

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

FORM 10-Q/A
AMENDMENT NO. 2

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

For the quarterly period ended March 31, 1998

OR

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

For the transition period from _____ to _____

Commission file number 0-17999

ImmunoGen, Inc.

(Exact name of registrant as specified in its charter)

Massachusetts

04-2726691

(State or other jurisdiction of
incorporation or organization)

(I.R.S. Employer Identification No.)

333 Providence Highway
Norwood, MA 02062

(Address of principal executive offices, including zip code)

(781) 769-4242

(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year,
if changed since last report.)

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
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Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

At May 5, 1998 there were 25,359,750 shares of common stock, par value \$.01 per share, of the registrant outstanding.

The purpose of this Form 10-Q/A Amendment No. 2 is to amend the previously filed Form 10-Q of ImmunoGen, Inc. for the quarterly period ended March 31, 1998 by augmenting Item 6(a) of Part II thereto to include a revised Exhibit 10.1 which is herewith resubmitted and redacted pursuant to that certain Confidentiality Request of ImmunoGen, Inc. filed with the Securities and Exchange Commission on May 15, 1998 as amended by letter dated October 14, 1998. Such item is set forth in this Form 10-Q/A Amendment No. 2.

Item 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

Exhibit

- 10.1 First Amendment to Stock Purchase Agreement by and among the Registrant, Biotechnology Venture Partners, L.P., Biotechnology Value Fund, L.P., Biotechnology Value Fund, Ltd. and Investment 10, L.L.C. dated March 18, 1998 (a confidential treatment request has been filed with the Commission with respect to this document)
- 10.2 Form of Warrant Certificate issued by the Registrant to Biotechnology Venture Partners, L.P., Biotechnology Value Fund, L.P., Biotechnology Value Fund, Ltd. and Investment 10, L.L.C. (previously filed as Exhibit 10.2 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended December 31, 1997)
- 10.3 Warrant Certificate Dated January 5, 1998 issued to Capital Ventures International (previously filed as Exhibit 10.6 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended December 31, 1997)
- 10.4 Form of Warrant Certificate Dated March 26, 1998 issued to BioChem Pharma, Inc. (previously filed as Exhibit 10.8 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended December 31, 1997)
- 27 Financial Data Schedule

(b) Reports on Form 8-K

None

SIGNATURES

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

IMMUNOGEN, INC.

DATE: December 7, 1998

By: /s/ Mitchel Sayare

Mitchel Sayare
Chief Executive Officer
(principal executive officer)

DATE: December 7, 1998

By: /s/ Kathleen A. Carroll

Kathleen A. Carroll
Vice President,
Finance and Administration
(principal financial officer)

EXHIBIT INDEX

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FIRST AMENDMENT TO
STOCK PURCHASE AGREEMENT
BY AND AMONG
IMMUNOGEN, INC.,
BIOTECHNOLOGY VENTURE PARTNERS, L.P.,
BIOTECHNOLOGY VALUE FUND, L.P.,
BIOTECHNOLOGY VALUE FUND, LTD.
AND
INVESTMENT 10, L.L.C.

This FIRST AMENDMENT TO THE STOCK PURCHASE AGREEMENT (the "Agreement") made on the 10th day of December, 1997 by and among ImmunoGen, Inc., a Massachusetts corporation (the "Company"), Biotechnology Venture Partners, L.P. ("BVP"), a Delaware limited partnership, Biotechnology Value Fund, L.P. ("BVF 1"), a Delaware limited partnership, Biotechnology Value Fund, Ltd. ("BVF 2"), a Cayman Island corporation and Investment 10, L.L.C. ("I10"), an Illinois limited liability company (collectively BVP, BVF 1, BVF 2 and I10 are referred to as the "Investor") is made as of the 18th day of March, 1998 (this "Amendment").

WHEREAS, the Company desires to issue and sell to Investor and Investor desires to acquire shares (the "Preferred Shares") of the Company's Series E convertible preferred stock, par value \$.01 per share, convertible into shares of the Company's Common Stock, par value \$.01 per share ("Common Stock"), and having the designations, powers, preferences, and other terms set forth on EXHIBIT A to the Agreement;

WHEREAS, the Company desires to issue and sell to Investor and Investor desires to acquire common stock purchase warrants substantially in the form of EXHIBIT B to the Agreement (each, a "Warrant" and collectively, the "Warrants") to purchase shares of the Company's common stock, par value \$.01 per share (the "Warrant Shares"); and

WHEREAS, the Company and the Investor desire to amend the terms concerning the closings for the above-referenced transactions.

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. SECTION 1.4. Section 1.4 of the Agreement is hereby deleted in its entirety and shall be amended to read as follows:

PAYMENT. The Investor agrees to make payment of \$1,000,000, \$500,000 and \$1,500,000 for the 800, 400 and 1,200 Preferred Shares being delivered at the Initial Closing,

Second Closing and Final Closing (each as hereinafter defined), respectively, by certified check or wire transfer on the applicable Closing Date to an account specified by the Company.

2. SECTION 2.1. Section 2.1 of the Agreement is hereby deleted in its entirety and shall be amended to read as follows:

CLOSING. Subject to the satisfaction of the conditions set forth in Articles VI and VII hereof, (i) the initial closing for \$1,000,000 (the "Initial Closing") shall take place at a place and time (the "Initial Closing Date") mutually agreed by the Company and the Investor, but in any event no later than December 10, 1997; (ii) the second closing for \$500,000 (the "Second Closing") shall take place (the "Second Closing Date") within three (3) business days after the Company delivers to BVF, Inc. (the "BVF Representative") a signed binding agreement between the Company and Pharmacia & Upjohn AB ("P&U") in the form attached as EXHIBIT A (the "Letter Agreement"); and (iii) the final closing (the "Final Closing") for \$1,500,000 shall take place (the "Final Closing Date") within three (3) business days after the earliest to occur of the following events: (i) the Company delivers to the BVF Representative the signed license agreement referenced in the Letter Agreement (the "License Agreement") on terms substantially similar to those set forth in the Letter Agreement; (ii) an amendment to the Letter Agreement is executed by the Company and P&U, which amendment provides for the deletion of the entire Section 9.3 of the Letter Agreement and no other material change to the terms of the Letter Agreement; or (iii) an amendment to the Letter Agreement is executed by the Company and P&U, which amendment clarifies that if the Company has commenced arbitration under Section 10.2 of the Letter Agreement prior to the date set forth in Section 1 of the Letter Agreement, then the Company shall be permitted to continue to pursue such arbitration even after the date set forth in said Section 1 and the date set forth in Section 1 of the Letter Agreement shall be extended until the conclusion of such arbitration. Unless stated otherwise, as hereinafter used the terms Initial Closing, Second Closing and Final Closing shall be referred to as the "Closing" and the Initial Closing Date, Second closing Date and Final Closing Date shall be referred to as the "Closing Date." At each Closing, (a) the Company shall deliver to the Investor one or more stock certificates registered in their names for an aggregate of 800, 400 and 1,200 Preferred Shares, respectively, against payment to the Company of the purchase price therefor pursuant to Section 1.4, and (b) the Company shall deliver to the Investor the applicable portion of the Warrant registered in their name to purchase the number of shares indicated therein.

3. SECTION 8.2. Section 8.2(b) of the Agreement is hereby deleted in its entirety and shall be amended to read as follows:

The Investor, jointly and severally, agrees to indemnify the Company and its shareholders, officers, directors, employees, agents and representatives against any damages, claims, losses, liabilities and expenses (including reasonable counsel fees and other expenses) which may be suffered or incurred by it as a result of any breach of any representation, warranty, or covenant made by the Investor in this Agreement; provided, however, that in no event shall the Investor's liability under this Section 8.2(b) for failure to make the payments required by Section 1.4 exceed the difference between (i) \$3 million and (ii) the aggregate amount of payments made by the Investor pursuant to Section 1.4; and

4. SECTION 9.2. Section 9.2 of the Agreement is hereby deleted in its entirety and shall be amended to read as follows:

ENTIRE AGREEMENT. This Agreement, including amendments hereto, exhibits, or other documents referred to herein, embodies the entire agreement and understanding between the parties hereto with respect to the subject matter hereof and supersedes all prior oral or written agreements and understandings relating to the subject matter hereof. No statement, representation, warranty, covenant or agreement of any kind not expressly set forth in this Agreement shall affect, or be used to interpret, change or restrict, the express terms and provisions of this Agreement.

5. SECTION 9.14. Section 9.14 of the Agreement is hereby deleted in its entirety and shall be amended to read as follows:

FURTHER ASSURANCES. In case at any time after any Closing any further action is necessary or desirable to carry out the purposes of this Agreement, the Company and the Investor will take such further action as the other party may reasonably request, all at the sole cost and expense of the requesting party (unless the requesting party is entitled to indemnification therefor under Article VIII).

6. SCHEDULE 3.4. Schedule 3.4 of the Agreement is hereby deleted in its entirety and shall be amended to read as follows:

GOVERNMENTAL CONSENTS, ETC. ImmunoGen will file a Form D with the Securities and Exchange Commission pursuant to the Securities Act of 1933, as amended, following the Initial Closing.

7. EFFECT OF AMENDMENT. The Agreement, as amended hereby, is ratified and confirmed, and the undersigned agree and acknowledge that the Agreement as so amended remains in full force and effect.

8. GOVERNING LAW. This Amendment and the rights and obligations of the parties hereunder shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts, without giving effect to the conflict of law principles thereof.

9. COUNTERPARTS. This Amendment may be executed in one or more counterparts, and by different parties hereto on separate counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

[THIS SPACE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the undersigned hereto have executed this Amendment as of the date first above written.

IMMUNOGEN, INC.

By: /s/ Mitchel Sayare

Name: Mitchel Sayare

Title: Chief Executive Officer

BIOTECHNOLOGY VENTURE PARTNERS, L.P.

By: BVF Partners L.P., its general partner

By: BVF, Inc. its general partner

By: /s/ Mark N. Lampert

Mark N. Lampert, President

BIOTECHNOLOGY VALUE FUND, L.P.

By: BVF Partners L.P., its general partner

By: BVF, Inc. its general partner

By: /s/ Mark N. Lampert

Mark N. Lampert, President

BIOTECHNOLOGY VALUE FUND, LTD.

By: /s/ Mark N. Lampert

Mark N. Lampert, Director

INVESTMENT 10 L.L.C.

By: Grosvenor Multi-Strategy Fund, L.P.,
its Member

By: Grosvenor Capital Management, L.P.,
its general partner

By: Grosvenor Capital Management, Inc.,
its general partner

/s/ Paul Meister

Paul Meister, Vice President

LETTER-AGREEMENT

by and between

PHARMACIA & UPJOHN AB, a company organized and existing under the laws of Sweden, and having its address at Lindhagensgatan 133, SE-11287 Stockholm, Sweden (as hereinafter referred to as "P&U") and IMMUNOGEN INC., a company organized and existing under the laws of the Commonwealth of Massachusetts, having its address at 333 Providence Highway, Norwood, MA 02062, USA (as hereinafter referred to as "ImmunoGen"). This Letter-Agreement represents a binding agreement between P&U and ImmunoGen but will be subject to the final execution of a license agreement on C242 (as defined below).

1. LICENSE AGREEMENT

The parties shall make every reasonable effort to execute a definitive and final license agreement (the "License Agreement") by July 31, 1998, or at such later date as mutually agreed by the parties, incorporating the following terms and conditions, as well as such other provisions as the parties may mutually agree. Irrespective of the outcome of the negotiations and the reasons for terminating them, each party shall bear its own expenses, including without limitation legal, accounting, scientific and all other similarly related costs, whether or not the License Agreement is actually consummated.

2. PREMISES - The premises are - and will be - an integral part of the License Agreement.

- a) the parties have in total entered into two Research Agreements (1992 and 1993) and one Ancillary Supply Agreement;
- b) P&U is the owner of proprietary rights to technical information, trade secrets and know-how related to the monoclonal antibody C242 (hereinafter called "C242") including US Patent 5,552,293 and the other patents and patent applications listed on Attachment A (hereinafter called "the P&U Patents");
- c) ImmunoGen has been granted through a third party, the right to a maytansinoid drug (hereinafter called "May") and is in possession of proprietary technology to link such a drug to monoclonal antibodies, and technical information, trade-secrets and know-how relating thereto;
- d) P&U is the owner of the patents and patent applications, jointly with the Company Zeneca Limited, which concern conjugates between any monoclonal antibody directed towards the C242 epitope and any toxin, listed on Attachment B (hereinafter called the "P&U/Zeneca Patents");

e) ImmunoGen wishes to develop and market a conjugate between C242 and May (hereinafter referred to as "C242-May") and P&U is willing to grant a license under the terms and conditions hereinafter described on C242 for this purpose.

3. GRANT OF RIGHTS

- 3.1. P&U hereby grants to ImmunoGen, who accepts, a license to manufacture, use, sell and import C242 for the development and manufacturing of C242-May for the treatment of human diseases. The license is a worldwide exclusive license under P&U Patents and a worldwide non-exclusive license under P&U/Zeneca Patents, subject to Zeneca's consent.
- 3.2. Any sublicense agreement will be subject to P&U and/or Zeneca's approval in writing, such approval not to be unreasonably withheld by P&U and to be given within thirty (30) days, and will impose obligations, responsibilities and standards upon the sublicensee not less than those imposed by the License Agreement. A copy of the License Agreement shall be attached to any such sublicense. ImmunoGen shall be responsible towards P&U for the fulfilment of the sublicensees' obligations.
- 3.3. P&U does not warrant that the development, manufacture, use and sale of C242-May produced by using C242 shall not infringe any patent owned by third parties.

4. REMUNERATION

4.1. INITIAL PAYMENTS

ImmunoGen shall pay P&U the following amounts:

- US\$* within 90 days of execution of the License Agreement;
- US\$* upon first initiation of Phase III Clinical Trials for C242-May;
- US\$* upon first approval of a registration application based on C242-May.

* Confidential treatment requested as to certain portions, which portions are omitted and filed separately with the Commission.

4.2. ROYALTIES

In consideration of the license, ImmunoGen shall also pay P&U the following royalties for the longer of eight years from the date of first commercial sale or the life of P&U Patents and P&U/Zeneca Patents:

- a) a running royalty equal to * of the Net Sales Value of the C242-May sold by ImmunoGen;
- b) a royalty of * of any royalty received by ImmunoGen from its sublicensees.

4.3. In the event that, in any country where ImmunoGen has the right to use C242-May, a third party commences the sale of a conjugate drug binding to the same epitope with the same CDR as C242 (a "Competitive Conjugate Drug") and P&U;

- (a) has no patent rights which could be enforced to prevent any such sale or
- (b) for a period of twelve (12) months from the date of notice of such event from ImmunoGen, P&U has been unsuccessful in preventing any such sale or in entering into a license agreement with such third party,

ImmunoGen shall thereafter not be obliged to pay further royalties to P&U on Net Sales in such country for so long as any such sales of a Competitive Conjugate Drug continue.

4.4. The royalties shall be calculated for each calendar quarter. All royalties payable by ImmunoGen under the License Agreement shall be paid in US dollars within sixty (60) days of expiration of each preceding calendar quarter.

5. INFORMATION

ImmunoGen will update P&U regularly on any news relating to material developments and/or improvements made with respect to C242. Should P&U come across any information on the safety of C242 which is relevant under this Agreement, P&U shall promptly inform ImmunoGen.

* Confidential treatment requested as to certain portions, which portions are omitted and filed separately with the Commission.

6. SECRECY

- 6.1. Each party who receives information designated confidential in writing (the "Receiving Party") will undertake to keep any and all information supplied by the other party ("the Disclosing Party") as "Confidential Information" and shall not use or disclose to any third party, other than its employees, the Confidential Information without the prior written consent of the Disclosing Party. Each party shall limit the access to the Confidential Information to its employees who have a need to know such Confidential Information. Each party will ensure that the employees to whom the Confidential Information is disclosed covenant to keep the Confidential Information strictly confidential and that such covenants on the part of employees are strictly observed.
- 6.2. Notwithstanding the above, it will not be considered "Confidential Information" the information which:
- (a) was already in the possession of Receiving Party prior to its receipt from the Disclosing Party;
 - (b) is, or becomes, part of the public knowledge through no fault, act or omission of the Receiving Party, provided that Confidential Information shall not be deemed to have entered the public domain by reason of its having been filed with any regulatory authority;
 - (c) is required to be disclosed pursuant to law, provided, however, the Receiving Party shall give reasonable notice to the Disclosing Party of such requirement;
 - (d) is, or become available to the Receiving Party from a third party which has no obligation of confidentiality to the Disclosing Party.

7. ASSIGNMENT

- 7.1. ImmunoGen may not wholly or partly assign or pledge its rights or obligations under the License Agreement to any third party without the prior written consent of P&U, which consent will not be unreasonably withheld.

7.2. Notwithstanding the foregoing, P&U shall have the right to assign or transfer the License Agreement, in whole or in part, to any successor or affiliated organization or company.

8. INFRINGEMENT BY THIRD PARTIES

8.1. P&U and ImmunoGen shall give each other notice of any acts of infringement by third parties involving intellectual property rights relating to P&U Patents and P&U/Zeneca Patents anywhere of which P&U or ImmunoGen has knowledge and they shall consult together to determine the course of action, if any, to be taken in such circumstances. If, after such consultation, it is decided that it's up to P&U to proceed, ImmunoGen shall assist P&U in proceeding against an infringer provided however that a party taking such action shall remunerate the other party for its costs.

8.2. If the parties are unable to agree on any joint course of action to be taken then P&U may in its own discretion decide whether or not to take action against the infringer. If P&U decides not to take action against the infringer then P&U may authorize ImmunoGen to take such action at its own expense and to keep any damages which might be awarded; such authorization not to be unreasonably withheld. Upon specific request of ImmunoGen, P&U will reasonably assist ImmunoGen in such a proceedings at ImmunoGen's expenses.

9. TERMINATION AND DUTIES UPON TERMINATION

9.1. Either party may by written notice to the other party, terminate this Letter-Agreement with immediate effect in the event of bankruptcy, receivership or insolvency of the other party, or the successor or assignee of that party.

9.2. In the event that the control of ImmunoGen passes to any third party entity which is considered by P&U as a major competitor in the oncology field, P&U may, by written notice to ImmunoGen, terminate this Letter-Agreement with immediate effect. The term "control" shall mean the ownership of more than fifty (50) percent of the voting stock of ImmunoGen.

9.3. If the parties do not conclude a License Agreement before the date stated in Article 1 above, this Letter-Agreement shall become automatically null and void and ImmunoGen hereby waives any present or future rights against P&U under this Letter-Agreement and/or the termination thereof.

10. GOVERNINING LAW AND ARBITRATION

10.1. This Letter-Agreement shall be construed in accordance with and be governed by the substantial laws of Sweden.

10.2. Where there is a failure to reach an agreement by negotiation on any matter in dispute arising from or related to this Letter-Agreement then the dispute shall be finally settled according to the Rules of Conciliation and Arbitration of the International Chamber of Commerce by three (3) arbitrators appointed in accordance with such Rules. The arbitration will be held in Stockholm (Sweden). The award rendered shall be final and binding upon the parties.

11. ENTIRE AGREEMENT

This Letter-Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof and supersedes all previous term sheets understandings and representations whether oral or written. This Letter-Agreement may not be modified or amended, in whole or in part, except by a written agreement signed by both parties.

The parties acknowledge their acceptance of every and all the terms and condition set forth hereinabove, by signing this Letter-Agreement below.

PHARMACIA & UPJOHN AP

IMMUNOGEN INC.

by: /s/ Fredrik Berg / H. Sievertsson

BY: /s/ Mitchel Sayare

Name: Fredrik Berg / H. Sievertsson
Title: VP Legal Affairs
Date: June 23, 1998

Name: Mitchel Sayare
Title: CEO
Date: March 5, 1998

ATTACHMENT A

The P&U Patents

COUNTRY	APPLICATION No.	APPLICATION DATE	PUBLICATION No.	PATENT No.	EXPIRY DATE	STATUS
AU	19425/92	1992-07-03		658198	2012	A
BY	964	1992-07-03				A
CA	2073124-9	1992-07-03				A
EE	P9400328	1994-11-16		03031	2014	A
EP	92850166.7	1992-07-03	0521842			A
FI	935970	1993-12-31				A
HU	P9400011	1994-01-03				A
HU	P/P00289	1995-06-20		211512	2012	A
IE	922188	1992-07-03				A
IL	102390	1992-07-02		P/102390	2012	A
JP	175848/92	1992-07-03	276987/1993			A
KR	93-704117	1992-07-02				A
KZ	933270.1	1992-07-03	W093/01303			A
NO	P934777	1993-12-22				A
NZ	243435	1992-07-03		243435	2012	A
RU	93058456	1992-07-03				I
UA	93004422	1992-07-03				A
US	906350	1992-07-02				I
US	438123	1995-05-08		5552293	2013	A

A = active
I = inactive

ATTACHMENT B

COUNTRY	APPLICATION NUMBER	APPLICATION DATE	PUBLICATION NUMBER	STATUS
Australia	19430/92	1992-07-03		Active - Granted
Canada	2073113-3	1992-07-03		Active
Europe	92306149.3	1992-07-03	0528527	Active
Finland	923085	1992-07-03		Active
Ireland	922190	1992-07-03		Active
Israel	102399	1992-07-03		Active
Japan	177212/92	1992-07-03		Active
South Korea	11913/92	1992-07-03		Active
Mexico	923891	1992-07-02		Active
Norway	922383	1992-06-17		Active
New Zealand	243437	1992-07-03		Active - Granted
Taiwan	81107395	1992-09-19		Active
U.S.A.	908269	1992-07-02		Active
U.S.A.	406801	1995-03-20		Active
South Africa	92/4973	1992-07-03		Active - Granted