UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2018

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission file number 001-35560

ImmunoCellular Therapeutics, Ltd.
(Exact name of registrant as specified in its charter)

Delaware	**93-1301885**
(State or other jurisdiction of incorporation or organization)	**(IRS Employer Identification No.)**
30721 Russell Ranch Road, Suite 140 Westlake Village, California	**91362**
(Address of principal executive offices)	**(Zip code)**

(818) 264-2300
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated Filer	☐
Non-accelerated filer (Do not check if a smaller reporting company)	☐	Smaller reporting company	☒
Emerging growth company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The Issuer had 41,934,984 shares of its common stock issued as of August 3, 2018.

ImmunoCellular Therapeutics, Ltd.

FORM 10-Q

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PART 1
FINANCIAL INFORMATION

Item 1. Condensed Consolidated Financial Statements

ImmunoCellular Therapeutics, Ltd.

Condensed Consolidated Balance Sheets

	June 30, 2018	December 31, 2017
	(unaudited)	
Assets		
Current assets:		
Cash and cash equivalents	$ 2,852,605	$ 6,629,870
Other assets	489,657	378,787
Insurance proceeds receivable	486,774	—
Total current assets	3,829,036	7,008,657
Property and equipment, net	356	568
Total assets	$ 3,829,392	$ 7,009,225
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	$ 84,256	$ 1,774,626
Accrued compensation and benefits	156,227	290,516
Accrued liabilities	161,461	295,612
Total current liabilities	401,944	2,360,754
Commitments and contingencies (Note 5)		
Shareholders' equity:		
Preferred stock $0.0001 par value, 1,000,000 shares authorized; 2 shares outstanding as of June 30, 2018 and December 31, 2017	—	—
Common stock, $0.0001 par value; 50,000,000 shares authorized; 41,913,256 shares issued and outstanding as of June 30, 2018 and December 31, 2017	4,191	4,191
Additional paid-in capital	121,198,601	121,087,939
Accumulated deficit	(117,775,344)	(116,443,659)
Total shareholders' equity	3,427,448	4,648,471
Total liabilities and shareholders' equity	$ 3,829,392	$ 7,009,225

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

ImmunoCellular Therapeutics, Ltd.

Condensed Consolidated Statements of Operations
(unaudited)

	For the Three Months Ended June 30, 2018	For the Three Months Ended June 30, 2017	For the Six Months Ended June 30, 2018	For the Six Months Ended June 30, 2017
Revenues	$ —	$ —	$ —	$ —
Expenses:				
Research and development	58,981	10,353,601	349,597	15,039,321
General and administrative	670,203	988,266	1,404,784	1,781,444
Recovery of legal fees	(422,094)	—	(422,094)	
Total expenses	307,090	11,341,867	1,332,287	16,820,765
Loss before other income (expense)				
and taxes	(307,090)	(11,341,867)	(1,332,287)	(16,820,765)
Interest income	386	381	602	4,175
Interest expense	—	(430,024)	—	(882,683)
Derecognition of CIRM liability	—	7,719,440	—	7,719,440
Loss before provision for income taxes	(306,704)	(4,052,070)	(1,331,685)	(9,979,833)
Provision for income taxes	—	—	—	—
Net loss	$ (306,704)	$ (4,052,070)	$ (1,331,685)	$ (9,979,833)
Net loss per share	$ (0.01)	$ (1.14)	$ (0.03)	$ (2.81)
Weighted average number of shares outstanding basic and diluted:	41,913,256	3,551,575	41,913,256	3,550,550

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

ImmunoCellular Therapeutics, Ltd.

Condensed Consolidated Statements of Shareholders' Equity (Deficit)
(unaudited)

	Preferred Stock		Common Stock				
	Shares	Amount	Shares	Amount	Additional Paid-in Capital	Accumulated Deficit	Total
Balance at December 31, 2017	2	$ —	41,913,256	$ 4,191	$ 121,087,939	$ (116,443,659)	$ 4,648,471
Stock-based compensation	—	—	—	—	110,662	—	110,662
Net loss	—	—	—	—	—	(1,331,685)	(1,331,685)
Balance at June 30, 2018	2	$ —	41,913,256	$ 4,191	$ 121,198,601	$ (117,775,344)	$ 3,427,448

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

ImmunoCellular Therapeutics, Ltd.

Condensed Consolidated Statements of Cash Flows
(unaudited)

	For the Six Months Ended June 30, 2018	For the Six Months Ended June 30, 2017
Cash flows from operating activities:		
Net loss	$ (1,331,685)	$ (9,979,833)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	212	33,190
Stock-based compensation	110,662	323,895
Derecognition of CIRM liability	—	(7,719,440)
Accrued interest on CIRM award	—	882,683
Write-off of supplies for clinical trials	—	2,349,404
Changes in assets and liabilities:		
Other assets	(110,870)	157,967
Insurance proceeds receivable	(486,774)	—
Supplies for clinical trials	—	146,430
Accounts payable	(1,690,370)	2,843,974
Accrued compensation and benefits	(134,289)	(908,221)
Accrued liabilities	(134,151)	2,346,767
Net cash used in operating activities	(3,777,265)	(9,523,184)
Cash flows from financing activities:		
Proceeds from the exercise of warrants		41,000
Deferred financing costs	—	(140,929)
Net cash used in financing activities	—	(99,929)
Decrease in cash and cash equivalents	(3,777,265)	(9,623,113)
Cash and cash equivalents, beginning of period	6,629,870	11,437,118
Cash and cash equivalents, end of period	$ 2,852,605	$ 1,814,005
Supplemental cash flows disclosures:		
Interest expense paid	$ —	$ —
Income taxes paid	$ —	$ —
Supplemental non-cash disclosures:		
Financing costs included in accounts payable	$ —	$ 89,726
Deposits reclassified to other current assets	$ —	$ 1,922,218
CIRM liability reclassified to accrued liabilities	$ —	$ 108,984

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

1. Nature of Organization (Planned Principal Operations Have Not Commenced)

ImmunoCellular Therapeutics, Ltd. (the Company) is seeking to develop and commercialize new therapeutics to fight cancer using the immune system. These condensed consolidated financial statements include the Company's wholly owned subsidiaries, ImmunoCellular Bermuda, Ltd. in Bermuda and ImmunoCellular Therapeutics (Ireland) Limited and ImmunoCellular Therapeutics (Europe) Limited in Ireland. The Company has been primarily engaged in the acquisition of certain intellectual property, together with development of its product candidates and the recent clinical testing for its immunotherapy product candidates, and has not generated any recurring revenues.

In June 2017, the Company announced that it had determined it was unable to secure sufficient additional financial resources to complete the phase 3 registrational trial of ICT-107, its patient-specific, dendritic cell-based immunotherapy for newly diagnosed glioblastoma, which was previously its lead product candidate. As a result, the Company suspended the trial while it continues to seek a collaborative arrangement or acquisition of its ICT-107 program. The suspension of the phase 3 registration trial of ICT-107 has reduced the amount of cash used in the Company's operations.

The Company is developing Stem-to-T Cell immunotherapies for the treatment of cancer based on rights to novel technology it exclusively licensed from the California Institute of Technology (Caltech). The technology originated from the labs of David Baltimore, Ph.D., Nobel Laureate and President Emeritus at Caltech, and utilizes the patient's own hematopoietic stem cells to create antigen-specific killer T cells to treat cancer. The Company plans to utilize this technology to expand and complement its DC-based cancer immunotherapy platform, with the goal of developing new immunotherapies that kill cancer cells in a highly directed and specific manner and that can function as monotherapies or in combination therapy approaches.

The Company also has two other product candidates: ICT-140 for ovarian cancer and ICT-121 for recurrent glioblastoma. During the third quarter of 2016, the Company completed its enrollment of ICT-121, and the trial was completed in March 2017. Currently, the Company is holding the initiation ICT-140 until it can find a partner to share expenses.

The Company has incurred operating losses and, as of June 30, 2018, the Company had an accumulated deficit of $117,775,344. The Company expects to incur significant research, development and administrative expenses before any of its products can be launched and recurring revenues generated.

The Company's activities are subject to significant risks and uncertainties, including the failure of any of the Company's product candidates to achieve clinical success or to obtain regulatory approval. Additionally, it is possible that other companies with competing products and technology might obtain regulatory approval ahead of the Company. The Company will need significant amounts of additional funding in order to complete the development of any of its product candidates and the availability and terms of such funding cannot be assured.

Interim Results

The accompanying condensed consolidated financial statements as of June 30, 2018 and for the three and six month periods ended June 30, 2018 and 2017 are unaudited, but include all adjustments, consisting of normal recurring entries, which the Company's management believes to be necessary for a fair presentation of the periods presented. Interim results are not necessarily indicative of results for a full year. Balance sheet amounts as of December 31, 2017 have been derived from the Company's audited financial statements included in its Form 10-K for the year ended December 31, 2017 filed with the Securities and Exchange Commission (SEC) on March 14, 2018.

The condensed consolidated financial statements included herein have been prepared by the Company pursuant to the rules and regulations of the SEC. Certain information and note disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the U.S. (GAAP) have been condensed or omitted pursuant to such rules and regulations. The condensed consolidated financial statements should be read in conjunction with the Company's audited financial statements in its Form 10-K for the year ended December 31, 2017. The Company's operating results will fluctuate for the foreseeable future. Therefore, period-to-period comparisons should not be relied upon as predictive of the results in future periods.

2. Summary of Significant Accounting Policies

Basis of presentation and going concern - The accompanying condensed consolidated financial statements have been prepared assuming that the Company will continue as a going concern. Since inception, the Company has been engaged in research and development activities and has not generated any cash flows from operations. Through June 30, 2018, the Company has incurred accumulated losses of $117,775,344 and as of June 30, 2018, the Company had $2,852,605 of cash and working capital of $3,427,092. The Company believes that it will not have enough cash resources to fund the business for the next 12 months from the issuance of these condensed consolidated financial statements. Successful completion of the Company's research and development activities, and its transition to attaining profitable operations, is dependent upon obtaining additional financing. Additional financing may not be available on acceptable terms or at all. If the Company issues additional equity securities to raise funds, the ownership percentage of existing stockholders would be reduced. New investors may demand rights, preferences or privileges senior to those of existing holders of common stock. These factors raise substantial doubt about the Company's ability to continue as a going concern for a period of one year from the date the condensed consolidated financial statements are issued. These condensed consolidated financial statements do not include any adjustment that might result from the outcome of this uncertainty.

In June 2017, the Company announced that it had determined it was unable to secure sufficient additional financial resources to complete the phase 3 registration trial of ICT-107. As a result, the Company suspended further patient randomization in the ICT-107 trial while it continues to seek a collaborative arrangement or acquisition of its ICT-107 program. The suspension of the phase 3 registration trial of ICT-107 has reduced the amount of cash used in the Company's operations.

In July 2017, the Company completed a financing that provided funds to wind down the phase 3 trial of ICT-107 and support the Stem-to-T cell program. The Company plans to improve its future liquidity by obtaining additional financing through the issuance of financial instruments such as equity and warrants or through the receipt of grants and awards. Additionally, the Company continues to evaluate its strategic alternatives, which may include a potential merger, consolidation, reorganization or other business combination, as well as the sale of the Company or the Company's assets.

Principles of Consolidation - The condensed consolidated balance sheets include the accounts of the Company and its subsidiaries. The condensed consolidated statements of operations include the Company's accounts and the accounts of its subsidiaries from the date of acquisition. All intercompany transactions and balances have been eliminated in consolidation.

Cash and cash equivalents – The Company considers all highly liquid instruments with an original maturity of 90 days or less at acquisition to be cash equivalents. As of June 30, 2018 and December 31, 2017, the Company had $467,477 and $466,875, respectively, of certificates of deposit. The Company places its cash and cash equivalents with various banks in order to maintain FDIC insurance on all of its investments.

Property and Equipment – Property and equipment are stated at cost and depreciated using the straight-line method based on the estimated useful lives (generally three to five years) of the related assets. Computers and computer equipment are depreciated over three years. Management continuously monitors and evaluates the realizability of recorded long-lived assets to determine whether their carrying values have been impaired. The Company records impairment losses on long-lived assets used in operations when events and circumstances indicate that the assets might be impaired and the non-discounted cash flows estimated to be generated by those assets are less than the carrying amount of those assets. Any impairment loss is measured by comparing the fair value of the asset to its carrying amount. Repairs and maintenance costs are expensed as incurred.

Research and Development Costs – Research and development expenses consist of costs incurred for direct research and development and are expensed as incurred.

Stock-Based Compensation – The Company records the cost for all share-based payment transactions in the Company's condensed consolidated financial statements. Stock-based compensation expense is estimated as of the grant date based on the fair value of the award and is recognized as expense over the requisite service period, which generally equals the vesting period, based on the number of awards that are expected to vest. Estimating the fair value for stock options requires judgment, including the expected term of the Company's stock options, volatility of the Company's stock, expected dividends, risk-free interest rates over the expected term of the options and the expected forfeiture rate. In connection with performance-based programs, the Company makes assumptions principally related to the number of awards that are expected to vest after assessing the probability that certain performance criteria will be met.

Stock option grants issued to employees and officers and directors were valued using the Black-Scholes pricing model. The Company did not issue any stock options during the six months ended June 30, 2018 or June 30, 2017. During the six

months ended June 30, 2018, the Company granted 120,000 of vested restricted stock units that will be settled on or before March 15, 2019.

When issuing stock options, the Company estimates the risk-free interest rate based upon the implied yield currently available in U.S. Treasury securities at maturity with an equivalent term. The Company has not declared or paid any dividends and does not currently expect to do so in the future. The expected term of options represents the period that the Company's stock-based awards are expected to be outstanding and is determined based on projected holding periods for the remaining unexercised options. Consideration is given to the contractual terms of the stock-based awards, vesting schedules and expectations of future employee behavior. The expected volatility is based upon the historical volatility of the Company's common stock. Forfeitures are accounted for when they occur.

The Company's stock price volatility and option lives involve management's best estimates, both of which impact the fair value of the option calculated and, ultimately, the expense that will be recognized over the life of the option.

When options are exercised, it is the Company's policy is to issue reserved but previously unissued shares of common stock to satisfy share option exercises. As of June 30, 2018, the Company had 3,267,871 shares of authorized and unreserved common stock.

No tax benefits were attributed to the stock-based compensation expense because a valuation allowance was maintained for all net deferred tax assets.

Income Taxes – The Company accounts for federal and state income taxes under the liability method, with a deferred tax asset or liability determined based on the difference between the financial statement and tax basis of assets and liabilities, as measured by the enacted tax rates. The Company's provision for income taxes represents the amount of taxes currently payable, if any, plus the change in the amount of net deferred tax assets or liabilities. A valuation allowance is provided against net deferred tax assets if recoverability is uncertain on a more likely than not basis. As of June 30, 2018 and December 31, 2017, the Company fully reserved its deferred tax assets. The Company recognizes in its financial statements the impact of an uncertain tax position if the position will more likely than not be sustained upon examination by a taxing authority, based on the technical merits of the position. The Company's policy is to recognize interest related to unrecognized tax benefits as interest expense and penalties as operating expenses. As of June 30, 2018, the Company had no unrecognized tax benefits and as such, no liability, interest or penalties were required to be recorded. The Company does not expect this to change significantly in the next twelve months. The Company has determined that its main taxing jurisdictions are the United States of America and the State of California. The Company is not currently under examination by any taxing authority nor has it been notified of a pending examination. The Company's tax returns are generally no longer subject to examination for the years before December 31, 2014.

During 2014, the Company licensed the non-U.S. rights to a significant portion of its intellectual property to its Bermuda-based subsidiary for approximately $11.0 million. The fair value of the intellectual property rights was determined by an independent third party. The proceeds from this sale represented a gain for U.S. tax purposes and were offset by current year losses and net operating loss carryforwards. However, the Internal Revenue Service, or the IRS, or the California Franchise Tax Board, or the CFTB, could challenge the valuation of the intellectual property rights and assess a greater valuation, which would require the Company to utilize a larger portion, or all, of its available net operating losses. If an IRS or a CFTB valuation exceeds the available net operating losses, the Company would incur additional income taxes. The Company's ability to use its net operating losses is subject to the limitations of IRS Section 382, as well as expiration of federal and state net operating loss carryforwards.

Fair Value of Financial Instruments – The carrying amounts reported in the balance sheets for cash, cash equivalents, and accounts payable approximate their fair values due to their quick turnover. Previously, the Company estimated the fair value of warrant derivative liability using the Binomial Lattice option valuation model for warrants that are not publicly traded. The Company determined the fair value of the warrant derivative liability of its publicly traded warrants based upon the last trading price as of the balance sheet date. Effective July 1, 2017, the Company adopted ASU No. 2017-11, which specifies that financial instruments with down round protection should be accounted for as equity rather than as derivatives. Accordingly, the Company reclassified its derivatives warrants from liabilities to equity.

Fair value for financial reporting is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The Company utilizes a fair value hierarchy, which requires an entity to

maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The three levels of inputs that may be used to measure fair value are as follows:

Level 1—quoted prices in active markets for identical assets or liabilities

Level 2—quoted prices for similar assets and liabilities in active markets or inputs that are observable

Level 3—inputs that are unobservable (for example cash flow modeling inputs based on assumptions)

Warrant liabilities represented the only financial assets or liabilities recorded at fair value by the Company. The fair value of warrant liabilities was based on Level 1 or Level 3 inputs.

Use of Estimates – The preparation of condensed consolidated financial statements in conformity with accounting principles generally accepted in the United States requires management to make certain estimates and assumptions about the future outcome of current transactions, which may affect the reporting and disclosure of these transactions. Accordingly, actual results could differ from those estimates used in the preparation of these condensed consolidated financial statements.

Warrant Liability - The fair value of the Company's derivative warrants that are not traded on the NYSE American was previously estimated using the Binomial Lattice option valuation model. The use of the Binomial Lattice option valuation model requires estimates including the volatility of the Company's stock, risk-free rates over the expected term of warrants and early exercise of the warrants. The Company determined the warrant derivative liability of its publicly traded warrants based upon the last trading price as of the balance sheet date. As described below, the Company adopted ASU No. 2017-11 effective July 1, 2017, and reclassified its warrant derivatives from liabilities to equity.

Basic and Diluted Loss per Common Share – Basic and diluted loss per common share are computed based on the weighted average number of common shares outstanding. Common share equivalents (which consist of options and warrants) are excluded from the computation, since the effect would be antidilutive. Common share equivalents which could potentially dilute earnings per share, and which were excluded from the computation of diluted loss per share, totaled 1,850,340 shares and 1,724,515 shares at June 30, 2018 and 2017, respectively.

Recently Issued Accounting Standards – In February 2016, the FASB issued ASU No. 2016-02, which requires lessees to recognize in the balance sheets, a liability to make lease payments (the lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term (the lease asset). For leases with a term of 12 months or less, a lessee is permitted to make an accounting policy election by class of underlying asset not to recognize lease assets and lease liabilities. In transition, lessees and lessors are required to recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach. This ASU is effective for fiscal years beginning after December 15, 2018. The adoption of this ASU is not expected to have a material impact on the Company's consolidated results of operations, financial condition or liquidity.

In May 2017, the FASB issued ASU No. 2017-09, which provides guidance about which changes to the terms or conditions of a share-based payment award require an entity to apply modification accounting in Topic 718. An entity is required to apply modification accounting unless, 1) The fair value of the modified award is the same as the fair value of the original award immediately before the original award is modified, 2) The vesting conditions of the modified award are the same as the vesting conditions of the original award immediately before the original award is modified, and 3) The classification of the modified award as an equity instrument or a liability instrument is the same as the classification of the original award immediately before the original award is modified. This ASU is effective for annual periods beginning after December 15, 2017. The adoption of this ASU did not have a material impact on the Company's consolidated results of operations, finance condition or liquidity.

In July 2017, the FASB issued ASU No. 2017-11, which changes the classification analysis of certain equity-linked financial instruments (or embedded features) with down round features. When determining whether certain financial instruments should be classified as liabilities or equity instruments, a down round feature no longer precludes equity classification when assessing whether the instrument is indexed to an entity's own stock. ASU No. 2017-11 also clarifies existing disclosure requirements for equity-classified instruments. As a result, a freestanding equity-linked financial instrument (or embedded conversion option) no longer would be accounted for as a derivative liability at fair value as a result of the existence of a down round feature. For freestanding equity classified financial instruments, ASU No. 2017-11 requires entities to recognize the effect of the down round feature when calculating earnings per share. That effect is treated as a dividend and as a reduction of income available to common shareholders in basic earnings per share. ASU No. 2017-11 is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2018. Early adoption is permitted, including adoption in an interim period. If an entity early adopts ASU No. 2017-11 in an interim period, adjustments should be reflected

as of the beginning of the interim period in either of the following ways: 1. Retrospectively to outstanding financial instruments with a down round feature by means of a cumulative-effect adjustment to the statement of financial position as of the beginning of the first fiscal year and interim period(s) in which ASU No. 2017-11 is effective or 2. Retrospectively to outstanding financial instruments with a down round feature for each prior reporting. The Company has elected to adopt ASU No. 2017-11 effective July 1, 2017 retrospectively to outstanding financial instruments with a down round feature by means of a cumulative-effect adjustment to the Company's beginning accumulated deficit as of January 1, 2017. (See Note 6).

Other recent accounting pronouncements issued by the FASB (including its Emerging Issues Task Force) and the Securities and Exchange Commission did not or are not believed by management to have a material impact on the Company's present or future consolidated financial statements.

3. Property and Equipment

Property and equipment consist of the following:

	June 30, 2018	December 31, 2017
Computers	$ 16,907	$ 16,907
Accumulated depreciation	(16,551)	(16,339)
	$ 356	$ 568

Depreciation expense was $212 and $33,190 for the six months ended June 30, 2018 and 2017, respectively.

4. Related-Party Transactions

Cedars-Sinai Medical Center License Agreement

Dr. John Yu, the Company's founder and member of the Company's Board of Directors, is a neurosurgeon at Cedars-Sinai Medical Center (Cedars-Sinai).

On May 13, 2015, the Company entered into an Amended and Restated Exclusive License Agreement (the Amended License Agreement) with Cedars-Sinai. Pursuant to the Amended License Agreement, the Company acquired an exclusive, worldwide license from Cedars-Sinai to certain patent rights and technology developed in the course of research performed at Cedars-Sinai into the diagnosis of diseases and disorders in humans and the prevention and treatment of disorders in humans utilizing cellular therapies, including dendritic cell-based vaccines for brain tumors and other cancers and neurodegenerative disorders. Under the Amended License Agreement, the Company will have exclusive rights to, among other things, develop, use, manufacture, sell and grant sublicenses to the licensed technology.

The Company has agreed to pay Cedars-Sinai specified milestone payments related to the development and commercialization of ICT-107, ICT-121 and ICT-140. The Company will be required to pay to Cedars-Sinai $1.1 million upon first commercial sale of the Company's first product. The Company will pay Cedars-Sinai single digit percentages of gross revenues from the sales of products and high-single digit to low-double digit percentages of the Company's sublicensing income based on the licensed technology. No licensing fees were incurred during the six months ended June 30, 2018 and June 30, 2017.

The Amended License Agreement will terminate on a country-by-country basis on the expiration date of the last-to-expire licensed patent right in each such country. Either party may terminate the Amended License Agreement in the event of the other party's material breach of its obligations under the Agreement if such breach remains uncured 60 days after such party's receipt of written notice of such breach. Cedars-Sinai may also terminate the Amended License Agreement upon 30 days' written notice to the Company that a required payment by the Company to Cedars-Sinai under the Amended License Agreement is delinquent.

The Company has also entered into various sponsored research agreements with Cedars-Sinai and has paid an aggregate of approximately $1.2 million. The last agreement concluded on March 19, 2014. During the six months ended June 30, 2018 and 2017, Cedars-Sinai did not perform any research activities on behalf of the Company.

5. Commitments and Contingencies

Legal Proceedings

On May 1, 2017, a purported securities class action lawsuit was filed in the United States District Court for the Central District of California, captioned *Arthur Kaye IRA FCC as Custodian DTD 6-8-00 v. ImmunoCellular Therapeutics, Ltd. et al* (Case No. 2:17-cv-03250) against the Company, certain of its current and former officers and directors and others. On July 21, 2017, the court appointed lead plaintiffs in the matter. On August 24, 2017, lead plaintiffs filed Consolidated First Amended Complaint. On September 26, 2017, the court granted the parties' stipulation to allow lead plaintiffs to file a Consolidated Second Amended Complaint (the "SAC"). The SAC asserts violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934, as amended, and SEC Rule 10b-5 promulgated thereunder, related to allegedly materially false or misleading statements made between May 1, 2012 and May 30, 2014. The SAC alleges, among other things, that the Company failed to disclose that it purportedly paid for articles to be published about ICT-107. Lead plaintiffs seek an award of unspecified damages, prejudgment and post-judgment interest, as well as reasonable attorneys' fees, and other costs. On November 10, 2017, the Company filed a motion to dismiss the SAC. On May 29, 2018, the court granted the Company's motion to dismiss with leave to amend. On July 17, 2018, the parties reached a settlement in principle. The settlement in principle, which is subject to final documentation and Court approval, provides in part for a settlement payment of $1.15 million in exchange for mutual releases and the dismissal of all claims against the Company and its officers and directors in connection with the securities class action suit. The $1.15 million settlement payment will be fully funded by the Company's insurance carrier. The case has been stayed pending the finalization and submission of the settlement documents. It is possible that similar lawsuits may yet be filed in the same or other courts that name the same or additional defendants.

On July 27, 2017, a shareholder filed a derivative class action lawsuit in the Superior Court for the State of California in the County of Los Angeles, captioned *David Wiener, Derivatively and on Behalf of ImmunoCellular Therapeutics, Ltd. v. certain former and current officers and directors* (Case No. BC670134). The complaint sets forth violations of, 1) breach of duty, 2) unjust enrichment, 3) abuse of control, 4) gross mismanagement and 5) waste of corporate assets. The complaint alleges that the lack of oversight allowed the publication of articles about ICT-107 without disclosing that the articles were either directly, or indirectly, paid for by the Company. The complaint further alleges that from May 1, 2012 to April 2017, certain of its current and former officers and directors failed to disclose that the stock promotion scheme in fact occurred or was occurring, the extent of it, as well as the Company's involvement. The plaintiff seeks an award of unspecified damages, prejudgment and post-judgment interest, as well as reasonable attorneys' fees, and other costs. The Company intends to vigorously defend against the claims. The Company may be obligated to indemnify its officers and directors in connection with this matter. On January 9, 2018, the parties agreed to stay the derivative class action until resolution of the securities class action. On July 25, 2018, the parties asked for a further stay of the derivative class action in order to continue settlement discussions.

During the three months ended June 30, 2018, the Company recorded a credit of $422,094 to account for a refund to be received from the Company's insurance carrier. The credit reflects legal fees previously paid by the Company.

Commitments

In an effort to expand the Company's intellectual property portfolio to use antigens to create personalized vaccines, the Company has entered into various intellectual property and research agreements. Those agreements are long-term in nature and are discussed below.

Licensing Agreements

The Johns Hopkins University Licensing Agreement

On February 23, 2012, the Company entered into an Exclusive License Agreement with The Johns Hopkins University (JHU) under which it received an exclusive, worldwide license to JHU's rights in and to certain intellectual property related to mesothelin-specific cancer immunotherapies. The Company is advancing a cancer immunotherapy program using JHU and other intellectual property according to commercially reasonable development timeline. If successful and a product ultimately is registered, the Company will either sell the product directly or via a third-party partnership.

Pursuant to the License Agreement, the Company agreed to pay an upfront licensing fee in the low hundreds of thousands of dollars, payable half in cash and half in shares of its common stock in two tranches, within 30 days of the effective date of the License Agreement and upon issuance of the first U.S. patent covering the subject technology. Annual minimum royalties or maintenance fees increase over time and range from low tens of thousands to low hundreds of thousands of dollars. In addition, the Company has agreed to pay milestone license fees upon completion of specified milestones, totaling

single digit millions of dollars if all milestones are met. Royalties based on a low single digit percentage of net sales are also due on direct sales, while third party sublicensing payments will be shared at a low double-digit percentage.

The Company and JHU each have termination rights that include termination for any reason and for reasons relating to specific performance or financial conditions. Effective September 24, 2013, the Company entered into an Amendment No. 1 to the Exclusive License Agreement that updated certain milestones. Effective August 7, 2015, the Company entered into a Second Amendment to the Exclusive License Agreement that amended certain sections of the License Agreement and further updated certain milestones.

California Institute of Technology

On September 9, 2014, the Company entered into an Exclusive License Agreement with the California Institute of Technology under which the Company acquired exclusive rights to novel technology for the development of certain antigen specific stem cell immunotherapies for the treatment of cancers.

Pursuant to the License Agreement, the Company agreed to pay a one-time license fee, a minimum annual royalty based on a low single digit percentage of net revenues and an annual maintenance fee in the low tens of thousands of dollars. In addition, the Company has agreed to make certain milestone payments upon completion of specified milestones.

Cedars-Sinai Medical Center

In connection with the Cedars-Sinai Medical Center License Agreement and sponsored research agreement, the Company has certain commitments as described in Note 4.

Employment Agreements

The Company has employment agreements with its remaining management that provide for a base salary, bonus and stock option grants. The aggregate annual base salary payable to this group is approximately $920,000 and the potential bonus is approximately $280,000. During the six months ended June 30, 2018, the Company did not issue any stock options. Additionally, the remaining members of management are entitled to a bonus of up to one-year base salary in the event of a change in control.

6. Shareholders' Equity

Common Stock

July 2017 Financing

In July 2017, the Company entered into an underwriting agreement with Maxim Group, LLC, pursuant to which the Company sold 5,000 shares of Series B 8% Mandatorily Convertible Preferred Stock (the "Preferred Stock") and related warrants (the "Warrants") to purchase up to 9,000 shares of Preferred Stock for net proceeds of approximately $4.0 million excluding proceeds from the exercise of the Warrants. In addition to the 8% cumulative dividend, each share of Preferred Stock includes an 8% original issue discount such that the public offering price of each share of Preferred Stock was $1,000, compared to a stated value of $1,080. The Preferred Stock is convertible into common stock by dividing the stated value by the conversion price. The conversion price equal to the lesser of (i) $1.22, subject to certain adjustments, and (ii) 87.5% of the lowest volume weighted average price of our common stock during the ten trading days ending on, and including, the date of the notice of conversion. The conversion price described in (ii) is subject to a floor of $0.35, except in the event of anti-dilution adjustments. The Warrants consist of three tranches with expirations in October 2017, January 2018 and July 2018. Each tranche allows the holders to purchase up to 3,000 shares of Preferred Stock at a price of $1,000 per share. If fully exercised, each tranche would provide the Company with $3.0 million of additional financing ($9.0 million in total) before underwriting discounts and commissions. Upon exercise, the Warrant holders receive shares of Preferred Stock that are convertible into common stock on the same terms described above. During the six months ended June 30, 2018, no shares of Preferred Stock were converted into common stock.

The Company performed a valuation of the Preferred Stock and associated Warrants. The Warrants were valued using a Monte Carlo simulation model. Based upon that valuation, the Company allocated the net proceeds between the Preferred Stock and Warrants of approximately $3.5 million and $500,000, respectively. In addition, the Company evaluated the conversion feature of the Preferred Stock to assess whether it met the definition of a beneficial conversion feature (BCF).

Assuming all 5,000 shares of Preferred Stock will convert into common stock at the $0.35 floor price, and taking the 8% original issue discount into consideration, the Company will issue 15,428,571 shares of common stock, which provides an effective conversion price of $0.28 for accounting purposes. As the fair value of a share of common stock of $0.38 exceeded the effective conversion price of $0.28 at the issuance date, the Preferred Stock contained a BCF. The intrinsic value of the BCF of $1,548,544 was recorded as a discount to the Preferred Stock and a credit to additional paid in capital. The BCF was immediately recorded as a dividend. To the extent that Warrant holders exercise their Warrants and the conversion price of the Preferred Stock is less than the market price of the stock on the date of exercise, the Company recognizes a BCF. Additionally, as Warrants are exercised and shares of Preferred Stock are issued the investors benefit from the 8% original issue discount and the Company records a dividend to reflect the original issue discount. There were no Warrant exercises during the six months ended June 30, 2018.

Controlled Equity Offering

On April 18, 2013, the Company entered into a Controlled Equity Offering℠ Sales Agreement (the Sales Agreement) with Cantor Fitzgerald & Co. (Cantor), as agent, pursuant to which the Company may offer from time to time through Cantor, shares of our common stock having an aggregate offering price of up to $25.0 million (of which only $17.0 million was initially registered for offer and sale). Under the Sales Agreement, Cantor may sell shares by any method permitted by law and deemed to be an "at-the-market" offering as defined in Rule 415 promulgated under the Securities Act, as amended, including sales made directly on the NYSE MKT, on any other existing trading market for our common stock or to or through a market maker. The Company may instruct Cantor not to sell shares if the sales cannot be effected at or above the price designated by us from time to time. The Company is not obligated to make any sales of the shares under the Sales Agreement. The offering of shares pursuant to the Sales Agreement will terminate upon the earlier of (a) the sale of all of the shares subject to the Sales Agreement or (b) the termination of the Sales Agreement by Cantor or the Company, as permitted therein. Cantor will receive a commission rate of 3.0% of the aggregate gross proceeds from each sale of shares and the Company has agreed to provide Cantor with customary indemnification and contribution rights. The Company will also reimburse Cantor for certain specified expenses in connection with entering into the Sales Agreement. On April 22, 2013, NYSE MKT approved the listing of 264,831 shares of our common stock in connection with the Sales Agreement. As of September 21, 2015, the registration statement previously filed with the SEC to facilitate the sale of registered shares of the Company's common stock under the Controlled Equity Offering expired. The Company filed a new registration statement with the SEC that was declared effective on January 19, 2016 to facilitate the sale of additional shares under the Controlled Equity Offering. Under the terms of the prospectus, the Company may sell up to $15,081,494 of the Company's common stock through the aforementioned Controlled Equity Offering. Pursuant to Instruction I.B.6 to Form S-3 (the Baby Shelf Rules), the Company may not sell more than the equivalent of one-third of its public float during any 12 consecutive months so long as the Company's public float is less than $75 million. The Company did not sell any shares of common stock during the six months ended June 30, 2018 and June 30, 2017. As of June 30, 2018, the Company had $14.3 million available to be sold under the Sales Agreement. The Company's ability to use this Controlled Equity Offering may be impacted as a result of the going concern opinion it received from our auditors.

Stock Options

In February 2005, the Company adopted an Equity Incentive Plan (the Plan). Pursuant to the Plan, a committee appointed by the Board of Directors may grant, at its discretion, qualified or nonqualified stock options, stock appreciation rights and may grant or sell restricted stock to key individuals, including employees, nonemployee directors, consultants and advisors. Option prices for qualified incentive stock options (which may only be granted to employees) issued under the plan may not be less than 100% of the fair value of the common stock on the date the option is granted (unless the option is granted to a person who, at the time of grant, owns more than 10% of the total combined voting power of all classes of stock of the Company; in which case the option price may not be less than 110% of the fair value of the common stock on the date the option is granted). Option prices for nonqualified stock options issued under the Plan are at the discretion of the committee and may be equal to, greater or less than fair value of the common stock on the date the option is granted. The options vest over periods determined by the Board of Directors and are exercisable no later than ten years from date of grant (unless they are qualified incentive stock options granted to a person owning more than 10% of the total combined voting power of all classes of stock of the Company, in which case the options are exercisable no later than five years from date of grant). Initially, the Company reserved 150,000 shares of common stock for issuance under the Plan, which was subsequently increased by the Company's shareholders to 300,000 shares. Options to purchase 55,887 common shares have been granted under the Plan and are outstanding as of June 30, 2018. Additionally, 6,500 shares of restricted common stock have been granted to management and 1,000 shares of restricted common stock have been granted to members of the Company's Board of Directors under the Plan. This plan expired in January 2016.

On March 11, 2016, the Company's Board of Directors adopted the 2016 Equity Incentive Plan (the 2016 Plan) and reserved 250,000 shares of common stock for issuance under the 2016 Plan. The 2016 Plan was approved by the Company's stockholders at its 2016 Annual Meeting of Stockholders. During the six months ended June 30, 2018, the Company granted 120,000 of vested restricted stock units that will settle on or before March 15, 2019. As of June 30, 2018, options to purchase 31,844 shares of common stock remain outstanding.

The following table summarizes stock option activity for the Company during the six months ended June 30, 2018:

	Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value
Outstanding December 31, 2017	91,656	$ 42.31	—	—
Granted	—	$ —	—	—
Exercised	—	$ —	—	—
Forfeited or expired	(3,925)	$ 87.78	—	—
Outstanding June 30, 2018	87,731	$ 40.28	5.40	$ —
Vested at June 30, 2018	74,205	$ 44.18	5.13	$ —

As of June 30, 2018, the total unrecognized compensation cost related to unvested stock options amounted to $113,758, which will be recognized over the weighted average remaining requisite service period of approximately 9 months.

Warrants

In July 2017, the FASB issued ASU No. 2017-11, which changes the classification analysis of certain equity-linked financial instruments (or embedded features) with down round features. When determining whether certain financial instruments should be classified as liabilities or equity instruments, a down round feature no longer precludes equity classification when assessing whether the instrument is indexed to an entity's own stock. ASU No. 2017-11 also clarifies existing disclosure requirements for equity-classified instruments. As a result, a freestanding equity-linked financial instrument (or embedded conversion option) no longer would be accounted for as a derivative liability at fair value as a result of the existence of a down round feature. For freestanding equity classified financial instruments, ASU No. 2017-11 requires entities to recognize the effect of the down round feature when calculating earnings per share. That effect is treated as a dividend and as a reduction of income available to common shareholders in basic earnings per share. ASU No. 2017-11 is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2018. Early adoption is permitted, including adoption in an interim period. If an entity early adopts ASU No. 2017-11 in an interim period, adjustments should be reflected as of the beginning of the interim period in either of the following ways: 1. Retrospectively to outstanding financial instruments with a down round feature by means of a cumulative-effect adjustment to the statement of financial position as of the beginning of the first fiscal year and interim period(s) in which ASU No. 2017-11 is effective or 2. Retrospectively to outstanding financial instruments with a down round feature for each prior reporting. The Company has elected to adopt ASU No. 2017-11 effective July 1, 2017 retrospectively to outstanding financial instruments with a down round feature by means of a cumulative-effect adjustment to the Company's beginning accumulated deficit as of January 1, 2017. The January 1, 2017 cumulative-effect adjustment to the Company's financial position is as follows:

	As Reported	Cumulative Effect Adjustment	Adjusted
Derivative Liability	$ 573,560	$ (573,560)	$ —
Additional Paid in Capital	$ 102,354,844	$ 6,481,770	$ 108,836,614
Accumulated Deficit	$ (96,223,442)	$ (5,908,210)	$ (102,131,652)

Additionally, the Company restated its statement of operations for the three and six months ended June 30, 2017, to eliminate gains of $442,922 and $545,698 respectively, that were previously recognized due to the revaluation of the Company's warrant derivatives. As a result of this restatement, the Company's net loss for the three months ended June 30,

2017 increased from $3,609,148 to $4,052,070. Additionally, as a result of this restatement, the Company's net loss for the six months ended June 30, 2017, increased from $9,434,135 to $9,979,833.

In connection with an underwritten public offering in January 2012, the Company issued to the investors warrants to purchase 118,618 shares of the Company's common stock at $56.40 per share. The warrants had a five-year term from the date of issuance. In January 2017, the remaining 35,454 warrants expired.

In connection with an underwritten public offering in October 2012, the Company issued to the investors warrants to purchase 112,500 shares of the Company's common stock at $106.00 per share. The warrants have a five-year term from the date of issuance. In October 2017, the remaining 111,119 warrants expired.

In connection with an underwritten public offering in February 2015, the Company issued warrants to purchase 466,369 shares of the Company's common stock at $26.40 per share. The warrants have a term of five years and contain a provision whereby the warrant exercise price will be decreased in the event that certain future common stock issuances are made at a price less than $26.40. Due to the potential variability of their exercise price, these warrants did not qualify for equity treatment, and therefore were recognized as a liability. During 2016, the exercise price of these warrants was adjusted to $20.00 to reflect the shares sold under the Company's controlled equity offering and the August 2016 public offering. The Company initially valued these warrants using a binomial lattice simulation model assuming (i) dividend yield of 0%; (ii) expected volatility of 97.0%; (iii) risk free rate of 1.53%; and (iv) expected term of 5 years. Based upon these calculations, the Company allocated $4,197,375 of the underwritten public offering to the freestanding warrants. As of the July 1, 2017 adoption of ASU No. 2017-11, the Company reclassified the remaining warrant liability of $7,302 to additional paid in capital. As a result of the July 2017 financing, the exercise price of these warrants was adjusted to $10.55 and the Company recorded a dividend of $6,984. As of June 30, 2018, warrants to purchase 466,369 shares of the Company's common stock remain outstanding.

In connection with an August 2016 underwritten public offering, the Company issued pre-funded warrants to purchase 311,250 shares of common stock to certain investors. These pre-funded warrants were substantially paid for at the time of the offering, have a ten-year term and an exercise price of $0.40 per share. During 2016, pre-funded warrants to purchase 208,750 shares of common stock were exercised. In June 2017, the remaining pre-funded warrants to purchase 102,500 shares of common stock were exercised.

In connection with an underwritten public offering in August 2016, the Company issued warrants to purchase 993,115 shares of common stock with an initial exercise price of $7.68 per share. The warrants have a term of five years and contain a provision whereby the warrant exercise price would be proportionately decreased in the event that future common stock issuances are made at a price less than $7.68 per share. Due to the potential variability of their exercise price, these warrants did not qualify for equity treatment, and therefore were recognized as a liability. These warrants are traded on the NYSE American (symbol IMUC.WS). The Company initially valued these warrants using the closing price on August 12, 2016 of $2.30, which was the first day the warrants were traded on the NYSE American. Accordingly, the Company allocated $2,284,395 of the total proceeds from the August 2016 offering to the base warrants. As of the July 1, 2017 adoption of ASU No. 2017-11, the Company reclassified the remaining warrant liability of $20,560 to additional paid in capital. As a result of the July 2017 financing, the exercise price of these warrants was adjusted to $4.15 and the Company recorded a dividend of $16,327. As of June 30, 2018, warrants to purchase 993,115 shares of the Company's common stock remain outstanding.

In connection with the July 2017 underwritten public offering, the Company issued three tranches of warrants with expirations in October 2017, January 2018 and July 2018. Each tranche allows the holders to purchase up to 3,000 shares of Preferred Stock at a price of $1,000 per share. If fully exercised, each tranche would provide the Company with $3.0 million of additional financing ($9.0 million in total). Upon exercise, the Warrant holders receive shares of Preferred Stock that are subject to an 8% original issue discount. The Preferred Stock is convertible into common stock using a conversion price equal to the lesser of (i) $1.22, subject to certain adjustments, and (ii) 87.5% of the lowest volume weighted average price of our common stock during the ten trading days ending on, and including, the date of the notice of conversion. The conversion price described in (ii) is subject to a floor of $0.35, except in the event of anti-dilution adjustments.

The warrant exercises through June 30, 2018, are summarized below:

	Granted	Exercised	Expired	Remaining
Series 1 warrants	$ 3,000,000	$ 3,000,000	$ —	$ —
Series 2 warrants	3,000,000	2,845,200	154,800	—
Series 3 warrants	3,000,000	2,073,200	—	926,800
Totals	$ 9,000,000	$ 7,918,400	$ 154,800	$ 926,800

Subsequent to June 30, 2018, the remaining Series 3 warrants expired.

7. California Institute of Regenerative Medicine Award

On September 18, 2015, the Company received an award in the amount of $19.9 million from the California Institute of Regenerative Medicine (CIRM) to partially fund the Company's Phase 3 trial of ICT-107. The award originally provided for a $4.0 million project initial payment that was received during the fourth quarter of 2015, and up to $15.9 million in future milestone payments that were primarily dependent on patient randomization in the ICT-107 Phase 3 trial. In August 2016, the Company and CIRM modified the award such that the Company received an additional $1.5 million initial payment. The total amount of the award and other award conditions remained unchanged. Under the terms of the CIRM award, the Company was obligated to share future ICT-107 related revenue with CIRM. The percentage of revenue sharing was dependent on the amount of the award received by the Company and whether the revenue is from product sales or license fees. The maximum revenue sharing amount the Company may have been required to pay to CIRM is equal to nine (9) times the total amount awarded and paid to the Company. The Company had the option to decline any and all amounts awarded by CIRM. As an alternative to revenue sharing, the Company had the option to convert the award to a loan, which such option the Company must exercise on or before ten (10) business days after the FDA notifies the Company that it has accepted the Company's application for marketing authorization. In the event the Company exercised its right to convert the award to a loan, it would have been obligated to repay the loan within ten (10) business days of making such election, including interest at the rate of the three-month LIBOR rate plus 25% per annum. Since the Company may have been required to repay some or all of the amounts awarded by CIRM, the Company accounted for this award as a liability rather than revenue and accrued interest through June 20, 2017, at the aforementioned rates. As described in Note 1, the Company suspended the Phase 3 trial of ICT-107 and will not be required to return the CIRM funds that were spent on the trial. Consequently, during the year ended December 31, 2017, the Company recognized a gain of $7,719,440 as derecognition of the CIRM award liability including accrued interest. No amounts are owed to CIRM as of June 30, 2018.

8. 401(k) Profit Sharing Plan

During 2011, the Company adopted a Profit Sharing Plan that qualifies under Section 401(k) of the Internal Revenue Code. Contributions to the plan are at the Company's discretion. The Company did not make any matching contributions during the six months ended June 30, 2018 and June 30, 2017.

9. Income Taxes

Deferred taxes represent the net tax effects of the temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes. Temporary differences result primarily from the recording of tax benefits of net operating loss carry forwards and stock-based compensation.

A valuation allowance is required if the weight of available evidence suggests it is more likely than not that some portion or all of the deferred tax asset will not be recognized. Accordingly, a valuation allowance has been established for the full amount of the deferred tax assets.

The Company's effective income tax rate differs from the amount computed by applying the federal statutory income tax rate to loss before income taxes as follows:

	June 30, 2018	June 30, 2017
Income tax benefit at the federal statutory rate	(21)%	(34)%
State income tax benefit, net of federal tax benefit	(7)%	(6)%
Change in fair value of warrant liability	— %	8 %
Change in valuation allowance for deferred tax assets	28 %	12 %
Other	— %	20 %
Total	— %	— %

Deferred taxes consisted of the following:

	June 30, 2018	December 31, 2017
Net operating loss carryforwards	1,223,724	851,633
Stock-based compensation	2,282,169	2,251,184
Less valuation allowance	(3,505,893)	(3,102,817)
Net deferred tax asset	$ —	$ —

The valuation allowance increased by $403,076 and $870,200 during the six months ended June 30, 2018 and 2017, respectively.

As of June 30, 2018, the Company had federal and California income tax net operating loss carry forwards of approximately $4.4 million. These net operating losses will begin to expire in taxable years 2027 through 2036 and 2017 through 2036, respectively, unless previously utilized.

Section 382 of the Internal Revenue Code can limit the amount of net operating losses which may be utilized if certain changes to a company's ownership occur. Generally, a Section 382 ownership change occurs if one or more stockholders or groups of stockholders who owns at least 5% of a corporation's stock increases its ownership by more than 50 percentage points over its lowest ownership percentage within a specified testing period. Similar rules may apply under state tax laws. Based upon management's calculations, in 2017 the Company experienced a change in ownership under Section 382 of the Internal Revenue Code and will result in the limitation of the Company's ability to utilize net operating losses. In addition, the Company may experience future ownership changes as a result of future offerings or other changes in ownership of the Company's stock. As a result, the amount of the net operation losses presented in our condensed consolidated financial statements could be limited and may expire unutilized. The net operating losses presented above, reflect the reduction in the amounts available for carryforward based upon the Section 382 change in ownership that occurred in 2017.

During 2014, the Company licensed the non-U.S. rights to a significant portion of its intellectual property to its Bermuda-based subsidiary for approximately $11.0 million. The fair value of the intellectual property rights was determined by an independent third party. The proceeds from this sale represent a gain for U.S. tax purposes and are offset by current year losses and net operating loss carryforwards. However, the Internal Revenue Service, or the IRS, or the California Franchise Tax Board, or the CFTB, could challenge the valuation of the intellectual property rights and assess a greater valuation, which would require the Company to utilize a portion, or all, of its available net operating losses. If an IRS or a CFTB valuation exceeds the available net operating losses, the Company would incur additional income taxes. The Company's ability to use its net operating losses is subject to the potential future limitations of IRS Section 382, as well as expiration of federal and state net operating loss carryforwards.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Throughout this Quarterly Report on Form 10-Q, the terms "we," "us," "our," and "our company" refer to ImmunoCellular Therapeutics, Ltd., a Delaware corporation and its subsidiaries.

Cautionary Statement Regarding Forward-Looking Statements

This Quarterly Report contains forward-looking statements, which reflect the views of our management with respect to future events and financial performance. These forward-looking statements are subject to a number of uncertainties and other factors that could cause actual results to differ materially from such statements. Forward-looking statements are identified by words such as "anticipates," "believes," "estimates," "expects," "plans," "projects," "targets" and similar expressions. Readers are cautioned not to place undue reliance on these forward-looking statements, which are based on the information available to management at this time and which speak only as of this date. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. For a discussion of some of the factors that may cause actual results to differ materially from those suggested by the forward-looking statements, please read carefully the information under the heading "Risk Factors" in our Form 10-K for the year ended December 31, 2017 and in this Quarterly Report on Form 10-Q. The identification in this Quarterly Report of factors that may affect future performance and the accuracy of forward-looking statements is meant to be illustrative and by no means exhaustive. All forward-looking statements should be evaluated with the understanding of their inherent uncertainty.

Overview

ImmunoCellular Therapeutics, Ltd. and its subsidiaries (the Company) is a biotechnology company that is seeking to develop and commercialize new therapeutics to fight cancer using the immune system. We are primarily engaged in the acquisition of certain intellectual property, together with development of our product candidates and the recent clinical testing for its immunotherapy product candidates, and have not generated any recurring revenues.

In June 2017, we announced that we were unable to secure sufficient additional financial resources to complete the phase 3 registration trial of ICT-107, our patient-specific, dendritic cell-based immunotherapy for patients with newly diagnosed glioblastoma, which was previously our lead product candidate. As a result, we have terminated further patient randomization in the ICT-107 trial while we continue to seek a collaborative arrangement or acquisition of our ICT-107 program. The termination of the phase 3 registrational trial of ICT-107 has reduced the amount of cash used in operations.

We are developing Stem-to-T-Cell immunotherapies for the treatment of cancer based on rights to novel technology we exclusively licensed from the California Institute of Technology (Caltech). The technology originated from the labs of David Baltimore, Ph.D., Nobel Laureate and President Emeritus at Caltech, and utilizes the patient's own hematopoietic stem cells to create antigen-specific killer T cells to treat cancer. We plan to utilize this technology to expand and complement our DC-based cancer immunotherapy platform, with the goal of developing new immunotherapies that kill cancer cells in a highly directed and specific manner and that can function as monotherapies or in combination therapy approaches.

Caltech's technology potentially addresses the challenge, and limitation, that other immunotherapies, including TCR (T cell receptor) technologies have faced of generating a limited immune response and having an unknown persistence in the patient's body. We believe that by inserting DNA that encodes T cell receptors into hematopoietic stem cells rather than into T cells, the immune response can be transformed into a durable and more potent response that could effectively treat solid tumors. This observation has been verified in animal models by investigators at Caltech and the National Cancer Institute.

In March 2017, we announced the successful completion of the first milestone of our Stem-to-T-cell program, the sequencing of a selected TCR, which will become the basis for the product development program. In December 2017, we announced that we were able to package a TCR DNA sequence into a lentiviral factor, which was then used to transfect human hematopoietic stem cells. In April 2018, we announced that we were able to verify successful transfer of selected T cell receptor genetic material into human hematopoietic stem cells.

In addition, we have entered into a sponsored research agreement with the University of Maryland, Baltimore (UMB). As part of this collaboration, UMB researchers are undertaking three projects to explore potential enhancements to our dendritic cell and Stem-to-T-Cell immunotherapy platforms.

The Company has incurred operating losses and, as of June 30, 2018, the Company had an accumulated deficit of $117,775,344. The Company expects to incur significant research, development and administrative expenses before any of its products can be launched and recurring revenues generated.

Critical Accounting Policies

Management's discussion and analysis of our financial condition and results of operations are based on our condensed consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these condensed consolidated financial statements requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. On an ongoing basis, management evaluates its estimates, including those related to impairment of long-lived assets, including finite lived intangible assets, accrued liabilities, fair value of warrant derivatives and certain expenses. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ materially from these estimates under different assumptions or conditions.

Our significant accounting policies are summarized in Note 2 of our condensed consolidated financial statements. We believe the following critical accounting policies affect our more significant judgments and estimates used in the preparation of our consolidated financial statements:

Research and Development Costs

Although we believe that our research and development activities and underlying technologies have continuing value, the amount of future benefits to be derived from them is uncertain. Research and development costs are expensed as incurred. During the six months ended June 30, 2018 and 2017, we recorded an expense of $349,597 and $15,039,321, respectively, related to research and development activities.

Stock-Based Compensation

Stock-based compensation expense is estimated as of the grant date based on the fair value of the award and is recognized as expense over the requisite service period, which generally equals the vesting period, based on the number of awards that are expected to vest. Estimating the fair value for stock options requires judgment, including the expected term of our stock options, volatility of our stock, expected dividends, risk-free interest rates over the expected term of the options and the expected forfeiture rate. In connection with our performance-based programs, we make assumptions principally related to the number of awards that are expected to vest after assessing the probability that certain performance criteria will be met.

Income Taxes

The Company accounts for federal and state income taxes under the liability method, with a deferred tax asset or liability determined based on the difference between the financial statement and tax basis of assets and liabilities, as measured by the enacted tax rates. The Company's provision for income taxes represents the amount of taxes currently payable, if any, plus the change in the amount of net deferred tax assets or liabilities. A valuation allowance is provided against net deferred tax assets if recoverability is uncertain on a more likely than not basis. The Company recognizes in its condensed consolidated financial statements the impact of an uncertain tax position if the position will more likely than not be sustained upon examination by a taxing authority, based on the technical merits of the position. The Company's policy is to recognize interest related to unrecognized tax benefits as interest expense and penalties as operating expenses. The Company is not currently under examination by any taxing authority nor has it been notified of an impending examination. The Company's tax returns are generally no longer subject to examination for the years before December 31, 2014.

California Institute of Regenerative Medicine

On September 18, 2015, the Company received an award in the amount of $19.9 million from the California Institute of Regenerative Medicine (CIRM) to partially fund the Company's Phase 3 trial of ICT-107. The award originally provided for a $4.0 million project initial payment that was received during the fourth quarter of 2015, and up to $15.9 million in future milestone payments that were primarily dependent on patient randomization in the ICT-107 Phase 3 trial. In August 2016, the Company and CIRM modified the award such that the Company received an additional $1.5 million initial payment. The total amount of the award and other award conditions remained unchanged. Under the terms of the CIRM award, the Company was obligated to share future ICT-107 related revenue with CIRM. The percentage of revenue sharing was dependent on the amount of the award received by the Company and whether the revenue is from product sales or license fees. The maximum revenue sharing amount the Company may have been required to pay to CIRM is equal to nine (9) times the total amount awarded and paid to the Company. The Company had the option to decline any and all amounts awarded by CIRM. As an alternative to revenue sharing, the Company had the option to convert the award to a loan, which such option the Company must exercise on or before ten (10) business days after the FDA notifies the Company that it has accepted the Company's application for marketing authorization. In the event the Company exercised its right to convert the award to a loan, it would have been obligated to repay the loan within ten (10) business days of making such election, including interest at the rate of the three-month LIBOR rate plus 25% per annum. Since the Company may have been required to repay some or all of the amounts awarded by CIRM, the Company accounted for this award as a liability rather than revenue and accrued interest through June 20, 2017, at the aforementioned rates. As described in Note 1, the Company suspended the Phase 3 trial of ICT-107 and will not be required to return the CIRM funds that were spent on the trial. Consequently, during the year ended December 31, 2017, the Company recognized a gain of $7,719,440 as derecognition of the CIRM award liability including accrued interest. As of June 30, 2018, no amounts are owed to CIRM.

Fair Value of Financial Instruments

The carrying amounts reported in the balance sheets for cash, cash equivalents, and accounts payable approximate their fair values due to their quick turnover. The fair value of our warrant liability that is not listed on the NYSE American was estimated using the Binomial Lattice option valuation model for periods prior to July 1, 2017. Effective July 1, 2017, the Company adopted ASU No. 2017-11, which specifies that financial instruments with down round protection should be accounted for as equity rather than as derivatives. Accordingly, the Company reclassified its derivatives warrants from liabilities to equity.

Warrants with Down Round Price Protection

In July 2017, the FASB issued ASU No. 2017-11, which changes the classification analysis of certain equity-linked financial instruments (or embedded features) with down round features. When determining whether certain financial instruments should be classified as liabilities or equity instruments, a down round feature no longer precludes equity classification when assessing whether the instrument is indexed to an entity's own stock. ASU No. 2017-11 also clarifies existing disclosure requirements for equity-classified instruments. As a result, a freestanding equity-linked financial instrument (or embedded conversion option) no longer would be accounted for as a derivative liability at fair value as a result of the existence of a down round feature. For freestanding equity classified financial instruments, ASU No. 2017-11 requires entities to recognize the effect of the down round feature when calculating earnings per share. That effect is treated as a dividend and as a reduction of income available to common shareholders in basic earnings per share. ASU No. 2017-11 is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2018. Early adoption is permitted, including adoption in an interim period. If an entity early adopts ASU No. 2017-11 in an interim period, adjustments should be reflected as of the beginning of the interim period in either of the following ways: 1. Retrospectively to outstanding financial instruments with a down round feature by means of a cumulative-effect adjustment to the statement of financial position as of the beginning of the first fiscal year and interim period(s) in which ASU No. 2017-11 is effective or 2. Retrospectively to outstanding financial instruments with a down round feature for each prior reporting. We elected to adopt ASU No. 2017-11 effective July 1, 2017 retrospectively to outstanding financial instruments with a down round feature by means of a cumulative-effect adjustment to the Company's beginning accumulated deficit as of January 1, 2017.

Results of Operations

Three months ended June 30, 2018 and 2017

Net Loss

We incurred a net loss of $306,704 and $4,052,070 for the three months ended June 30, 2018 and 2017, respectively.

Revenues

We did not have any revenue during the three months ended June 30, 2018 and 2017 and we do not expect to have any revenue in 2018.

Expenses

Research and development expenses for the three months ended June 30, 2018 were $58,981 compared to $10,353,601 in the same period in 2017. During the quarter ended June 30, 2018, our trial related expenses were primarily limited to costs associated with our Stem-to-T-cell program. During the quarter ended June 30, 2017, we incurred additional expenses related to the phase 3 trial of ICT-107 as we increased the number of sites participating in the trial and as we treated more patients. In June 2017, we suspended the phase 3 trial of ICT-107 and as a result we wrote off our remaining supply inventories of approximately $2.3 million as we determined there were no alternative uses and the salvage value was estimated to be zero. We also expensed the anticipated costs to wind down the trial. These costs include approximately $1.8 million to our manufacturing vendors and $80,000 to our contract research organization. We will continue to incur expenses related to our Stem-to-T-cell program. Our ICT-140 program remains on hold until we find a partner for this program.

General and administrative expenses for the three months ended June 30, 2018 and 2017 were $670,203 and $988,266 respectively. This decrease was primarily due to reductions in compensation expense, professional fees, the number of members of our Board of Directors, board member compensation and the downsizing of our corporate offices.

During the three months ended June 30, 2017, the Company recorded a credit of $7,719,440 to account for the derecognition of the CIRM award liability. This amount represents $5,500,000 of funds advanced by CIRM to the Company and spent on the ICT-107 trial and the reversal of $2,219,440 of accrued interest. The Company had $108,984 of remaining CIRM funds that were subsequently returned to CIRM.

During the three months ended June 30, 2018, the Company recorded a credit of $422,094 to account for a refund to be received from the Company's insurance carrier. The credit reflects legal fees previously paid by the Company related to the two litigation matters described more fully in Note 5.

Six months ended June 30, 2018 and 2017

Net Loss

We incurred a net loss of $1,331,685 and $9,979,833 for the six months ended June 30, 2018 and 2017, respectively.

Revenues

We did not have any revenue during the six months ended June 30, 2018 and 2017 and we do not expect to have any revenue in 2018.

Expenses

Research and development expenses for the six months ended June 30, 2018 were $349,597 compared to $15,039,321 in the same period in 2017. During the six months ended June 30, 2018, our trial related expenses were primarily limited to the costs to develop our Stem-to-T-cell program. During the six months ended June 30, 2017, we incurred additional expenses related to the phase 3 trial of ICT-107 as we increased the number of sites participating in the trial and as we treated more patients. In June 2017, we terminated the phase 3 trial of ICT-107 and as a result we wrote off our remaining supply inventories of approximately $2.3 million as we determined there were no alternative uses and the salvage value was estimated to be zero. We also expensed the anticipated costs to wind down the trial. These costs include approximately $1.8 million to our manufacturing vendors and $80,000 to our contract research organization. We also incurred additional expenses related to our Stem-to-T-cell program. We will continue to incur expenses related to our Stem-to-T-cell immunotherapies. Our ICT-140 program remains on hold until we find a partner for this program. We anticipate that we will continue to incur research and development expenses at a reduced level in future periods with the termination of the phase 3 ICT-107 and reductions made in our clinical staff.

General and administrative expenses for the six months ended June 30, 2018 and 2017 were $1,404,784 and $1,781,444 respectively. This decrease was primarily due to reductions in compensation expense, professional fees, the number of members of our Board of Directors, board member compensation and the downsizing of our corporate offices.

During the six months ended June 30, 2017, the Company recorded a credit of $7,719,440 to account for the derecognition of the CIRM award liability. This amount represents $5,500,000 of funds advanced by CIRM to the Company and spent on the ICT-107 trial and the reversal of $2,219,440 of accrued interest. The Company had $108,984 of remaining CIRM funds that were subsequently returned to CIRM.

During the six months ended June 30, 2018, the Company recorded a credit of $422,094 to account for a refund to be received from the Company's insurance carrier. The credit reflects legal fees previously paid by the Company related to the two litigation matters described more fully in Note 5.

Liquidity and Capital Resources

As of June 30, 2018, we had working capital of $3,427,092, compared to working capital of $4,647,903 as of December 31, 2017. As a result of the suspension of our phase 3 trial of ICT-107, the winding down of ICT-121, reductions in operating expenses associated with the reduction in personnel, board structure and compensation and occupancy, we expect our cash used in operations in future periods to continue at this reduced rate. In order to adequately fund the Company's remaining Stem-to-T cell program, we will need additional capital resources, either from the exercise of existing warrants, new sources of capital, or a combination, none of which can be assured. Accordingly, our independent registered accounting firm has expressed in its report on our 2017 consolidated financial statements substantial doubt about our ability to continue as a going concern. Successful completion of our research and development activities, and our transition to attaining profitable operations, is dependent upon obtaining financing. Additional financing may not be available on acceptable terms or at all. If we issue additional equity securities to raise funds, the ownership percentage of existing stockholders would be reduced. New investors may demand rights, preferences or privileges senior to those of existing holders of common stock. If we cannot raise funds, we might be forced to restructure our business and operations. These factors raise substantial doubt about our ability to continue as a going concern.

In July 2017, we entered into an underwriting agreement with Maxim Group, LLC, pursuant to which we sold 5,000 shares of Series B 8% Mandatorily Convertible Preferred Stock (the Preferred Stock) and related warrants (the

"Warrants") to purchase up to 9,000 shares of Preferred Stock for net proceeds of approximately $4.0 million excluding proceeds from the exercise of the Warrants. In addition to the 8% cumulative dividend, each share of Preferred Stock includes an 8% original issue discount such that upon conversion into common stock, the face amount of the Preferred Stock is increased by 8%. The Preferred Stock is convertible into common stock using a conversion price equal to the lesser of (i) $1.22, subject to certain adjustments, and (ii) 87.5% of the lowest volume weighted average price of our common stock during the ten trading days ending on, and including, the date of the notice of conversion. The conversion price described in (ii) is subject to a floor of $0.35, except in the event of anti-dilution adjustments.

The Warrants consist of three tranches with expirations in October 2017, January 2018 and July 2018. Each tranche allows the holders to purchase up to 3,000 shares of Preferred Stock at a price of $1,000 per share. If fully exercised, each tranche would provide the Company with $3.0 million of additional financing ($9.0 million in total), before underwriting discounts and commissions. Upon exercise, the Warrant holders receive shares of Preferred Stock that are convertible into common stock on the same terms as discussed above.

Through June 30, 2018, holders of Preferred Stock converted 4,998 shares of the Preferred Stock into 13,899,219 shares of the Company's Common Stock. Additionally, investors exercised Warrants for the issuance of 7,918.38 shares of Preferred Stock and simultaneously converted those shares into 24,433,834 shares of common stock. The Company received gross proceeds of $7,918,380 from the exercise of the Warrants. Subsequent to June 30, 2018 the remaining Series 3 warrants expired.

On September 18, 2015, the Company received an award in the amount of $19.9 million from the California Institute of Regenerative Medicine (CIRM) to partially fund the Company's Phase 3 trial of ICT-107. The award originally provided for a $4.0 million project initial payment that was received during the fourth quarter of 2015, and up to $15.9 million in future milestone payments that were primarily dependent on patient randomization in the ICT-107 Phase 3 trial. In August 2016, the Company and CIRM modified the award such that the Company received an additional $1.5 million initial payment. The total amount of the award and other award conditions remained unchanged. Under the terms of the CIRM award, the Company was obligated to share future ICT-107 related revenue with CIRM. The percentage of revenue sharing was dependent on the amount of the award received by the Company and whether the revenue is from product sales or license fees. The maximum revenue sharing amount the Company may have been required to pay to CIRM is equal to nine (9) times the total amount awarded and paid to the Company. The Company had the option to decline any and all amounts awarded by CIRM. As an alternative to revenue sharing, the Company had the option to convert the award to a loan, which such option the Company must exercise on or before ten (10) business days after the FDA notifies the Company that it has accepted the Company's application for marketing authorization. In the event the Company exercised its right to convert the award to a loan, it would have been obligated to repay the loan within ten (10) business days of making such election, including interest at the rate of the three-month LIBOR rate plus 25% per annum. Since the Company may have been required to repay some or all of the amounts awarded by CIRM, the Company accounted for this award as a liability rather than revenue and accrued interest through June 20, 2017, at the aforementioned rates. As described in Note 1, the Company suspended the Phase 3 trial of ICT-107 and will not be required to return the CIRM funds that were spent on the trial. Consequently, during the year ended December 31, 2017, the Company recognized a gain of $7,719,440 as derecognition of the CIRM award liability including accrued interest. No amounts are owed to CIRM as of June 30, 2018.

On April 18, 2013, we entered into a Controlled Equity Offering℠ Sales Agreement (the Sales Agreement) with Cantor Fitzgerald & Co., as agent (Cantor), pursuant to which we may offer and sell, from time to time through Cantor, shares of our common stock having an aggregate offering price of up to $25.0 million (of which only $17.0 million was initially registered for offer and sale). Under the Sales Agreement, Cantor may sell shares by any method permitted by law and deemed to be an "at-the-market" offering as defined in Rule 415 promulgated under the Securities Act, as amended, including sales made directly on the NYSE American, on any other existing trading market for our common stock or to or through a market maker. We may instruct Cantor not to sell shares if the sales cannot be effected at or above the price designated by us from time to time. We are not obligated to make any sales of the shares under the Sales Agreement. The offering of shares pursuant to the Sales Agreement will terminate upon the earlier of (a) the sale of all of the shares subject to the Sales Agreement or (b) the termination of the Sales Agreement by Cantor or the Company, as permitted therein. We will pay Cantor a commission rate of 3.0% of the aggregate gross proceeds from each sale of shares and have agreed to provide Cantor with customary indemnification and contribution rights. We will also reimburse Cantor for certain specified expenses in connection with entering into the Sales Agreement. On April 22, 2013, NYSE American approved the listing of 264,831 shares of our common stock in connection with the Sales Agreement. As of September 21, 2015, the registration statement previously filed with the SEC to facilitate the sale of registered shares of the Company's stock under the Controlled Equity Offering expired. We filed a new registration statement with the SEC that was declared effective on January 19, 2016 to facilitate the sale of additional shares under the Controlled Equity Offering. Under the terms of the prospectus, the Company may sell up to $15,081,494 of the Company's common stock through the aforementioned Controlled Equity Offering. Pursuant to Instruction I.B.6 to Form S-3

(the Baby Shelf Rules) we may not sell more than the equivalent of one-third of our public float during any 12 consecutive months so long as our public float is less than $75.0 million. During the six months ended June 30, 2018, we did not sell any shares of our common stock under the Sales Agreement. As of June 30, 2018, the Company had approximately $14.3 million available to be sold under the Sales Agreement. Our ability to use this Controlled Equity Offering may be impacted as a result of the going concern opinion we received from our auditors.

We may also in the future seek to obtain funding through strategic alliances with larger pharmaceutical or biomedical companies. We cannot be sure that we will be able to obtain any additional funding from either financings or alliances, or that the terms under which we may be able to obtain such funding will be beneficial to us. If we are unsuccessful or only partly successful in our efforts to secure additional financing, we may find it necessary to suspend or terminate some or all of our product development and other activities.

As of June 30, 2018, we had no long-term debt obligations, no capital lease obligations, or other similar long-term liabilities. We have no financial guarantees, debt or lease agreements or other arrangements that could trigger a requirement for an early payment or that could change the value of our assets, and we do not engage in trading activities involving non-exchange traded contracts.

We may in the future seek to obtain funding through strategic alliances with larger pharmaceutical or biomedical companies. We cannot be sure that we will be able to obtain any additional funding from either financings or alliances, or that the terms under which we may be able to obtain such funding will be beneficial to us. If we are unsuccessful or only partly successful in our efforts to secure additional financing, we may find it necessary to suspend or terminate some or all of our product development and other activities.

Cash Flows

We used $3,777,265 of cash in our operations for the six months ended June 30, 2018, compared to $9,523,184 for the six months ended June 30, 2017. During the six months ended June 30, 2017, we incurred additional expenses related to the Phase 3 trial of ICT-107 as we increased the number of sites participating in the trial and began treating patients. In June 2017, after determining that we were unable to finance the trial, we terminated the trial. We continue to incur expenses related to our Stem-to-T-cell immunotherapies, and we expect these expenses to increase in 2018. Our ICT-140 program remains on hold until we find a partner for this program.

During the six months ended June 30, 2018, we incurred $110,874 of non-cash expenses consisting of $212 of depreciation and $110,662 of stock-based compensation. During the six months ended June 30, 2017, we incurred $3,589,172 of non-cash expenses consisting of $33,190 of depreciation and $323,895 of stock based compensation and $2,349,404 write-off of our supplies and $882,683 of accrued interest on the CIRM award. We also recorded a non-cash credit of $7,719,440 related to the derecognition of the CIRM award liability.

During the six months ended June 30, 2018, we continued to pay off our remaining vendors related to the ICT-107 phase 3 trial of ICT-107. As of June 30, 2018, the remaining amounts owed to these vendors has been substantially reduced.

Inflation and changing prices have had no effect on our income or losses from operations over our two most recent fiscal years.

Off-Balance Sheet Arrangements

We are not party to any off-balance sheet arrangements that have, or are reasonably likely to have, a material current or future effect on our financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Not applicable.

Item 4. Controls and Procedures

As of the end of the fiscal quarter covered by this report, we carried out an evaluation, under the supervision and with the participation of our principal executive officer and principal financial officer, regarding the effectiveness of the design and operation of our disclosure controls and procedures pursuant to SEC Rule 15d-15(b) of the Exchange Act. Based upon that evaluation, our principal executive officer and principal financial officer concluded that, as of June 30, 2018, (i) our disclosure controls and procedures were effective to ensure that information that is required to be disclosed by us in reports that we file under the Exchange Act is recorded, processed, summarized and reported or submitted within the time period specified in the rules and forms of the SEC and (ii) our disclosure controls and procedures were effective to provide reasonable assurance that material information required to be disclosed by us in the reports we file or submit under the Exchange Act was accumulated and communicated to our management as appropriate to allow timely decisions regarding required disclosure. There were no changes in our internal control over financial reporting that occurred during the period covered by this report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

We do not expect that our disclosure controls and procedures and internal control over financial reporting will prevent all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurances that the objectives of the control system are met. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within our company have been detected. The design of any system of controls also is based in part upon assurance that any design will succeed in achieving its stated goals under all potential future conditions. However, controls may become inadequate because of changes in conditions or the degree of compliance with the policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

PART II
OTHER INFORMATION

Item 1. Legal Proceedings

On May 1, 2017, a purported securities class action lawsuit was filed in the United States District Court for the Central District of California, captioned *Arthur Kaye IRA FCC as Custodian DTD 6-8-00 v. ImmunoCellular Therapeutics, Ltd. et al* (Case No. 2:17-cv-03250) against the Company, certain of its current and former officers and directors and others. On July 21, 2017, the court appointed lead plaintiffs in the matter. On August 24, 2017, lead plaintiffs filed Consolidated First Amended Complaint. On September 26, 2017, the court granted the parties' stipulation to allow lead plaintiffs to file a Consolidated Second Amended Complaint (the SAC). The SAC asserts violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934, as amended, and SEC Rule 10b-5 promulgated thereunder, related to allegedly materially false or misleading statements made between May 1, 2012 and May 30, 2014. The SAC alleges, among other things, that the Company failed to disclose that it purportedly paid for articles to be published about ICT-107. Lead plaintiffs seek an award of unspecified damages, prejudgment and post-judgment interest, as well as reasonable attorneys' fees, and other costs. On November 10, 2017, the Company filed a motion to dismiss the SAC. On May 29, 2018, the Court granted the Company's motion to dismiss with leave to amend. On July 17, 2018, the parties reached a settlement in principle. The settlement in principle, which is subject to final documentation and Court approval, provides in part for a settlement payment of $1.15 million in exchange for mutual releases and the dismissal of all claims against the Company and its officers and directors in connection with the securities class action suit. The $1.15 million settlement payment will be fully funded by the Company's insurance carrier. The case has been stayed pending the finalization and submission of the settlement documents. It is possible that similar lawsuits may yet be filed in the same or other courts that name the same or additional defendants.

On July 27, 2017, a shareholder filed a derivative class action lawsuit in the Superior Court for the State of California in the County of Los Angeles, captioned *David Wiener, Derivatively and on Behalf of ImmunoCellular Therapeutics, Ltd. v. certain former and current officers and directors* (Case No. BC670134). The complaint sets forth violations of, 1) breach of duty, 2) unjust enrichment, 3) abuse of control, 4) gross mismanagement and 5) waste of corporate assets. The complaint alleges that the lack of oversight allowed the publication of articles about ICT-107 without disclosing that the articles were either directly, or indirectly, paid for by the Company. The complaint further alleges that from May 1, 2012 to April 2017, certain of its current and former officers and directors failed to disclose that the stock promotion scheme in fact occurred or was occurring, the extent of it, as well as the Company's involvement. The plaintiff seeks an award of unspecified damages, prejudgment and post-judgment interest, as well as reasonable attorneys' fees, and other costs. The Company intends to vigorously defend against the claims. The Company may be obligated to indemnify its officers and directors in connection with this matter. On January 9, 2018, the parties agreed to stay the derivative class action until resolution of the securities class

action. On July 25, 2018, the parties asked for a further stay of the derivative class action in order to continue settlement discussions.

Item 1A. Risk Factors

In evaluating our business, you should carefully consider the following risks in addition to the other information in this report. Any of the following risks could materially and adversely affect our business, results of operations, financial condition or your investment in our securities, and many are beyond our control. The risks and uncertainties described below are not the only ones facing us. Additional risks and uncertainties not presently known to us, or that we currently see as immaterial, may also adversely affect our business.

Risks Relating to our Evaluation of Strategic Alternatives

Our exploration and pursuit of strategic alternatives may not be successful.

In June 2017, we determined that we were unable to secure sufficient additional financial resources to complete the phase 3 registration trial of ICT-107. As a result, we terminated further patient randomization in the ICT-107 trial in order to reduce the amount of cash used in our operations. In August 2017, we announced that we had determined to refocus and reallocate our available resources on our Stem-to-T-Cell research program. In February 2018, we announced that we had retained Ladenburg Thalmann & Co. Inc. as our strategic financial adviser to assist in the review of the Company's business and assets and exploration of strategic opportunities for enhancing stockholder value, including the potential sale or merger of the Company. In light of these developments, our strategic focus has shifted to the identification and evaluation of a range of potential strategic alternatives designed to maximize stockholder value. Potential strategic alternatives that may be explored or evaluated as part of this process include the potential for an acquisition, merger, business combination, licensing and/or other strategic transaction involving the Company. Despite devoting significant efforts to identify and evaluate potential strategic transactions, the process may not result in any definitive offer to consummate a strategic transaction, or, if we receive such a definitive offer, the terms may not be as favorable as anticipated or may not result in the execution or approval of a definitive agreement. Even if we enter into a definitive agreement, we may not be successful in completing a transaction or, if we complete such a transaction, it may not enhance stockholder value or deliver expected benefits.

If we do not successfully consummate a strategic transaction, our board of directors may decide to pursue a dissolution and liquidation of our company. In such an event, the amount of cash available for distribution to our stockholders will depend heavily on the timing of such liquidation as well as the amount of cash that will need to be reserved for commitments and contingent liabilities.

There can be no assurance that the process to identify a strategic transaction will result in a successfully consummated transaction. If no transaction is completed, our board of directors may decide to pursue a dissolution and liquidation of our company. In such an event, the amount of cash available for distribution to our stockholders, if any, will depend heavily on the timing of such decision and, ultimately, such liquidation, since the amount of cash available for distribution continues to decrease as we fund our operations while we pursue our research and development activities and evaluate our strategic alternatives. In addition, if our board of directors were to approve and recommend, and our stockholders were to approve, a dissolution and liquidation of our company, we would be required under Delaware corporate law to pay our outstanding obligations, as well as to make reasonable provision for contingent and unknown obligations, prior to making any distributions in liquidation to our stockholders. As a result of this requirement, a portion of our assets may need to be reserved pending the resolution of such obligations. In addition, we may be subject to litigation or other claims related to a dissolution and liquidation of our company. If a dissolution and liquidation were pursued, our board of directors, in consultation with its advisers, would need to evaluate these matters and make a determination about a reasonable amount to reserve. Accordingly, holders of our common stock could lose all or a significant portion of their investment in the event of a liquidation, dissolution or winding up of our company.

In addition, we may choose to voluntarily delist from the NYSE American, or deregister from the reporting requirements with the SEC (i.e., "go dark") if our board determines it to be in the best interest of our stockholders.

If our common stock is delisted by, or we voluntarily delist from, the NYSE American, our common stock may be eligible to be traded on the OTC Bulletin Board or the Pink OTC Markets. In such an event, it could become more difficult to dispose of, or obtain accurate quotations for the price of, our common stock, and there also would likely be a reduction in our coverage by security analysts and the news media, which could cause the price of our common stock to decline further.

If we are successful in completing a strategic transaction, we may be exposed to other operational and financial risks.

Although there can be no assurance that a strategic transaction will result from the process we have undertaken to identify and evaluate strategic alternatives, the negotiation and consummation of any such transaction will require significant time on the part of our management, and the diversion of management's attention may disrupt our business.

The negotiation and consummation of any such transaction may also require more time or greater cash resources than we anticipate and expose us to other operational and financial risks, including:

- increased near-term and long-term expenditures;
- exposure to unknown liabilities;
- higher than expected acquisition or integration costs;
- incurrence of substantial debt or dilutive issuances of equity securities to fund future operations;
- write-downs of assets or goodwill or incurrence of non-recurring, impairment or other charges
- increased amortization expenses;
- difficulty and cost in combining the operations and personnel of any acquired business with our operations and personnel;
- impairment of relationships with key suppliers or customers of any acquired business due to changes in management and ownership; and
- inability to retain key employees of our company or any acquired business.

Any of the foregoing risks could have a material adverse effect on our business, financial condition and prospects.

We may not realize any additional value in a strategic transaction for our Stem-to-T-Cell research program.

Following the termination of our ICT-107 development program, we decided to refocus and reallocate our available resources on our Stem-to-T-Cell research program. Potential counterparties in a strategic transaction involving our company may place minimal or no value on these assets, however, given the limited data regarding their potential application. Further, the development and any potential commercialization of our product candidates will require substantial additional cash to fund the costs associated with conducting the necessary preclinical and clinical testing and obtaining regulatory approval. Consequently, any potential counterparty in a strategic transaction involving our company may choose not to spend additional resources and continue development of our product candidates and may attribute little or no value, in such a transaction, to those product candidates.

We may become involved in securities class action litigation that could divert management's attention and harm the company's business, and insurance coverage may not be sufficient to cover all costs and damages.

In the past, securities class action litigation has often followed certain significant business transactions, such as the sale of a company or announcement of any other strategic transaction, or the announcement of negative events, such as negative results from clinical trials. These events may also result in investigations by the Securities and Exchange Commission. We may be exposed to such litigation or investigation even if no wrongdoing occurred. Litigation and investigations are usually expensive and divert management's attention and resources, which could adversely affect our business and cash resources and our ability to consummate a potential strategic transaction or the ultimate value our stockholders receive in any such transaction.

Risks Relating to our Financial Position and Operations

We have a history of operating losses. We expect to continue to incur losses for the near future, and we may never become profitable.

With the exception of a one-time licensing fee payment that we previously received in connection with our entering into a research and license option agreement covering one of our monoclonal antibody product candidates with a third party who

did not subsequently exercise that option, we have not generated any revenues and have incurred operating losses since our inception, and we expect to continue to incur operating losses for the foreseeable future. As of June 30, 2018, we had an accumulated deficit of $117,775,344. We do not have any products that generate revenue from commercial product sales. Our operating losses have resulted principally from costs incurred in pursuing our research and development programs, clinical trials, manufacturing, and general and administrative expenses in support of operations. We may be unable to develop or market products in the future that will generate revenues, and any revenues generated may not be sufficient for us to become profitable. In the event that our operating losses are greater than anticipated or continue for longer than anticipated, we will need to raise significant additional capital sooner, or in greater amounts, than otherwise anticipated in order to be able to continue development of our present product candidates or future product candidates that we may develop and maintain our operations. There can be no assurances that capital will be available to us when and if we require additional capital on terms that are acceptable to us or favorable to our existing stockholders, or at all.

As our product candidates advance in clinical development, we will require significant additional funding, and our future access to capital is uncertain.

It is expensive to develop and commercialize cancer immunotherapy candidates and the study size requirements and costs for product candidates may not be feasible due to our inability to raise sufficient capital. As we consider our financial resources and liquidity, we have announced the termination of our Phase 3 trial of ICT-107.

In any event, our product development efforts may not lead to commercial products, either because our product candidates fail to be found safe or effective in clinical trials or because we lack the necessary financial or other resources or relationships to pursue our programs through commercialization. Even if commercialized, a product may not achieve revenues that exceed the costs of producing and selling it. Our capital and future cash flow may not be sufficient to support the expenses of our operations and we may need to raise additional capital depending on a number of factors, including the following:

- the need to conduct larger, more expensive and longer clinical trials to obtain the data necessary for submission for product approval to regulatory agencies;
- the capability to manufacture product at the scale and quantities required to meet regulatory approval requirements and the development and commercial requirements for the product;
- the costs to obtain qualified commercial development of infrastructure and activities related to the commercialization of our products;
- the rate of progress and cost of our research and development and clinical trial activities; and
- the introduction into the marketplace of competing products and other adverse market developments.

As of June 30, 2018, we had approximately $14.3 million available for offer and sale pursuant to our Sales Agreement with Cantor Fitzgerald & Co., as agent. Sales under our Sales Agreement are registered on a registration statement on Form S-3. Pursuant to Instruction I.B.6 to Form S-3, we may not sell more than the equivalent of one-third of our public float during any 12 consecutive months so long as our public float is less than $75 million, which will limit our ability to raise funds using our Sales Agreement. Other than our Sales Agreement we currently do not have arrangements to obtain additional financing. Any such financing could be difficult to obtain on favorable terms or at all. If we are unable to raise additional funds, we may have to delay, reduce or eliminate some of our clinical trials and our development programs. Even if we raise additional funds by issuing equity or equity-linked securities, such financings may only be available on unattractive terms and, in such event, the market price of our common stock may decline and further dilution to our existing stockholders will result. In addition, the expectation of future dilution as a result of our offering of securities convertible into equity securities may cause our stock price to decline.

We may seek Small Business Innovation Research or other government grants to conduct a portion of our planned research and development work in addition to certain equity financing. Except for one grant awarded under a federal tax credit/grant program for pharmaceutical research and development companies in 2010 and one grant application submitted under the Orphan Drug Act that was denied, we have not yet submitted any requests for these grants. The competition for obtaining these grants is intense and we may be unable to secure any grant funding on a timely basis or at all.

Our future capital needs are uncertain, and our independent registered public accounting firm has expressed in its report on our 2017 audited consolidated financial statements a substantial doubt about our ability to continue as a going concern. Our ability to continue as a going concern is dependent on our ability to raise additional capital or obtain loans from

financial institutions and our operations could be curtailed if we are unable to obtain the required additional funding when needed. We may not be able to do so when necessary, and/or the terms of any financings may not be advantageous to us.

Our consolidated financial statements for the year ended December 31, 2017 were prepared assuming we will continue to operate as a going concern. As of June 30, 2018, we had $2,852,605 of cash and working capital of $3,427,092. We believe that we do not have sufficient cash resources to fund the business for the next 12 months from the issuance of these condensed consolidated financial statements. Due to our ongoing operating losses, negative cash flows from operations, our need to finance to continue our ongoing clinical trials and conduct research and our accumulated deficit, there is substantial doubt about our ability to continue as a going concern. Because we continue to experience net operating losses, our ability to continue as a going concern is subject to our ability to obtain necessary funding from outside sources, including obtaining additional funding from the sale of our securities, grants or other forms of financing. Our continued net operating losses increase the difficulty in completing such sales or securing alternative sources of funding, and there can be no assurances that we will be able to obtain such funding on favorable terms or at all. If we are unable to obtain sufficient financing from the sale of our securities or from alternative sources, we may be required to reduce, defer or discontinue certain of our clinical development, research and operating activities or we may not be able to continue as a going concern. As a result, our independent registered public accounting firm has expressed in its auditors' report on the consolidated financial statements substantial doubt regarding our ability to continue as a going concern. Our consolidated financial statements do not include any adjustments that might result from the outcome of the uncertainty regarding our ability to continue as a going concern. If we cannot continue as a going concern, our stockholders may lose their entire investment in the common stock. Future reports from our independent registered public accounting firm may also contain statements expressing doubt about our ability to continue as a going concern.

We are required to pay certain royalties under our license agreements with third party licensors, and we must meet certain milestones to maintain our license rights.

Under our license agreements with academic institutions generally, we will be required to pay substantial royalties to that institution based on our revenues from sales of our products utilizing the technologies and products licensed from the institution, and these royalty payments could adversely affect the overall profitability for us of any products that we may seek to commercialize. In order to maintain our license rights under these license agreements, we will need to meet certain specified milestones, subject to certain cure provisions, in the development of our vaccine product candidates and in the raising of funding. In addition, many of these agreements contain diligence milestones and we may not be successful in meeting all of the milestones in the future on a timely basis or at all. We will need to outsource and rely on third parties for many aspects of the clinical development, manufacture, sales and marketing of our products covered under our license agreements. Delay or failure by these third parties could adversely affect the continuation of our license agreements with their party licensors.

Risks Related To Our Business

The estimated cost of completing the development of any of our current immunotherapy product candidates and of obtaining all required regulatory approvals to market any of those product candidates is substantially greater than the amount of funds we currently have available. We will need to raise additional capital to continue future operations, which additional capital may not be available on acceptable terms or at all.

As of June 30, 2018, we had working capital $3,427,092, compared to working capital of $4,647,903 as of December 31, 2017. The estimated cost of completing the development of any of our current immunotherapy product candidates and of obtaining all required regulatory approvals to market any of those product candidates is substantially greater than the amount of funds we currently have available. In June 2017, we announced that we had determined that we were unable to secure sufficient additional financial resources to complete the phase 3 registration trial of ICT-107. As a result, we suspended further patient randomization in the ICT-107 trial while we continue to seek a collaborative arrangement or acquisition of our ICT-107 program. Even though the termination of the phase 3 registration trial of ICT-107 is expected to reduce the amount of cash used in our operations, we do have enough cash resources to fund the business for the next 12 months. Successful completion of our research and development activities, and our transition to attaining profitable operations, is dependent upon obtaining financing. Additional financing may not be available on acceptable terms or at all. If we issue additional equity securities to raise funds, the ownership percentage of existing stockholders would be reduced. New investors may demand rights, preferences or privileges senior to those of existing holders of our common stock. If we cannot raise funds, we might be forced to make substantial reductions in the on-going clinical trials, thereby damaging our reputation in the biotech and medical communities which could adversely affect our ability to implement our business plan and our viability. If we cannot raise additional funds, we may be required to defer, reduce or eliminate significant planned expenditures, restructure, curtail or eliminate some or all of our development programs or other operations, dispose of technology or assets, pursue an acquisition of our company by a third party at a price that may result in a loss on investment for our stockholders, enter into arrangements

that may require us to relinquish rights to certain of our product candidates, technologies or potential markets, file for bankruptcy or cease operations altogether. Any of these events could damage our reputation in the biotech and medical communities which could adversely affect our ability to implement our business plan and our viability, and could have a material adverse effect on our business, financial condition and results of operations. Moreover, if we are unable to obtain additional funds on a timely basis, there will be substantial doubt about our ability to continue as a going concern and increased risk of insolvency and loss of investment by our stockholders.

We are a pre-revenue stage company subject to all of the risks and uncertainties of a biotechnology business, including the risk that we may never successfully develop any products or generate revenues.

We are a pre-revenue stage company with research and development activity based on two products in clinical development. We may be unable to successfully develop or market any of our current or proposed product candidates, those product candidates may not generate any revenues, and any revenues generated may not be sufficient for us to become profitable or thereafter maintain profitability. We have not generated any recurring revenues to date, and we do not expect to generate any such revenues for a number of years.

We have only three full-time employees and one part-time employee, have limited resources and may not possess the ability to successfully overcome many of the risks and uncertainties frequently encountered by early stage companies involved in the new and rapidly evolving field of biotechnology in general and cancer immunotherapies in particular. You must consider that we may not be able to:

- engage corporate partners to assist in developing, funding, testing, manufacturing and marketing our vaccine product candidates or any future product candidates that we may develop;
- satisfy the regulatory requirements for acceptable pre-clinical and clinical trial studies or to timely enroll patients;
- establish and demonstrate or satisfactorily complete the research to demonstrate at various stages the pre-clinical and clinical efficacy and safety of our vaccine product candidates or any future product candidates that we may develop;
- apply for and obtain the necessary regulatory approvals from the FDA and the appropriate foreign regulatory agencies;
- market our vaccine product candidates or any future product candidates that we may develop to achieve acceptance and use by the medical community and patients in general and produce revenues; and
- attract and retain, on acceptable terms, qualified technical, commercial and administrative staff for the continued development and growth of our business.

Our current product candidates and any future product candidates that we may develop will be based on novel technologies and the development, manufacture and regulatory approval for such products are inherently risky.

We are subject to the risks of failure inherent in the development of products based on new technologies. The novel nature of our therapies creates significant challenges in regard to product development and optimization, manufacturing, government regulation, third-party reimbursement and market acceptance. For example, the FDA may have limited experience with dendritic cell-based therapeutics and, with the exception of one dendritic cell-based vaccine for the treatment of prostate cancer, has not yet approved any of these therapeutics for marketing, and the pathway to regulatory approval for our vaccine product candidates or any future vaccine product candidates may accordingly be more uncertain, complex and lengthy than the pathway for new conventional drugs. The targeting of cancer stem cells as a potential therapy is a recent development that may not become broadly accepted by scientists, physicians, pharmaceutical companies or the FDA. In addition, the manufacture of biological products, including dendritic cell-based vaccines, could be more complex and difficult, and therefore, these potential challenges may prevent us from developing and commercializing products on a timely or profitable basis or at all.

We may elect to delay or discontinue preclinical studies or clinical trials based on unfavorable results or lack of financial resources. Any product candidate using a cellular therapeutic technology may fail to:

- survive and persist in the desired location;
- provide the intended therapeutic benefits;
- properly integrate into existing tissue in the desired manner; or
- achieve therapeutic benefits equal to or better than the standard of treatment at the time of testing.

In addition, our product candidates may cause undesirable side effects. Results of preclinical research with our vaccine product candidates or any other or future product candidates that we may develop or clinical results with formulations used in earlier trials that are similar but not identical to our product candidate formulations may not be indicative of the results that will be obtained in later stages of preclinical or clinical research on our product candidates.

If regulatory authorities do not approve our products or if we fail to maintain regulatory compliance, we would be unable to commercialize our products, and our business and results of operations would be harmed. Furthermore, because cancer stem cell and dendritic cell-based products represent new forms of therapy, the marketplace may not accept any products we may develop that utilize these technologies. If we do succeed in developing products, we will face many potential obstacles, such as the need to obtain regulatory approvals and to develop or obtain manufacturing, marketing and distribution capabilities. In addition, we will face substantial additional risks, such as product liability claims.

Because of the early stage of development of our vaccine product candidates, we do not know if we will be able to generate data that will support the filing of a biologics license application for these product candidates or the FDA's approval thereof. Any of our investigational new drug applications (INDs) may be placed on clinical hold by the FDA at any time, which would delay clinical development until underlying safety concerns are resolved to the FDA's satisfaction. If we experience substantial delays, we may not have the financial resources to continue development of these product candidates or the development of any of our other or future product candidates that we may develop. Delays in clinical trials could reduce the commercial viability of our vaccine product candidates and any other or future product candidates that we may develop. Delays in patient enrollment may be caused by a number of factors, including patient reluctance to participate in blinded trials where the patient is not assured of receiving the treatment being tested in the trial. Even if we successfully develop and gain regulatory approval for our products, we still may not generate sufficient or sustainable revenues or we may not become profitable, which could have a material adverse effect on our ability to continue our marketing and distribution efforts, research and development programs and operations.

If we encounter difficulties enrolling patients in our clinical trials, our trials could be delayed or otherwise adversely affected.

Clinical trials for our product candidates require that we identify and enroll a large number of patients with the disease under investigation. We may not be able to enroll a sufficient number of patients, or those with required or desired characteristics to achieve diversity in a study, to complete our clinical trials in a timely manner. We have in the past experienced some difficulty in enrollment in our clinical trials due to the criteria specified for eligibility for these trials, and we may encounter these difficulties in our ongoing clinical trials for our product candidates. The early enrollment experience in the ICT-107 phase 3 trial indicated that we needed to make modifications in the trial protocol to accelerate enrollment. We submitted a protocol amendment to FDA on December 30, 2016 that modified some elements of how patients qualify for the trial, raised the target number of randomized patients to 542, and extended completion of the trial to mid-2021. The amendment was allowed by the FDA in March 2017. In June 2017, we announced that we had determined that we were unable to secure sufficient additional financial resources to complete the phase 3 registration trial of ICT-107. As a result, we suspended further patient randomization in the ICT-107 trial.

Patient enrollment is affected by factors including:

- design of the trial protocol;
- the size of the patient population;
- eligibility criteria for the study in question;

- perceived risks and benefits of the product candidate under study;
- availability of competing therapies and clinical trials;
- efforts to facilitate enrollment in clinical trials;
- the ability to monitor patients adequately during and after treatment; and
- proximity and availability of clinical trial sites for prospective patients.

If we have difficulty enrolling a sufficient number or diversity of patients to conduct our clinical trials, we may need to delay or terminate ongoing or planned clinical trials, either of which would have a negative effect on our business.

Before we can market our vaccine product candidates or any other or future product candidates that we may develop, we must obtain governmental approval for each of these product candidates, the application and receipt of which is time-consuming, costly and uncertain.

Our current product candidates and any future product candidates that we will be developing will require approval of the FDA before they can be marketed in the U.S. Although our focus at this time is primarily on the U.S. market, in the future similar approvals will need to be obtained from foreign regulatory agencies before we can market our current and proposed product candidates in other countries. The process for filing and obtaining FDA approval to market therapeutic products is both time-consuming and costly, with no certainty of a successful outcome. The historical failure rate for companies seeking to obtain FDA approval of therapeutic products, particularly vaccines for cancer, is high and, with the exception of Dendreon Corporation's (acquired in January 2017 from Valeant Pharmaceuticals by Sunpower Group Ltd.) antigen presenting cell vaccine for the treatment of prostate cancer, no cell-based cancer vaccine has to date been approved by the FDA. This process includes conducting extensive pre-clinical research and clinical testing, which may take longer and cost more than we initially anticipate due to numerous factors, including without limitation, difficulty in securing appropriate centers to conduct trials, difficulty in enrolling patients in conformity with required protocols in a timely manner, unexpected adverse reactions by patients in the trials to our proposed product candidates and changes in the FDA's requirements for our testing during the course of that testing.

The time required to obtain FDA and other approvals is unpredictable but often can exceed five years following the commencement of clinical trials, depending upon the complexity of the product and other factors.

Any analysis we perform on data from preclinical and clinical activities is subject to confirmation and interpretation by regulatory authorities, which could delay, limit or prevent regulatory approval. We may also encounter unexpected delays or increased costs due to a variety of reasons, including new government regulations from future legislation or administrative action, or from changes in FDA policy during the period of product development, clinical trials and FDA regulatory review.

Failure to timely and successfully complete clinical trials, show that our products are safe and effective and timely file and receive approval of our biologics license applications would have a material adverse effect on our business and results of operations. Even if approved, the labeling approved by the relevant regulatory authority for a product may restrict to whom we and our potential partners may market the product or in the manner in which our product may be administered, which could significantly limit the commercial opportunity for such product.

Prior to granting product approval, the FDA must determine that our third-party contractors' manufacturing facilities meet current good manufacturing practice (GMP) requirements before we can use them in the commercial manufacture of our products. We and all of our contract manufacturers are required to comply with the applicable GMP current regulations. Manufacturers of biologics must also comply with the FDA's general biological product standards. Failure to comply with the statutory and regulatory requirements subjects the manufacturer to possible legal or regulatory action, such as suspension of manufacturing, seizure of product or voluntary recall of a product. GMP regulations require quality control and quality assurance as well as the corresponding maintenance of records and documentation sufficient to ensure the quality of the approved product.

Certain of our current product candidates may not be eligible for Orphan Drug status.

Regulatory authorities in the United States and Europe may designate drugs for relatively small patient populations as orphan drugs. Orphan drug designation does not convey any advantage in, or shorten the duration of, the regulatory review and approval process, but does make the product eligible for orphan drug exclusivity, reduced filing fees and specific tax credits.

Generally, if a company receives the first marketing approval for a product with an orphan drug designation in the clinical indication for which it has such designation, the product is entitled to orphan drug exclusivity. Orphan drug exclusivity in the United States means that the FDA will not approve another application to market the same drug for the same indication, except in limited circumstances, for a period of seven years in the United States. This exclusivity, however, could block the approval of our proposed product candidates if a competitor obtains marketing approval before us. In Europe, orphan drug exclusivity means that we will have market exclusivity for ten years. We have obtained orphan drug status in the United States and Europe for ICT-107 to treat GBM and may also seek this status for ICT-140 to treat ovarian cancer and for ICT-121 to treat recurrent GBM if we meet the eligibility criteria. However, even if we obtain orphan drug exclusivity for any of our proposed product candidates, we may not be able to maintain it. For example, if a competitive product is shown to be clinically superior to our product, any orphan drug exclusivity we have will not block the approval of such competitive product.

Because our current and our other future potential product candidates will represent novel approaches to the treatment of disease, there are many uncertainties regarding the development, manufacturing, market acceptance, third-party reimbursement coverage and commercial potential of our product candidates.

The approaches offered by our current product candidates or any future product candidates that we may develop may not gain broad acceptance among doctors or patients and governmental agencies or third-party medical insurers may not be willing to provide reimbursement coverage for proposed product candidates. Moreover, we do not have internal marketing data research resources and are not certain of and have not attempted to independently verify the potential size of the commercial markets for our current product candidates or any future product candidates that we may develop. Since our current product candidates and any future product candidates that we may develop will represent new approaches to treating various conditions, it may be difficult, in any event, to accurately estimate the potential revenues from these product candidates. We may spend large amounts of money trying to obtain approval for these product candidates, and never succeed in doing so. In addition, these product candidates may not demonstrate in large sets of patients the pharmacological properties ascribed to them in the laboratory studies or smaller groups of patients, and they may interact with human biological systems in unforeseen, ineffective or even harmful ways either before or after they are approved to be marketed. We have not yet manufactured our product on a commercial scale and may not be able to achieve manufacturing efficiencies relative to our competitors. We have experienced lot contamination or potential contaminations in our manufacturing process for clinical supplies that have been resolved with only minor delays to ongoing manufacturing. However, there can be no guarantee that we will not continue to experience contaminations in the future and therefore potential delays or interruptions in manufacturing. We do not yet have sufficient information to reliably estimate what it will cost to commercially manufacture our current product candidates or any future product candidates that we may develop, and the actual cost to manufacture these products could materially and adversely affect the commercial viability of these products. Certain of our cell-based vaccine product candidates may be formulated with cells harvested and processed from individual target patients, which could limit the total patient population for these vaccines and could require complex and costly manufacturing processes to produce these vaccines on a commercial basis. As a result, we may never succeed in developing a marketable product. If we do not successfully develop and commercialize products based upon our approach, we will not become profitable, which would materially and adversely affect the value of our common stock. Finally, in order to have commercially viable markets for our products, we will need to obtain an adequate level of reimbursement by third party payors for our products.

The commercial success of our product candidates will depend upon the degree of market acceptance by physicians, patients, healthcare payors and others in the medical community.

Any product that we bring to market may not gain or maintain market acceptance by governmental purchasers, group purchasing organizations, physicians, patients, healthcare payors and others in the medical community. If any products that we develop do not achieve an adequate level of acceptance, we may not generate sufficient revenues to support continued commercialization of these products. The degree of market acceptance of our product candidates, if approved for commercial sale, will depend on a number of factors, including:

- the perceived safety and efficacy of our products;
- the prevalence and severity of any side effects;
- our ability to gain access to the entire market through distributor arrangements;
- the willingness of the target patient population to try new products and of physicians to prescribe our products;
- the effectiveness of our marketing strategy and distribution support;

- the timing of our receipt of any marketing approvals, the terms of any approvals and the countries in which approvals are obtained;
- the availability of government and third-party payor reimbursement;
- the pricing of our product candidates, particularly as compared to alternative treatments; and
- the availability of alternative effective forms of treatments, at that time, for the diseases that the product candidates we are developing are intended to treat.

Adverse publicity regarding cellular therapies could impact our business.

Although we are not utilizing embryonic stem cells, adverse publicity due to the ethical and social controversies surrounding the use of such cells or any adverse reported side effects from any stem cell, dendritic or other cell therapy clinical trials or to the failure of such trials to demonstrate that these therapies are efficacious could materially and adversely affect our ability to raise capital or recruit managerial or scientific personnel or obtain research grants.

As an early stage small company that will be competing against numerous large, established companies that have substantially greater financial, technical, manufacturing, marketing, distribution and other resources than we have, we will be at a significant competitive disadvantage.

The pharmaceutical and biopharmaceutical industry is characterized by intense competition and rapid and significant technological changes and advancements. Many companies, research institutions and universities are doing research and development work in a number of areas similar to those that we focus on that could lead to the development of new products which could compete with and be superior to our product candidates.

Most of the companies with which we compete have substantially greater financial, technical, research, manufacturing, marketing, distribution and other resources than ours. A number of these companies may have or may develop technologies for developing products for treating various diseases, including brain cancers, which could prove to be superior to ours. We expect technological developments in the pharmaceutical and biopharmaceutical and related fields to occur at a rapid rate, and we believe competition will intensify as advances in these fields are made. Accordingly, we will be required to continue to devote substantial resources and efforts to research and development activities in order to potentially achieve and maintain a competitive position in this field. Products that we develop may become obsolete before we are able to market them or to recover all or any portion of our research and development expenses. We will be competing with respect to our products with companies that have significantly more experience and expertise in undertaking preclinical testing and human clinical trials with new or improved therapeutic products and obtaining regulatory approvals of such products. A number of these companies already market and may be in advanced phases of clinical testing of various drugs that will or may compete with our current product candidates or other future potential product candidates. Our competitors may develop or commercialize products more rapidly than we do or with significant advantages over any products we develop. Our competitors may therefore be more successful in commercializing their products than us, which could adversely affect our competitive position and business.

In addition to sipuleucel-T and ipilimumab, which have been approved for sale by the FDA, several major biopharmaceutical companies, including Genentech, Inc. (a member of the Roche Group), Amgen Inc., Merck & Co., Inc., Novartis AG, GlaxoSmithKline plc, Celgene Corporation and Bristol-Myers Squibb Company (BMS), smaller biotechnology companies, such as Oncothyreon Inc., Galena Biopharma, Inc., Agenus Inc., Bavarian Nordic A/S, Kite Pharma, Inc., Juno Therapeutics, Inc. and Immunovaccine Inc., are developing cancer immunotherapies. A number of immunotherapy companies, including Northwest Biotherapeutics, Inc., Prima Biomed Ltd and DCPrime B.V., also utilize DCs for their therapeutic cancer vaccines.

Several companies are developing immunotherapies to treat newly diagnosed GBM. For example, Northwest Biotherapeutics is conducting a phase 3 study with DCVax, a DC-based tumor lysate vaccine. Agenus Inc. has recently completed a phase 2 clinical trial with its heat shock protein and tumor-derived peptide vaccine (HSPPC-96). BMS has recently launched two late stage trials to test their checkpoint inhibitor antibody, nivolumab, in both unmethylated MGMT and methylated MGMT newly diagnosed glioblastoma patients. Nivolumab is already approved by FDA and other regulators to treat other types of cancers.

In addition to the previously mentioned companies developing cancer immunotherapies, there are also several pharmaceutical companies, including OncoMed Pharmaceuticals, Inc., Verastem, Inc., Stemline Therapeutics, Inc. and Infinity

Pharmaceuticals, Inc., that are pursuing drugs that target CSCs. Stemline is currently developing a peptide treatment, SL-701, for brain cancer.

In addition, in October 2015 Novocure received regulatory approval to market its Optune™ device in the U.S. for the treatment of newly diagnosed glioblastoma. The device delivers low-intensity, intermediate frequency, alternating electric currents to the brain. The adoption of this device could impact the speed of the ICT-107 phase 3 enrollment and its potential market should ICT-107 ultimately receive regulatory approval.

Colleges, universities, governmental agencies, and other public and private research organizations are becoming more active in seeking patent protection and licensing arrangements to collect royalties for use of technologies that they have developed, some of which may directly compete with our product candidates or any future product candidates that we may develop. Governments of a number of foreign countries are aggressively investing in cellular therapy research and promoting such research by public and private institutions within those countries. Domestic and foreign institutions and governmental agencies, along with pharmaceutical and specialized biotechnology companies, can be expected to compete with us in recruiting qualified scientific personnel.

Our competitive position will be significantly impacted by the following factors, among others:

- our ability to obtain U.S. and foreign marketing approvals for our product candidates on a timely basis;
- the level of acceptance of our products by physicians, compared to those of competing products or therapies;
- our ability to have our products manufactured on a commercial scale;
- the effectiveness of sales and marketing efforts on behalf of our products;
- our ability to meet demand for our products;
- our ability to secure insurance reimbursement for our products;
- the price of our products relative to competing products or therapies;
- our ability to enter into collaborations with third parties to market our products;
- our ability to recruit and retain appropriate management and scientific personnel; and
- our ability to develop a commercial-scale research and development, manufacturing and marketing infrastructure, either on our own or with one or more future strategic partners.

The market success of our current product candidates and any future product candidates that we may develop will be dependent in part upon third-party reimbursement policies that will not be established for our product candidates until we are closer to receiving approval to market.

Our ability to successfully commercialize and penetrate the market for our current product candidates and any future product candidates that we may develop is likely to depend significantly on the availability of reimbursement for our lead product candidate or any other or future product candidates that we may develop from third-party payors, such as governmental agencies, private insurers and private health plans. Even if we are successful in bringing a proposed product candidate to the market, these product candidates may not be considered cost-effective, and the amount reimbursed for our products may be insufficient to allow us to sell any of our products on a competitive basis. We cannot predict whether levels of reimbursement for our product candidates, if any, will be high enough to allow the price of our product candidates to include a reasonable profit margin. Even with FDA approval, third-party payors may deny reimbursement if the payor determines that our particular product candidates are unnecessary, inappropriate or not cost effective. If patients are not entitled to receive reimbursements similar to reimbursements for competing products which currently are reimbursable, they may be unwilling to use our product candidates since they will have to pay for the unreimbursed amounts. The reimbursement status of newly approved health care products is highly uncertain. If levels of reimbursement are decreased in the future, the demand for our lead product candidate and any future product candidates that we may develop could diminish or our ability to sell our products on a profitable basis could be adversely affected.

We believe that the efforts of governments and third-party payors to contain or reduce the cost of healthcare will continue to affect the business and financial condition of pharmaceutical and biopharmaceutical companies. Comprehensive health care reform legislation that was enacted in 2010 could adversely affect our business and financial condition. Among other provisions, the legislation provides that a biosimilar product may be approved by the FDA on the basis of analytical tests and certain clinical studies demonstrating that such product is highly similar to an existing, approved product and that switching between an existing product and the biosimilar product will not result in diminished safety or efficacy. This abbreviated regulatory approval process may result in increased competition if we are able to bring a biopharmaceutical product to market. The legislation also includes more stringent compliance programs for companies in various sectors of the life sciences industry with which we may need to comply and enhanced penalties for non-compliance with the new health care regulations. Complying with new regulations may divert management resources, and inadvertent failure to comply with new regulations may result in penalties being imposed on us.

A number of legislative and regulatory proposals to change the healthcare system in the United States and other major healthcare markets have been proposed at the state and federal levels in recent years. These proposals have included prescription drug benefit legislation recently enacted in the United States and healthcare reform legislation recently enacted by certain states. Further federal and state legislative and regulatory developments are likely, and we expect ongoing initiatives in the United States to increase pressure on drug pricing. Such reforms could have an adverse effect on anticipated revenues from any products that we may successfully develop.

We may be subject to product liability and other claims that could have a material negative effect on our operations and on our financial condition.

The development and sale of pharmaceutical products in general, and vaccines in particular, expose us to the risk of significant damages from product liability and other claims. Product liability claims could delay or prevent completion of our clinical development programs. If we succeed in marketing our current lead product candidates or any future product candidates that we may develop, such claims could result in an FDA investigation of the safety and effectiveness of our products or our marketing programs, and potentially a recall of our products or more serious enforcement action, or limitations on the indications for which they may be used, or suspension or withdrawal of approval. We plan to obtain and maintain product liability insurance for coverage of our clinical trial activities and obtained this coverage for the recently completed and current clinical trials of our dendritic cell-based vaccine product candidate. We may not be able to secure such insurance in the amounts we are seeking or at all for any of the future trials for our current product candidates or any future product candidates that we may develop. We intend to obtain coverage for our products when they enter the marketplace (as well as requiring the manufacturers of our products to maintain insurance), but we do not know if insurance will be available to us at acceptable costs or at all. The costs for many forms of liability insurance have risen substantially in recent years and the costs for insuring a vaccine type product may be higher than other pharmaceutical products, and such costs may continue to increase in the future, which could materially impact our costs for clinical or product liability insurance. If the cost is too high, we will have to self-insure, and we may have inadequate financial resources to pay the costs of any claims. A successful claim in excess of our product liability coverage could have a material adverse effect on our business, financial condition and results of operations.

We and certain of our current and former officers and directors and others have been named as defendants in a purported securities class action lawsuit. This, and potential similar or related litigation, could result in substantial damages and may divert management's time and attention from our business.

Securities-related class action and shareholder derivative litigation has often been brought against companies, including many biotechnology companies, which experience volatility in the market price of their securities. This risk is especially relevant for us because biotechnology and biopharmaceutical companies often experience significant stock price volatility in connection with their product development programs.

On May 1, 2017, a purported securities class action lawsuit was filed in the United States District Court for the Central District of California, captioned *Arthur Kaye IRA FCC as Custodian DTD 6-8-00 v. ImmunoCellular Therapeutics, Ltd. et al* (Case No. 2:17-cv-03250) against the Company, certain of its current and former officers and directors and others. On July 21, 2017, the court appointed lead plaintiffs in the matter. On August 24, 2017, lead plaintiffs filed Consolidated First Amended Complaint. On September 26, 2017, the court granted the parties' stipulation to allow lead plaintiffs to file a Consolidated Second Amended Complaint (the "SAC"). The SAC asserts violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934, as amended, and SEC Rule 10b-5 promulgated thereunder, related to allegedly materially false or misleading statements made between May 1, 2012 and May 30, 2014. The SAC alleges, among other things, that the Company failed to disclose that it purportedly paid for articles to be published about ICT-107. Lead plaintiffs seek an award of unspecified damages, prejudgment and post-judgment interest, as well as reasonable attorneys' fees, and other costs. On November 10, 2017, the Company filed a motion to dismiss the SAC. On May 29, 2018, the Court granted the Company's

motion to dismiss with leave to amend. On July 17, 2018, the parties reached a settlement in principle. The settlement in principle, which is subject to final documentation and Court approval, provides in part for a settlement payment of $1.15 million in exchange for mutual releases and the dismissal of all claims against the Company and its officers and directors in connection with the securities class action suit. The $1.15 million settlement payment will be fully funded by the Company's insurance carrier. The case has been stayed pending the finalization and submission of the settlement documents. It is possible that similar lawsuits may yet be filed in the same or other courts that name the same or additional defendants.

On July 27, 2017, a shareholder filed a derivative class action lawsuit in the Superior Court for the State of California in the County of Los Angeles, captioned *David Wiener, Derivatively and on Behalf of ImmunoCellular Therapeutics, Ltd. v. certain former and current officers and directors* (Case No. BC670134). The complaint sets forth violations of, 1) breach of fiduciary duty, 2) unjust enrichment, 3) abuse of control, 4) gross mismanagement and 5) waste of corporate assets. The complaint alleges that the lack of oversight allowed the publication of articles about ICT-107 without disclosing that the articles were either directly, or indirectly, paid for by the Company. The complaint further alleges that, from May 1, 2012 to April 2017, certain of its current and former officers and directors failed to disclose that the stock promotion scheme in fact occurred or was occurring, the extent of it, as well as the Company's involvement. The plaintiff seeks an award of unspecified damages, prejudgment and post-judgment interest, as well as reasonable attorneys' fees, and other costs. The Company may be obligated to indemnify its officers and directors in connection with this matter. On January 9, 2018, the parties agreed to stay the derivative class action until resolution of the securities class action. On July 25, 2018, the parties asked for a further stay of the derivative class action in order to continue settlement discussions.

These lawsuits and any other potential related lawsuits are subject to inherent uncertainties, and the actual cost will depend upon many unknown factors. The outcome of the litigation is necessarily uncertain, we could be forced to expend significant resources in the defense of these suits and we may not prevail. Monitoring and defending against legal actions is time-consuming for our management and detracts from our ability to fully focus our internal resources on our business activities. In addition, we may incur substantial legal fees and costs in connection with the litigation. We are not currently able to estimate the possible cost to us from these matters, as the lawsuit is currently at an early stage and we cannot be certain how long it may take to resolve these matters or the possible amount of any damages that we may be required to pay. We have not established any reserves for any potential liability relating to these lawsuits. It is possible that we could, in the future, incur judgments or enter into settlements of claims for monetary damages. A decision adverse to our interests on either of these actions could result in the payment of substantial damages, or possibly fines, and could have a material adverse effect on our cash flow, results of operations and financial position. In addition, the uncertainty of the currently pending litigation could lead to more volatility in our stock price.

We are dependent on our key personnel, and the loss of one or more of our key personnel would materially and adversely affect our business and prospects.

We are dependent on our officers and directors for their scientific or managerial skills. Except for our President and Chief Executive Officer, our Senior Vice President - Research and our Chief Financial Officer, we do not have any full-time executive management personnel. We do not currently maintain key man life insurance on any of our scientific or management team. All of our full-time executive management personnel can terminate their services to us at any time. The loss of any of these individuals would materially and adversely affect our business.

As we retain additional full-time or part-time senior personnel necessary to further our advanced development of product candidates, our expenses for salaries and related items will increase materially from current levels. Competition for such personnel is intense, and we may not be able to attract or retain qualified senior personnel and our failure to do so could have an adverse effect on our ability to implement our business plan.

Significant disruptions of information technology systems or breaches of data security could adversely affect our business

Our business is increasingly dependent on complex and interdependent information technology systems, including internet-based systems, databases and programs, to support our business processes as well as internal and external communications. These computer systems are potentially vulnerable to breakdown, malicious intrusion and computer viruses which may result in the impairment of production and key business processes or loss of data or information. Additionally, our systems are potentially vulnerable to data security breaches-whether by employees, consultants or others-which may expose sensitive data to unauthorized persons. Such data security breaches could lead to the loss of trade secrets or other intellectual property, or could lead to the public exposure of personal information (including sensitive personal information) of our employees, clinical trial patients and others. Such disruptions and breaches of security could have a material adverse effect on our business, financial condition and results of operations.

Risks Relating to the Transfer of Certain Intellectual Property Rights to our Foreign Subsidiary

We may need to utilize all of our available net operating losses, and we may be subject to additional income taxes or an alternative minimum tax, in connection with our transfer of certain intellectual property rights to our foreign subsidiary.

During the fourth quarter of 2014, we licensed the non-U.S. rights to a significant portion of our intellectual property to our Bermuda-based subsidiary for approximately $11.0 million. The fair value of the intellectual property rights was determined by an independent third party. The proceeds from this sale represent a gain for U.S. tax purposes and will be offset by current year losses. However, the Internal Revenue Service, or the IRS, or the California Franchise Tax Board, or the CFTB, could challenge the valuation of the intellectual property rights and assess a greater valuation, which would require us to utilize a portion, or all, of our available net operating losses. If an IRS or a CFTB valuation exceeds our available net operating losses, we would incur additional income taxes. Our ability to use our net operating losses is subject to the limitations of IRS Section 382, as well as expiration of federal and state net operating loss carryforwards. Additionally, in the event our net operating losses were sufficient to offset the regular income taxes associated with an IRS or a CFTB revaluation of the intellectual property transferred to our Bermuda subsidiary, we would be subject to alternative minimum tax.

Risks Relating to Reliance on Third Parties

We outsource almost all of our operational and development activities, and if any party to which we have outsourced certain essential functions fails to perform its obligations under agreements with us, the development and commercialization of our lead product candidate and any future product candidates that we may develop could be delayed or terminated.

We generally rely on third-party consultants or other vendors to manage and implement the day-to-day conduct of our operations, including conducting clinical trials and manufacturing our current product candidates or any future product candidates that we may develop. Accordingly, we are and will continue to be dependent on the timeliness and effectiveness of their efforts. Our dependence on third parties includes key suppliers and third-party service providers supporting the development, manufacture and regulatory approval of our products as well as support for our information technology systems and other infrastructure, including our network of leukapheresis providers. While our management team oversees these vendors, failure of any of these third parties to meet their contractual, regulatory and other obligations or the development of factors that materially disrupt the performance of these third parties could have a material adverse effect on our business.

If a clinical research organization, or CRO, that we utilize is unable to allocate sufficient qualified personnel to our studies in a timely manner or if the work performed by it does not fully satisfy the requirements of the FDA or other regulatory agencies, we may encounter substantial delays and increased costs in completing our development efforts. Any manufacturer that we select may encounter difficulties in the manufacture of new products in commercial quantities, including problems involving product yields, product stability or shelf life, quality control, adequacy of control procedures and policies, compliance with FDA regulations and the need for further FDA approval of any new manufacturing processes and facilities. For example, in August 2016, we were notified by our manufacturer producing clinical supplies for our phase 3 trial in ICT-107 that it had experienced a possible mycoplasma contamination in one healthy donor validation manufacturing run. Subsequent tests were unable to positively identify the presence of mycoplasma. In October 2016, we were notified of an additional potential mycoplasma contamination in a manufacturing run. If microbial, viral or other contaminations, including mycoplasma, are discovered in our product candidates or in the manufacturing facilities in which our product candidates are made, such manufacturing facilities may need to be closed for an extended period of time to investigate and remedy the contamination, and manufacturing of our clinical supplies and enrollment in our trials may be delayed.

The manufacture of clinical supplies for studies and commercial quantities of our current product candidates and any future product candidates that we may develop are likely to be inherently more difficult and costly than typical chemical pharmaceuticals. This could delay commercialization of any of our product candidates or reduce the profitability of these candidates for us. If any of these occur, the development and commercialization of our product candidates could be delayed, curtailed or terminated because we may not have sufficient financial resources or capabilities to continue such development and commercialization on our own. If we rely on only one source for the manufacture of the clinical or commercial supplies of any of our product candidates or products, any production problems or supply constraints with that manufacturer could adversely impact the development or commercialization of that product candidate or product.

If we or our contractors or service providers fail to comply with regulatory laws and regulations, we or they could be subject to regulatory actions, which could affect our ability to develop, market and sell our product candidates and any other or future product candidates that we may develop and may harm our reputation.

If we or our manufacturers or other third-party contractors fail to comply with applicable federal, state or foreign laws or regulations, we could be subject to regulatory actions, which could affect our ability to develop, market and sell our current product candidates or any future product candidates under development successfully and could harm our reputation and lead to reduced or non-acceptance of our proposed product candidates by the market. Even technical recommendations or evidence by the FDA through letters, site visits, and overall recommendations to academia or biotechnology companies may make the manufacturing of a clinical product extremely labor intensive or expensive, making the product candidate no longer viable to manufacture in a cost-efficient manner. The mode of administration may make the product candidate not commercially viable. The required testing of the product candidate may make that candidate no longer commercially viable. The conduct of clinical trials may be critiqued by the FDA, or a clinical trial site's Institutional Review Board or Institutional Biosafety Committee, which may delay or make impossible clinical testing of a product candidate. The Data Safety Monitoring Committee for a clinical trial established by us may stop a trial or deem a product candidate unsafe to continue testing. This may have a material adverse effect on the value of the product candidate and our business prospects.

We will need to outsource and rely on third parties for the clinical development and manufacture, sales and marketing of our current product candidates or any future product candidates that we may develop, and our future success will be dependent on the timeliness and effectiveness of the efforts of these third parties.

We do not have the required financial and human resources to carry out on our own all the pre-clinical and clinical development for our vaccine product candidates or any other or future product candidates that we may develop, and do not have the capability and resources to manufacture, market or sell our current product candidates or any future product candidates that we may develop. Our business model calls for the partial or full outsourcing of the clinical and other development and manufacturing, sales and marketing of our product candidates in order to reduce our capital and infrastructure costs as a means of potentially improving our financial position.

Risks Relating to our Intellectual Property

Our patents and maintenance of trade secrets may not protect the proprietary rights of our products, impairing our competitive position, and our business, financial condition and results of operations could be adversely affected.

Our ability to compete successfully will depend significantly on our ability to obtain patent coverage for our products throughout their product lifetimes, defend patents that may have issued, protect trade secrets and operate without infringing the proprietary rights of others or others infringing on our proprietary rights. Although Cedars-Sinai as our licensor has filed applications relative to a number of aspects of our cancer vaccine technology, we are responsible going forward to prosecute these patent applications. The patent situation in the fields of cancer vaccine technology and stem cell technologies is highly uncertain and involves complex legal and scientific questions.

Even if we have or are subsequently able to obtain patent protection for our vaccine product candidates or any of our other or future product candidates that we may develop, there is no guarantee that the coverage of these patents will be sufficiently broad to protect us from competitors with the same or similar technologies, or that we will be able to enforce our patents against potential infringement by third parties. Patent litigation is expensive, and we may not be able to afford the costs. We may not become aware on a timely basis that products we are developing or marketing infringe the rights of others, nor may we be able to detect unauthorized use or take appropriate and timely steps to enforce our own intellectual property rights. We may not hold or be able to obtain all of the proprietary rights to certain patents, process patents, and use patents that may be owned or controlled by third parties. As a result, we may be required to obtain additional licenses under third party patents to market certain of our potential products. If licenses are not available to us on acceptable terms or at all, we may not be able to market these products or we may be required to delay marketing until the expiration of such patents. Protecting our intellectual property rights may also consume significant management time and resources.

Nondisclosure agreements with employees and third parties may not adequately prevent disclosure of trade secrets and other proprietary information.

In order to protect our proprietary technology and processes, we will also rely in part on nondisclosure agreements with our employees, licensing partners, consultants, agents and other organizations to which we disclose our proprietary information. These agreements may not effectively prevent disclosure of confidential information, may be limited as to their term, and may not provide an adequate remedy in the event of unauthorized disclosure of confidential information. In addition, others may independently discover trade secrets and proprietary information, and in such cases, we could not assert any trade secret rights against such party. Costly and time-consuming litigation could be necessary to enforce and determine the scope of our proprietary rights, and failure to obtain or maintain trade secret protection could adversely affect our competitive business position. Since we will rely on trade secrets and nondisclosure agreements, in addition to patents, to protect some of our

intellectual property, there is a risk that third parties may obtain and improperly utilize our proprietary information to our competitive disadvantage. We may not be able to detect unauthorized use or take appropriate and timely steps to enforce our intellectual property rights.

The manufacture, offer for sale, use or sale of our current product candidates or any future product candidates that we may develop may infringe on the patent rights of others, and we may be forced to take additional licenses, or litigate if an intellectual property dispute arises.

Should third parties patent specific cells, systems, receptors, antigens or other items that we are seeking to utilize in our development activities, we may be forced to license rights from these parties or abandon our development activities if we are unable to secure these rights on attractive terms or at all. In light of the large number of companies and institutions engaged in research and development in the cellular therapy field, we anticipate that many parties will be seeking patent rights for many cellular based technologies and that licensing and cross-licensing of these rights among various competitors may arise. Specifically, our dendritic cell-based vaccine product candidates utilize multiple antigens for which we may be required to obtain licenses from one or more other parties before we can commercialize them. We may not be able to obtain all of the licenses that we may need on attractive terms or at all, which could result in our having to reformulate or abandon this product candidate or delay its development or commercialization until the expiration of third party patent rights.

If we infringe or are alleged to have infringed another party's patent rights, we may be required to defend an infringement action or challenge the validity of the patents in court. Patent litigation is costly and time consuming. We may not have sufficient resources to bring these actions to a successful conclusion. In addition, if we do not obtain a license, do not successfully defend an infringement action or are unable to have infringed patents declared invalid, we may:

- incur substantial monetary damages;
- encounter significant delays in marketing our current product candidates or any future product candidates that we may develop; or
- be unable to conduct or participate in the manufacture, use, offer for sale or sale of product candidates or methods of treatment requiring licenses.

Parties making such claims may be able to obtain injunctive relief that could effectively block our ability to further develop or commercialize our current product candidates or any future product candidates that we may develop in the United States and abroad and could result in the award of substantial damages. Defense of any lawsuit or failure to obtain any such license could substantially harm us. Litigation, regardless of outcome, could result in substantial cost to and a diversion of efforts by us.

Risks Related to our Common Stock

Our stock price may be volatile, and your investment in our common stock could decline in value.

The market prices for our common stock and the securities of other development stage pharmaceutical or biotechnology companies have been highly volatile and may continue to be highly volatile in the future. Between July 1, 2017 and June 30, 2018, the stock price for our common stock has ranged from $0.17 to $2.79. The following factors, in addition to other risk factors described in this section, may have a significant impact on the market price of our common stock:

- the progress and success of clinical trials and preclinical activities (including studies and manufacture of materials) of our product candidates conducted by us or our collaborative partners or licensees;
- the receipt or failure to receive the additional funding necessary to conduct our business;
- selling by large stockholders;
- presentations of detailed clinical trial data at medical and scientific conferences and investor perception thereof;
- announcements of technological innovations or new commercial products by our competitors or us;
- developments concerning proprietary rights, including patents by our competitors or us;

- developments concerning our collaborations;
- publicity regarding actual or potential medical results relating to products under development by our competitors or us;
- regulatory developments in the United States and foreign countries;
- manufacturing or supply disruptions at our contract manufacturers, or failure by our contract manufacturers to obtain or maintain approval of the FDA or comparable regulatory authorities;
- litigation or arbitration;
- economic and other external factors or other disaster or crisis; and
- period-to-period fluctuations in financial results.

Furthermore, during the last few years, the stock markets have experienced extreme price and volume fluctuations and the market prices of some equity securities continue to be volatile. These fluctuations often have been unrelated or disproportionate to the operating performance of these companies. These broad market and industry fluctuations, as well as general economic, political and market conditions such as recessions, interest rate changes or international currency fluctuations, may cause the market price of shares of our common stock to decline.

Future equity issuances or a sale of a substantial number of shares of our common stock may cause the price of our common stock to decline.

Because we will continue to need additional capital to continue to expand our business and our research and development activities, among other things, we may conduct additional equity offerings. In addition, pursuant to our Sales Agreement we may offer and sell, from time to time, shares of our common stock having an offering price up to an aggregate total of $15.1 million. As of June 30, 2018, we had approximately $14.3 million available for offer and sale pursuant to our ATM facility. Sales under our ATM facility are registered on a registration statement on Form S-3. Under applicable rules and regulations, we may not sell more than the equivalent of one-third of our public float during any 12 consecutive months so long as our public float is less than $75 million, which would limit our ability to raise funds using our ATM facility. If we or our stockholders sell substantial amounts of our common stock (including shares issued upon the exercise of options and warrants) in the public market, the market price of our common stock could fall. A decline in the market price of our common stock could make it more difficult for us to sell equity or equity-related securities in the future at a time and price that we deem appropriate. Furthermore, if we obtain funds through a credit facility or through the issuance of debt or preferred securities, these securities would likely have rights senior to your rights as a common stockholder, which could impair the value of our common stock.

We may lose our current NYSE American listing of our common stock and may not be eligible to list our common stock on other exchanges. If we are unable to maintain compliance with NYSE American continued listing standards and policies, the NYSE American may commence proceedings to delist our common stock, and in some cases, determine to suspend trading in our common stock immediately without an opportunity to propose a plan that could enable us to regain compliance, which would likely cause the liquidity and market price of our common stock to decline.

Our common stock currently trades on the NYSE American under the symbol IMUC. If we fail to adhere to the NYSE American's strict listing criteria, our stock may be delisted. For example, on June 23, 2017, we were notified by the NYSE American that the Company was not in compliance with Section 1003(a)(iii) of the NYSE American Company Guide (requiring stockholders' equity of at least $6 million if that issuer has sustained losses from continuing operations and/or net losses in its five most recent fiscal years). We have had a loss from operations and net loss in each of our five most recent fiscal years. At March 31, 2017, our stockholders' equity was $478,725. Accordingly, we have become subject to the procedures and requirements of Section 1009 of the NYSE American Company Guide. We submitted a plan of compliance on July 24, 2017 and the NYSE American accepted our plan of compliance on September 8, 2017. If we do not regain compliance with the standards by December 23, 2018 or if we do not make progress consistent with our plan of compliance, the NYSE American staff may commence delisting proceedings. As of June 30, 2018, our stockholders' equity was $3,427,448.

If our common stock is delisted from the NYSE American, it could potentially impair the liquidity of our securities not only in the number of shares that could be bought and sold at a given price, which might be depressed by the relative illiquidity, but also through delays in the timing of transactions and the potential reduction in media coverage. As a result, an investor

might find it more difficult to dispose of our common stock. We believe that current and prospective investors would view an investment in our common stock more favorably if it continues to be listed on the NYSE American.

Potential conflicts of interest could arise for certain members of our management team in the performance of their services for us.

Dr. John Yu is a full-time employee of Cedars-Sinai, which owns shares of our common stock and where we previously conducted and plan to conduct future research and development work, including clinical trials of our vaccine product candidates. Potential conflicts of interest could arise as a result, including for Dr. Yu in performing services for us and for Cedars-Sinai, in establishing the terms under which Cedars-Sinai performs work for us, and in Cedars-Sinai conducting the research. Dr. Yu and other scientists associated with Dr. Yu at Cedars-Sinai may perform research in the field of brain tumors that is sponsored by other third parties. We have no present right to acquire any interest in the intellectual property generated by this research, including several clinical trials with dendritic cell-based vaccines that have been completed or are planned to be initiated. These studies may compete for patients to be enrolled in our current or future clinical trials.

Substantial sales of our common stock could cause our common stock price to fall.

As of June 30, 2018, we had 41,934,984 shares of common stock outstanding and another 4,803,773 shares of common stock issuable upon exercise of options or warrants and convertible preferred stock, most of which are eligible to be publicly resold under current registration statements or pursuant to Rule 144. The possibility that substantial amounts of our common stock may be sold in the public market may adversely affect prevailing market prices for our common stock and could impair our ability to raise capital through the sale of our equity securities.

Two research reports were published by one of the underwriters after the initial filing of our registration statement in connection with our August 2016 underwritten public offering. If either of these research reports were held to violate the Securities Act, investors in that offering may have the right to seek refunds or damages.

On June 7, 2016 and June 8, 2016, after the initial filing of the registration statement in connection with our recent underwritten public offering, two research reports were written and distributed by Maxim Group LLC, one of the underwriters in the offering. These research reports were not intended to constitute offering materials in connection with this offering; however, there may nevertheless be a risk that the reports could be deemed prospectuses not meeting the requirements of the Securities Act, and the distribution of the reports could be found to be a violation of Section 5 of the Securities Act.

If the distribution of these research reports were to be held by a court to be a violation by us of Section 5 of the Securities Act, purchasers in the offering that received the research reports, if any, and potentially all purchasers of common stock in the offering would, under the Securities Act, have the right for a period of one year from the date of purchase to seek recovery of the consideration paid in connection with their purchase, or, if they had already sold the common stock purchased in the offering, sue us for damages resulting from their purchase. The total amount of these damages could potentially equal the gross proceeds of the offering, plus interest and the purchasers' attorneys' fees, if these investors seek recovery or damages after an entire loss of their investment. We also could be subject to potential enforcement actions by the Securities and Exchange Commission, which could result in injunctive relief or the imposition of fines. Although we would vigorously contest any claims brought on the basis of these research reports, there can be no guarantee that we would be successful in refuting any and all such claims. If any such claims were to succeed, we might not have sufficient funds to pay the resulting damages or to finance a repurchase of our common stock, and our reputation and our business could be materially and adversely affected.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

On January 29, 2018, the Company's Board of Directors authorized the Company to enter into a form of Change of Control Bonus Letter Agreement (the "Letter Agreements") with each of Anthony Gringeri, who serves as the Company's President, Chief Executive Officer and a member of the Board of Directors, David Fractor, who serves as the Company's Chief Financial Officer, and Steven Swanson, who serves as the Company's Senior Vice President - Research. Pursuant to the Letter Agreements, upon the initial closing of a change of control, each of Mr. Gringeri, Mr. Fractor and Mr. Swanson will be eligible to earn a cash bonus in an amount equal to twelve (12) months of his then-current annual base salary, which shall be conditioned upon his continuous full-time service to the Company on such date and the delivery of a general release of claims in favor of the Company within thirty (30) days following such date.

Item 6. Exhibits

Exhibit No.	Description
10.1**	Form of Change of Control Bonus Letter Agreement
31.1	Certification of the Registrant's Principal Executive Officer under Exchange Act Rule 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of the Registrant's Principal Financial Officer under Exchange Act Rule 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of the Registrant's Principal Executive Officer under 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of the Registrant's Principal Financial Officer under 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB	XBRL Taxonomy Extension Labels Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
**	Indicates a management contract or compensatory plan or arrangement

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Dated: August 13, 2018

IMMUNOCELLULAR THERAPEUTICS, LTD.

By: /s/ Anthony Gringeri

Name: Anthony Gringeri, Ph.D.

Title: President and Chief Executive Officer
(Principal Executive Officer)

By: /s/ David Fractor

Name: David Fractor

Title: Chief Financial Officer
(Principal Financial and Accounting Officer)

Exhibit 10.1

January [__], 2018

Re: Change of Control Bonus Letter Agreement

Dear [Name]:

On behalf of Immunocellular Therapeutics, Inc. (the "***Company***"), I am pleased to inform you that the Board of Directors of the Company (the "***Board***") has authorized the Company to provide to you with a bonus payable on a Change of Control of the Company, as described in this letter agreement (this "***Letter Agreement***"). Certain capitalized terms used in this Letter Agreement will have the meanings ascribed to them as set forth on Exhibit A.

Change of Control Bonus. As an incentive for you to continue to contribute your efforts, talents and services to the Company, you will be eligible to earn a retention bonus in an amount equal to twelve (12) months of your then current annual base salary (the "***Change in Control Bonus***"). In order to earn the Change of Control Bonus you must (i) sign, date and return this Letter Agreement to the Company on or before [ ], 2018, and (ii) except as set forth below, remain actively and continuously employed by the Company on a full-time basis through the date of the Closing. The Change of Control Bonus is subject to the terms and conditions of this Letter Agreement.

Effect of Termination Prior to a Change of Control Transaction . If you are terminated by the Company without Cause (other than as a result of your death or disability) after the effective date of the definitive agreement for the Change of Control but prior to the Closing, then you will remain entitled to receive the Change of Control Bonus as provided in this Letter Agreement.

Release of Claims. Your right to receive the Change of Control Bonus is also conditioned on your delivering to the Company an effective, general release of claims (the "***Release***") in favor of the Company on or within 30 days following the Closing, in the form provided by the Company.

Payment Timing. The Change of Control Bonus earned as of the Closing will be paid in a single lump sum payment within five (5) business days following the later of the Closing and the effectiveness of the Release, subject to the terms of this paragraph. If the 30-day period in which you are required to deliver the Release to the Company crosses tax years, the Change of Control Bonus will be paid on the first business day of the later tax year after effectiveness of the Release in order to comply with Section 409A of the Code.

Form of Payment. The Change of Control Bonus will be paid in the form of cash.

Other Terms. The Change of Control Bonus does not convey any equity or ownership interest in the Company or any rights commonly associated with any such interest. The Change of Control Bonus will be an unsecured, unfunded obligation of the Company, and so any rights you have under this Letter Agreement will be those of a general unsecured creditor of the Company. Payment of the Change of Control Bonus under this Letter Agreement will be paid by the Company or the Company's successor or parent (subsequent to the Change of Control). The payment will be reduced by applicable taxes and withholdings.

Section 409A Matters. The Change of Control Bonus payment will be interpreted in such a manner that such payment either complies with Section 409A of the Code or is exempt from the requirements of Section 409A of the Code as a "short-term deferral." If any term of this letter agreement is ambiguous, but a reasonable interpretation of the term would cause the payment of the Change of Control Bonus to comply with or be exempt from the requirements of Section 409A, you and the Company intend the term to be interpreted as such.

Entire Agreement. This Letter Agreement represents the entire agreement between you and the Company with respect to the Change of Control Bonus and it supersedes any other promises, warranties or representations with regard to this subject matter. It does not supersede or replace any provisions of your Employment Agreement with the Company dated [ ]. Additionally, as set forth in your Employment Agreement, your employment relationship with the Company remains at-will, meaning that either you or the Company may terminate your employment at any time, with or without Cause or advance notice. This Letter Agreement will be governed by California law. This Letter Agreement may only be amended or terminated in a written agreement signed by you and a duly authorized officer of the Company. This Letter Agreement will bind the heirs, personal representatives, successors and assigns of you and the Company, and inure to the benefit of you, the Company, their heirs, successors and assigns.

Please sign below to confirm your understanding and acceptance of the terms of this Letter Agreement and return a signed copy to me. On behalf of the Company, I would like to thank you for your past service and your continued support of the Company.

Very truly yours,

IMMUNOCELLULAR THERAPEUTICS, INC.

By: _____
Gary Titus, Chairman
On Behalf of the Board of Directors

ACKNOWLEDGED AND AGREED:

_____
[Name]

EXHIBIT A

CERTAIN DEFINITIONS

"***Cause***" has the meaning set forth in your Employment Agreement.

"***Change of Control***" has the meaning set forth in your Employment Agreement.

"***Closing***" means the initial closing of a Change of Control as defined in the definitive agreement executed in connection with the Change of Control. In the case of a Change in Control Transaction with more than one closing, "Closing" means the first closing that satisfies the threshold of the definition for a Change of Control.

"***Closing Date***" means the date on which the Change of Control is consummated.

"***Code***" means the Internal Revenue Code of 1986, as amended.

Exhibit 31.1

Certification of the Principal Executive Officer Under Section 302 of the Sarbanes-Oxley Act

I, Anthony Gringeri, certify that:

1. I have reviewed this Form 10-Q of ImmunoCellular Therapeutics, Ltd.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 13, 2018

By: /s/ Anthony Gringeri

Name: Anthony Gringeri, Ph.D.

Title: President and Chief Executive Officer

Exhibit 31.2

Certification of the Principal Financial Officer Under Section 302 of the Sarbanes-Oxley Act

I, David Fractor, certify that:

1. I have reviewed this Form 10-Q of ImmunoCellular Therapeutics, Ltd.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 13, 2018

By: /s/ David Fractor

Name: David Fractor

Title: Chief Financial Officer

Exhibit 32.1

CERTIFICATION OF THE PRINCIPAL EXECUTIVE OFFICER

Pursuant to the requirement set forth in Rule 13a-14(b) of the Securities Exchange Act of 1934, as amended, (the "Exchange Act") and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. § 1350), the undersigned officer of ImmunoCellular Therapeutics, Ltd. (the "Company") hereby certifies that, to the best of his knowledge:

1. The Company's Quarterly Report on Form 10-Q for the period ended June 30, 2018 ("Periodic Report") fully complies with the requirements of Section 13(a) or Section 15(d) of the Exchange Act; and

2. The information contained in the Periodic Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 13, 2018

By: /s/ Anthony Gringeri

Name: Anthony Gringeri, Ph.D.

Title: President and Chief Executive Officer

Exhibit 32.2

CERTIFICATION OF THE PRINCIPAL FINANCIAL OFFICER

Pursuant to the requirement set forth in Rule 13a-14(b) of the Securities Exchange Act of 1934, as amended, (the "Exchange Act") and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. § 1350), the undersigned officer of ImmunoCellular Therapeutics, Ltd. (the "Company") hereby certifies that, to the best of his knowledge:

1. The Company's Quarterly Report on Form 10-Q for the period ended June 30, 2018 ("Periodic Report") fully complies with the requirements of Section 13(a) or Section 15(d) of the Exchange Act; and

2. The information contained in the Periodic Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 13, 2018

By: /s/ David Fractor

Name: David Fractor

Title: Chief Financial Officer