

ASX Announcement

Issuance of Convertible Notes & Warrants to CVI Investments Inc. to raise up to A\$46 million

- A\$20 million of senior, unsecured, zero-coupon, convertible notes with 5 year maturity (**Convertible Notes**)
- Up to a further A\$26 million through issue of 5 year unlisted warrants (if exercised) (**Warrants**)
- The investor may convert the Convertible Notes to ordinary shares in Imugene at an initial conversion equal to a 25% premium to Imugene's last closing price on 20 December 2024
- Each Warrant has an exercise price of \$0.0494
- The capital raised will be used to fund Imugene's ongoing clinical trial pipeline including azer-cel, onCARlytics and VAXINIA
- Extends cash runway to the end of 2025, excluding any additional funds from warrant exercise

SYDNEY, Australia, 23 December, 2024: Imugene Limited (ASX:IMU) (**Imugene or Company**), a clinical stage immuno-oncology company, is pleased to announce that it has entered into a subscription agreement and warrant deed poll, to issue Convertible Notes and Warrants to CVI Investments, Inc. (**CVI**).

The issue of the Convertible Notes will provide Imugene with a substantial capital injection to support its clinical pipeline, with the funds to be put toward the ongoing trials for its azer-cel, onCARlytics and VAXINIA programs, as the Company anticipates key clinical data readouts in the coming 12 months.

The Convertible Notes will have a maturity of five years and carry no coupon (i.e. are interest free). CVI may convert the Convertible Notes to ordinary shares at an initial conversion price equal to a 25% premium to Imugene's closing price on the trading day prior to the date of this announcement (being 20 December 2024), with semi-annual price adjustments based on market prices.



CVI Overview

CVI is an affiliate of Heights Capital Management (**Heights**), an investment arm of Susquehanna International Group, LLP (**Susquehanna**), one of the world's largest privately held financial firms. Heights has been investing in innovative firms in biotech, healthcare, engineering, technology and other sectors since 1996.

Key terms

The issuance of the Convertible Notes and Warrants is subject to Imugene's shareholder approval, and a number of conditions precedent being satisfied or waived, including, among others,

- shareholders approving the terms of the Warrants for the purposes of ASX Listing Rule 7.1; and
- no "Material Adverse Effect" (being a material adverse effect on the ability of the Company to perform its obligations under the terms of issue of the Convertible Notes, Warrants or subscription agreement, or the business operations, property, financial condition, financial performance or prospects of the Company and its subsidiaries) occurring in respect of the Company up to and including on the issue date of the Convertible Notes and Warrants to CVI.

The terms of the Warrants (outlined in Appendix A below) provide that if there is a change of control (as per the terms of issue of the Warrants, including if 50% of the shares are acquired under a takeover bid or if a scheme of arrangement in respect of the Company is approved) and subject to compliance with ASX Listing Rules, then the holder of the Warrants, being CVI, may elect to have the Warrants that it holds cancelled by the Company and receive an amount equal to the value of their Warrants, calculated in accordance with the Black-Scholes option pricing model (**Change of Control Amount**).

Refer to Appendix A to this announcement for further information about the material terms of the Convertible Notes and Warrants.



Imugene CEO Leslie Chong said: "This funding reinforces our ability to advance Imugene's range of highly prospective drugs and technologies further through the clinic. With promising progress across the pipeline, attracting this investment underscores the confidence in our approach and affirms our growth potential. We're very pleased to lock in this upfront funding, which also avoids some of the pitfalls of other convertible notes such as interest and security."

In addition to this financing, Imugene has put in place a number of operating initiatives to extend the cash runway of the company. This includes streamlining manufacturing operations, optimizing workforce levels, and reducing administrative overheads. The result of these savings provides cash runway into late 2025 (excluding funds from possible warrant exercise).

Further details regarding the terms of the convertible bond can be viewed in Table 1.

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About Imugene (ASX:IMU)

Imugene is a clinical stage immuno-oncology company developing a range of new and novel immunotherapies that seek to activate the immune system of cancer patients to treat and eradicate tumours. Our unique platform technologies seek to harness the body's immune system against tumours, potentially achieving a similar or greater effect than synthetically manufactured monoclonal antibody and other immunotherapies.

Our pipeline includes an off-the-shelf (allogeneic) cell therapy CAR T drug azer-cel (azercabtagene zapreleucel) which targets CD19 to treat blood cancers. Our pipeline also includes multiple immunotherapy B-cell vaccine candidates and an oncolytic virotherapy (CF33) aimed at treating a variety of cancers in combination with standard of care drugs and emerging immunotherapies such as CAR T's for solid tumours. We are supported by a leading team of international cancer experts with extensive experience in developing novel cancer therapies that are currently marketed globally.

Our vision is to help transform and improve the treatment of cancer and the lives of the millions of patients who need effective treatments. This vision is backed by a growing body of clinical evidence and peer-reviewed research. Imugene is well funded and resourced, to deliver on its commercial and clinical milestones. Together with leading specialists and medical professionals, we believe Imugene's immuno-oncology therapies will become foundation treatments for cancer. Our goal is to ensure that Imugene and its shareholders are at the forefront of this rapidly growing global market.

Release authorised by the Managing Director and Chief Executive Officer Imugene Limited.

Appendix A: Details on the transaction terms of the Convertible Notes raising

Overview

Imugene has entered into an agreement whereby an affiliate of Susquehanna, being CVI Investments, Inc. (**CVI** or the **Noteholder**), has agreed to subscribe for \$20 million worth of Convertible Notes and concurrently Imugene will issue to CVI unlisted Warrants to



raise up to a \$26 million (if exercised) (**Warrants**). Dollar references are in Australian Dollars unless otherwise noted.

Convertible Notes

A summary of the material terms of the Convertible Notes is set out in Table 1.

Noteholder Warrants

A summary of the material terms of the Warrants is set out in Table 2.

Conditions precedent

The capital raising (including the issue of the Convertible Notes and the grant of the Warrants) is subject to a number of conditions precedent being satisfied or waived, including, among others

- Shareholders approving the terms of the Warrants for the purposes of ASX Listing Rule 7.1; and
- no "Material Adverse Effect" (being a material adverse effect on the ability of the Company to perform its obligations under the terms of issue of the Convertible Notes, Warrants or subscription agreement, or the business operations, property, financial condition, financial performance or prospects of the Company and its subsidiaries) occurring in respect of the Company up to and including the issue date.

In accordance with the terms of the Warrants, and subject to compliance with ASX Listing Rules, the Noteholder is entitled (at its election) to specific redemption payments if a change of control in the Company or certain prescribed events of default occur.

TABLE 1: Material Terms – Convertible Notes

The Noteholder will be issued Convertible Notes in aggregate principal amount of \$20 million on completion of the raising, which is anticipated to occur following shareholder approval.

Face value	Each Convertible Note has a face value of \$100,000 (with an aggregate face value of \$20 million for all of the Convertible Notes).
Who can convert the Convertible Notes	Each Convertible Note can be converted by the Noteholder in accordance with the terms and conditions of the Convertible Notes.
Entitlement	Subject as provided in the terms and conditions of the Convertible Notes, each Convertible Note entitles the Noteholder to convert each Convertible Note at the then



	<p>applicable conversion price, into Company shares credited as fully-paid (Shares).</p> <p>Specifically, if converted into Shares, each Convertible Note entitles its holder to such number of Shares calculated in accordance with the following formula:</p> $N = \frac{FV}{C}$ <p>where:</p> <ul style="list-style-type: none"> • N = the number of Shares to be issued by the Company, rounded down to the nearest whole number; • FV = the aggregate outstanding face value of the Convertible Notes on the applicable conversion date (subject to the terms and conditions of the Convertible Notes, as summarised in this Table 1); and • C = the relevant 'conversion price' (subject to the terms and conditions of the Convertible Notes, as summarised in this Table 1) on the applicable conversion date.
Maturity Date	The Convertible Notes have a maturity date of 5 years from the issue date.
Interest	The Convertible Notes do not bear interest.
Conversion right	<p>The Noteholder may convert the Convertible Notes into Shares (in all or in part) at any time from the issue date at a conversion price initially set at 125% of \$0.038, being the closing price of Shares on ASX on the trading date immediately prior to the date of this announcement (Reference Price).</p> <p>A Conversion Right may only be exercised in respect of five (5) or more Notes.</p>
Automatic conversion price and Floor Price adjustments	<p>At each 6-month date after the issue date, the conversion price shall be adjusted to be the lower of:</p> <ul style="list-style-type: none"> • the then prevailing conversion price; or • the sum of 90% of the 'current market price'¹ on the relevant adjustment date (rounded to four decimal places), <p>subject to a minimum conversion price equal to 50% of the Reference Price (the "Floor Price").</p>

¹ All references to the 'current market price' is as defined in the terms of issue of the Convertible Notes but generally means in respect of a Share on a particular date, the lower of: (a) the closing price of the Share on the trading day immediately preceding such date; and (b) the lowest daily volume weighted average price for the Shares during the 5-trading day period immediately preceding such date (subject to certain prescribed adjustments).



	<p>The conversion price is adjustable on the occurrence of certain standard dilutive events, including but not limited to stock splits, consolidations and capital distributions in relation to Shares. Similarly, the Floor Price is subject to adjustment for such dilutive events. In addition, if a reorganisation occurs in respect of the Company, the Convertible Notes must be treated in accordance with the ASX Listing Rules.</p> <p>To the extent the Company issues any equity securities below the prevailing “conversion price”, the prevailing conversion price for that period will be reduced to the effective price of such issue, but subject at all times to a minimum price equal to the Floor Price at the time.</p>
<p>Automatic redemption</p>	<p>Starting 6 months after the issue date, the Convertible Notes shall amortise in equal semi-annual instalments (“Redemption Amounts”). Subject to the satisfaction of certain conditions and the Noteholder’s right to defer (as described below), these Redemption Amounts may be settled in cash or Shares at the Company’s option. If the Company elects to:</p> <ul style="list-style-type: none"> • pay in cash, the Company shall make a payment equal to 110% of the Redemption Amount due on that date; and • repay in Shares, the quantity of Shares shall be the Redemption Amount due on that date divided by the then applicable adjusted conversion price. <p>These automatic redemptions are subject to the Noteholder’s right to defer some or all of any such amount to a subsequent redemption date and added to a subsequent Redemption Amount.</p>
<p>Early redemption at the option of the Noteholder</p>	<p>On the 3rd and 4th anniversary of the issue date, the Noteholder may request via a redemption notice that the Company redeems all or part of the then outstanding Convertible Notes at a repurchase price equal to 100% of the then outstanding amount of the Convertible Notes.</p>
<p>Maximum dilution and ownership cap</p>	<p>The imposition of the Floor Price means that the maximum number of Shares that can be issued from the conversion of the Convertible Notes is capped at 1,052,631,579 Shares.²</p> <p>Separately, at all times the Noteholder is subject to a maximum ownership cap in Shares of 9.9%. In the event the Convertible Notes become fully convertible, conversion will first be into as many Shares as possible</p>

² Subject to adjustment if the Floor Price is adjusted.



	given this ownership cap, with the remainder paid by the Company in cash.
Redemption rights	The Convertible Notes also entitle the Noteholder (at its election) to specific redemption payments if a 'change of control' in the Company or certain prescribed events of default occur, such payments calculated in accordance with prescribed formulas under the terms and conditions of the Convertible Notes.
Quotation of Convertible Notes and Shares issued on conversion of Convertible Notes	<ul style="list-style-type: none"> • Each Convertible Note will not be quoted on the ASX. • The Company will apply for quotation on the ASX of each Share issued on exercise of a Convertible Note.
Governing law	New South Wales.

TABLE 2: Material Terms - Warrants

CVI Investments, Inc. will be granted 526,315,789 Warrants (also referred to as “**Noteholder Warrants**”) for nil cash consideration on completion of the raising, which is anticipated to occur following shareholder approval.

Issue price	The Noteholder Warrants will be issued for nil consideration.
Exercise Price	Each Noteholder Warrant is exercisable at \$0.0494, being 130% of the Reference Price (the “ Exercise Price ”).
Who can exercise the Noteholder Warrants?	Each Noteholder Warrant can be exercised by its holder.
Entitlement	Each Noteholder Warrant is exercisable into one Share at the Exercise Price.
Exercise period and expiry date	Each Noteholder Warrant expires 5 years after the issue date (i.e. each Noteholder Warrant has a 5 year exercise period), upon the expiry of which, the Noteholder Warrants will automatically and immediately lapse.
Anti-dilution adjustments	Each Noteholder Warrant is subject to standard adjustment and anti-dilution provisions (which may adjust either the Exercise Price and/or the number of Shares that may be issued on exercise of a Noteholder Warrant, as applicable), provided that such adjustments are in accordance with the ASX Listing Rules.
Quotation of Noteholder Warrants and Shares	<ul style="list-style-type: none"> • Each Noteholder Warrant will not be quoted on the ASX.



issued on exercise of Noteholder Warrants	<ul style="list-style-type: none"> The Company will apply for quotation on the ASX of each Share issued on exercise of a Noteholder Warrant.
Participation in new issues	<p>A holder of a Noteholder Warrant does not have a right to participate in new issues of Shares without exercising the Noteholder Warrant and becoming the holder of Shares.</p>
Dividends	<p>While there are Warrants on issue, the Issuer shall not declare, pay or make any dividends to Shareholders without obtaining the prior written approval of all Warrant Holders.</p>
Right to elect cancellation of Noteholder Warrants for the Change of Control Amount on a 'change of control'	<p>If there is a 'change of control' of the Company (as defined in the terms of the Noteholder Warrants, which includes if 50% of the Shares are acquired under a takeover bid or if a scheme of arrangement in respect of the Company is approved), subject to compliance with ASX Listing Rules, the holder of a Noteholder Warrant may elect to have the Noteholder Warrants that it holds cancelled by the Company. In consideration, the warrant holder will receive the Change of Control Amount.</p> <p>The Change of Control Amount is calculated in accordance with the Black-Scholes option pricing model using the 'OVME' function on Bloomberg, using certain prescribed variables in accordance with the terms of the Noteholder Warrants.</p>
Rights to Substitute Property on Change of Control	<p>Subject to the ASX Listing Rules, if there is a 'change of control' and the holder of a Share will be issued or receive shares, stock, securities, other equity interests or assets in respect of that Share ("Substitute Property"), then the Company must make appropriate provision to ensure that each Noteholder Warrant gives the holder the right to acquire and receive the Substitute Property at the Exercise Price in effect immediately prior to the 'change of control'.</p> <p>The Company must not effect any 'change of control' if its obligations under the Noteholder Warrants will be assumed by a successor entity, unless the successor entity assumes the obligation to deliver to each such holder of a Noteholder Warrant upon exercise of the Noteholder Warrant the Substitute Property.</p>
Governing law	<p>New South Wales.</p>