June 2012	*1 July 2010 - 30 June 2011*
Accumulated acquisition cost:		
- At the beginning of the year	242 435	242 435
- Capitalised during the year	1 219 260	2 644 483
- Subsidies received	-409 517	-2 644 483
Carrying amount at year-end	**1 052 178**	**242 435**

NOTE 5 CONCESSIONS, PATENTS AND LICENSES

	1 July 2011 - 30 June 2012	*1 July 2010 - 30 June 2011*
Accumulated acquisition cost:		
- At the beginning of the year	1 340 966	1 007 100
- New acquisitions	801 823	333 866
Carrying amount at year-end	**2 142 789**	**1 340 966**

NOTE 6 EQUIPMENT, TOOLS, FIXTURES AND FITTINGS

	1 July 2011 - 30 June 2012	*1 July 2010 - 30 June 2011*
Accumulated acquisition cost:		
- At the beginning of the year	13 075	13 075
- New acquisitions	57 579	-
- Sales and disposals	-	-
	70 654	**13 075**
Accumulated depreciation according to plan:		
- At the beginning of the year	-4 140	-1 525
- Sales and displosals	-	-
- Depreciation according to plan on acquisition costs for the year	-9 308	-2 615
	-13 448	-4 140
Carrying amount at year-end	**57 206**	**8 935**

NOTE 7 OTHER INVESTMENTS HELD AS FIXED ASSETS

	1 July 2011 - 30 June 2012	*1 July 2010 - 30 June 2011*
Accumulated acquisition cost:		
- At the beginning of the year	1 000	-
- New acquisitions	-	1 000
Carrying amount at year-end	**1 000**	**1 000**

NOTE 8 PREPAID EXPENSES AND ACCRUED INCOME

	1 July 2011 - 30 June 2012	1 July 2010 - 30 June 2011
Interest income, Bank	68 386	39 166
Other prepaid expenses	46 889	24 856
Total	**115 275**	**64 022**

NOTE 9 EQUITY

	Share capital	*Statutory reserve*	*Share premium reserve*	*Loss brought forward*	***Total***
Closing balance in accordance with Balance Sheet previous year	165 725	85 875	9 896 551	-6 228 369	3 919 782
New share issue	15 000		6 321 000		6 336 000
Net loss for the year				-2 629 325	-2 629 325
At year-end	**180 725**	**85 875**	**16 217 551**	**-8 857 694**	**7 626 457**

NOTE 10 OTHER LIABILITIES TO CREDIT INSTITUTIONS

The Company has received financing in the form of conditional credits from Region Västra Götaland amounting to SEK 850,000. The terms of repayment for these loans comprise 5% of future yearly income from completed development projects.

NOTE 11 ACCRUED EXPENSES AND DEFERRED INCOME

	1 July 2011 - 30 June 2012	1 July 2010 - 30 June 2011
Prepaid subsidies	-	409 517
Accrued research and development costs	481 360	-
OIther accrued espenses	135 623	106 485
Total	**616 983**	**516 002**

Signatures

GOTHENBURG, SEPTEMBER 26, 2012

Agneta Edberg
CHAIRMAN

Bengt Andersson

Bengt Furberg

Alex Karlsson-Parra

Per-Olof Gunnesson

Martin Lindström

Jamal El-Mosleh
CEO

AUDITOR'S ENDORSEMENT

Our auditor's report has been submitted on September 26, 2012
Öhrlings PricewaterhouseCoopers AB

Gunnar Källhed
Authorized Public Accountant

Bengt Kron
Authorized Public Accountant

Auditor's report

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

REPORT ON THE ANNUAL ACCOUNTS

We have audited the annual accounts of Immunicum AB for the financial year 2011-07-01—2012- 06-30. The annual accounts of the company are included in the printed version of this document on pages 21–32.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR FOR THE ANNUAL ACCOUNTS

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

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these annual accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the annual accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the annual accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors and the Managing Director, as well as evaluating the overall presentation of the annual accounts.

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

OPINIONS

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of Immunicum AB as of 30 June 2012 and of its financial performance and its cash flows 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 annual meeting of shareholders adopt the income statement and balance sheet.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In addition to our audit of the annual accounts, we have examined the proposed appropriations of the company's profit or loss and the administration of the Board of Directors and the Managing Director of Immunicum AB for the financial year 2011-07-01—2012-06-30.

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, and the Board of Directors and the Managing Director are responsible for administration under the Companies Act.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion with reasonable assurance on the proposed appropriations of the company's profit or loss and on the administration based on our audit. We conducted the audit in accordance with generally accepted auditing standards in Sweden.

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.

As a basis for our opinion concerning discharge from liability, in addition to our audit of the annual accounts, we examined significant decisions, actions taken and circumstances of the company in order to determine whether any member of the Board of Directors or the Managing Director is liable to the company. We also examined whether any member of the Board of Directors or the Managing Director has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

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

OPINIONS

We recommend to the annual 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.

Gothenburg 26 of September 2012

Öhrlings PricewaterhouseCoopers AB

GUNNAR KÄLLHED
AUTHORIZED PUBLIC ACCOUNTANT

BENGT KRON
AUTHORIZED PUBLIC ACCOUNTANT

Articles of Association

§ 1 COMPANY NAME
The registered name of the Company is IMMUNICUM AB (publ). The Company is a public company (publ).

§ 2 REGISTERED OFFICE
The Board of Directors shall have its registered office in the municipality of Göteborg in the district of Västra Götaland, Sweden.

§ 3 BUSINESS PURPOSE
The Company shall engage in research, development, marketing and sales of pharmaceutical drugs and activities related thereto.

§ 4 SHARE CAPITAL
The Company's share capital shall amount to not less than SEK 500 000 and not more than SEK 2 000 000.

§ 5 NUMBER OF SHARES
The Company shall have not less than 20 000 000 shares and not more than 80 000 000 shares.

§ 6 BOARD OF DIRECTORS
The Board of Directors shall consist of three to eight members, with zero to three deputies. The Board of Directors is elected at the Annual General Meeting for the time up until the conclusion of the next general meeting.

§ 7 AUDITORS
For the purpose of examining the Company's annual report and financial accounts, as well as the management of the Chief Executive Officer and the Board of Directors, an authorized auditor is to be elected at the Annual General Meeting for the time up until the conclusion of the next Annual General Meeting.

§ 8 NOTICE
Notice of a General Meeting of Shareholders shall be made in the form of an announcement in the Official Gazette (Post och Inrikes Tidningar) and at the Company´s website. Announcement to the effect that notice convening a General Meeting has been issued shall be published in Dagens Industri. Notice to convene an annual general meeting of shareholders and an extraordinary general meeting of shareholders where the amendment of the articles of association shall be resolved upon shall be issued not earlier than six and not later than four weeks before the meeting. Notice to convene other extraordinary general meetings of shareholders shall be issued not earlier than six and not later than three weeks before the meeting.

§ 9 PARTICIPATION IN SHAREHOLDERS' MEETING
Shareholders recorded in the register of shareholders are entitled to participate at meetings as set out in Chapter 7 Section 28 paragraph 3 of the Companies Act (2005:551) and shall register their names not later than the day stipulated in the notice to attend the General Meeting. The latter day may not be a Sunday, other Swedish public holiday, Saturday, Midsummer's Eve, Christmas Eve or New Year's Eve and may not occur earlier than on the fifth weekday (Saturdays included) before the meeting.

§ 10 ANNUAL GENERAL MEETING
The following matters shall be dealt with at the Annual General Meeting:

1. Election of a chairman of the meeting.
2. Preparation and approval of the voting list.
3. Presentation and approval of the agenda.
4. Election of one (1) or two (2) persons to approve the minutes of the meeting.
5. Determination of whether the meeting was duly convened.
6. Presentation of the submitted annual report and the auditors' report and, where applicable, the consolidated financial statements and the auditors' report for the group.
7. Resolutions regarding:
   a) the adoption of the income statement and the balance sheet and, where applicable, the consolidated income statement and the consolidated balance sheet.
   b) allocation of the Company's profits or losses in accordance with the adopted balance sheet.
   c) discharge of the members of the board and the Chief Executive Officer from liability.
8. Determination of fees for members of the Board of Directors and auditors.
9. Election of Board members and auditors, and where applicable, deputy auditors.
10. Other matters as set out in the Swedish Companies Act or in the Company's articles of association.

§ 11 FINANCIAL YEAR
The Company's financial year shall comprise July 1 - June 30.

§ 12 CENTRAL SECURITIES DEPOSITORY CLAUSE
The Company's shares shall be registered with a record day register according to the Financial Instruments Act (SFS 1998:1479).

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