



**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 20-F

(Mark One)

REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

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

For the fiscal year ended June 30, 2021

OR

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

For the transition period from _____ to _____

OR

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

Date of event requiring this shell company report _____

Commission file number 001-35428

Immutep Limited

(Exact name of Registrant as specified in its charter and translation of Registrant's name into English)

Australia

(Jurisdiction of incorporation or organization)

Level 12, 95 Pitt Street, Sydney 2000, New South Wales, Australia
(Address of principal executive offices)

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(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

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| Title of each class | Trading Symbol(s) | Name of each exchange on which registered |
|---|-------------------|---|
| Ordinary Shares American Depositary Shares, each representing 10 Ordinary Shares | IMMP | Nasdaq Global Market |

Securities registered or to be registered pursuant to Section 12(g) of the Act. **None**

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act. **None**

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report.

The number of ordinary shares outstanding as of June 30, 2021 was 748,152,935.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. Yes No

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 every Interactive Data File required to be submitted 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 such files). Yes No

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

| | | | |
|-------------------------|-------------------------------------|-------------------------|-------------------------------------|
| Large accelerated filer | <input type="checkbox"/> | Accelerated filer | <input type="checkbox"/> |
| Non-accelerated filer | <input checked="" type="checkbox"/> | Emerging growth company | <input checked="" type="checkbox"/> |

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, 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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

| | | | | | |
|-----------|--------------------------|---|-------------------------------------|-------|--------------------------|
| U.S. GAAP | <input type="checkbox"/> | International Financial Reporting Standards as issued by the International Accounting Standards Board | <input checked="" type="checkbox"/> | Other | <input type="checkbox"/> |
|-----------|--------------------------|---|-------------------------------------|-------|--------------------------|

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow. Item 17 Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No



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For Preliminary



INTRODUCTION

Immutep Limited was incorporated under the laws of the Commonwealth of Australia on May 21, 1987. The principal listing of our ordinary shares is the Australian Securities Exchange, or ASX. We filed a registration statement on Form 20-F with respect to our ordinary shares with the U.S. Securities and Exchange Commission, or SEC, which was declared effective on April 12, 2012. Our American Depositary Shares, or ADSs, each of which represents 10 of our ordinary shares, are listed on the NASDAQ Global Market, or NASDAQ, under the symbol “IMMP”. The Bank of New York Mellon acts as our depository and registers and delivers our ADSs. As used in this Annual Report on Form 20-F, the terms “we,” “us,” “our,” “Immutep” and the “Company” mean Immutep Limited and its subsidiaries, unless otherwise indicated.

FINANCIAL AND OTHER INFORMATION

Our consolidated financial statements appearing in this Annual Report on Form 20-F are prepared in Australian dollars and in accordance with the International Financial Reporting Standards, or IFRS, as issued by the International Accounting Standards Board, or IASB. Our consolidated financial statements appearing in this Annual Report on Form 20-F comply with both the IFRS and Australian Accounting Standards. In this Annual Report, all references to “U.S. dollars” or “US\$” are to the currency of the United States, all references to “euro”, “€” or “EUR” are to the currency of certain states of the European Union, all references to “£” or “GBP” are to the currency of the United Kingdom and all references to “Australian dollars” or “\$” or “A\$” are to the currency of Australia. In this Annual Report, “fiscal year” refers to the period between July 1 and June 30 of the following year.

Statements made in this Annual Report on Form 20-F concerning the contents of any contract, agreement or other document are summaries of such contracts, agreements or documents and are not complete descriptions of all of their terms. If we filed any of these documents as an exhibit to this Annual Report or to any registration statement that we previously filed, you may read the document itself for a complete description of its terms.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

Except for the historical information contained in this Annual Report on Form 20-F, the statements contained in this Annual Report on Form 20-F are “forward-looking statements” which reflect our current view with respect to future events and financial results. We urge you to consider that statements which use the terms “anticipate,” “believe,” “do not believe,” “expect,” “plan,” “intend,” “estimate,” and similar expressions are intended to identify forward-looking statements and these forward-looking statements, include, without limitation, any statements relating to:

- our product development and business strategy, including the potential size of the markets for our products and future development and/or expansion of our products and therapies in our markets;
- our current and future research and development activities, including clinical testing and manufacturing and the costs and timing thereof;
- the impact that the COVID-19 pandemic could have on business operations;
- sufficiency of our cash resources;
- our ability to commercialize products and generate product revenues;
- our ability to achieve and collect milestone and royalty payments from our collaboration partners and other contract counterparties;
- our ability to raise additional funding when needed;
- any statements concerning anticipated regulatory activities or licensing or collaborative arrangements, including our ability to obtain regulatory clearances;
- our research and development and other expenses;
- our operations and intellectual property risks;
- our ability to remain compliant with ASX and NASDAQ’s continuing listing standards; and
- any statement of assumptions underlying any of the foregoing.



We remind investors that forward-looking statements are merely predictions and therefore inherently subject to uncertainties and other factors and involve known and unknown risks that could cause the actual results, performance, levels of activity, our achievements or industry results, to be materially different from any future results, performance, levels of activity, or our achievements expressed or implied by such forward-looking statements. Investors are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. Except as required by applicable law, including the securities laws of the United States, we undertake no obligation to publicly release any update or revision to any forward-looking statements to reflect new information, future events or circumstances, or otherwise after the date hereof. Please see the Risk Factors section that appears in “Item 3. Key Information – D. Risk Factors.”

PART I

ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

Not applicable.

ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not applicable.

ITEM 3. KEY INFORMATION

A. [reserved]

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B. Capitalization and Indebtedness

Not applicable.

C. Reasons for the Offer and Use of Proceeds

Not applicable.

D. Risk Factors

The following risks relate specifically to our business and should be considered carefully. Our business, financial condition and results of operations could be harmed by any of the following risks. As a result, the trading price of our ordinary shares and our American Depositary Shares, or ADSs, could decline and the holders could lose part or all of their investment.

Risks Related to Our Business

We have a history of operating losses and may not achieve or maintain profitability in the future.

We have experienced significant recurring operating losses and negative cash flows from operating activities since inception. For example, for the fiscal years ended June 30, 2021 and 2020, we had net losses of A\$29.9 million and A\$13.5 million, respectively.

We are a development stage biotech company developing pharmaceutical product candidates and the success of our product candidates is therefore uncertain. We focus on the development of immunotherapeutic products for the treatment of cancer and autoimmune diseases. We, and our partners, have four product candidates under development : eftilagimod alpha (also known as “IMP321” or “efti”), IMP761, IMP701 and IMP731, all of which are related to lymphocyte activation gene 3, or LAG-3, a gene linked to the regulation of T cells in immune responses.

We expect to continue to incur losses from operations for the foreseeable future and expect the costs of drug development to increase in the future as more patients are recruited to the clinical trials. In particular, we expect to continue to incur significant losses in carrying out clinical trials of IMP321 and ongoing research and preclinical development in terms of immunotherapy product candidates, such as IMP761. Because of the numerous risks and uncertainties associated with the development, manufacturing, sales and marketing of therapeutic products such as IMP321 and IMP761, we may experience larger than expected future losses and may never become profitable.

Moreover, there is a substantial risk that we, or our development partners, may not be able to complete the development of our current product candidates or develop other pharmaceutical products. It is possible that none of them will be successfully commercialized, which would prevent us from ever achieving profitability.

We have no medicinal products approved for commercial sale and no source of consistent material revenue.

Currently, we have no products approved for commercial sale and to date have not generated material revenue from product sales. We are largely dependent on the future success of our product candidates.

The LAG-3 related product candidates were acquired by us through the acquisition of the French privately owned and venture capital backed company Immutep SA, a biopharmaceutical company in the field of Immuno-Oncology in December 2014. This acquisition significantly expanded our clinical development product portfolio to other categories of immunotherapies. It also provided the business with partnerships with two of the world’s largest pharmaceutical companies.

We have four LAG-3 product candidates. The most advanced of the four is IMP321 (INN: eftilagimod alpha). IMP321 is a recombinant protein typically used in conjunction with other therapies (e.g. chemotherapy or other immunotherapy) to amplify a patient’s immune response. The development and manufacturing of IMP321 is being conducted in conjunction with our licensee EOC Pharma in China. We entered into two clinical trial collaboration and supply agreements with Merck & Co., Inc., Kenilworth, NJ, USA (known as MSD outside the United States and Canada), through a subsidiary, to evaluate the combination of our immune activator, IMP321 with MSD’s anti-PD-1 therapy pembrolizumab in phase II clinical trials. We also entered into a clinical trial collaboration and supply agreement with Merck KGaA, Darmstadt, Germany, and Pfizer for a Phase I clinical trial that evaluated the clinical benefits of combining our immune stimulator, IMP321, with avelumab, a PD-L1 blocking antibody. We also have agreements in place with CYTLIMIC to evaluate efti as part of CYTLIMIC’s peptide cancer vaccine, called CYT001. We entered into another clinical trial collaboration and supply agreement with Merck KGaA to evaluate IMP321 in combination with bintrafusp alpha in solid tumors.

Our second LAG-3 product candidate is IMP701 (INN: leramilimab), an antagonist antibody that acts to stimulate T cell proliferation in cancer patients. IMP701 was licensed to CoStim Pharmaceuticals, which was subsequently acquired by Novartis. Novartis is solely responsible for development and manufacturing of IMP701. Our third LAG-3 product candidate is IMP731, a depleting antibody that could remove T cells involved in autoimmunity. IMP731 has been licensed to GlaxoSmithKline, or GSK, which is solely responsible for its development and manufacturing. Our fourth LAG-3 product candidate is IMP761, an early-stage product candidate which is being developed as our first agonist antibody of LAG-3. In addition to these products Immutep has a dedicated R&D laboratory close to Paris with ongoing research capabilities as well as external research collaborations. Immutep also currently generates modest income from sales of LAG-3 research reagents.



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Our ability to generate potential future product revenue depends on a number of factors, including but not limited to our ability to:

- successfully complete clinical development of, and receive regulatory approval for, our product candidates;
- set an acceptable price for our products, if approved, and obtain adequate coverage and reimbursement from third-party payors;
- obtain commercial quantities of our products, if approved, at acceptable cost levels; and
- successfully market and sell our products, if approved.

There can be no assurance that our or our partners' ability to develop any product candidate, will be successful or our ability to obtain the necessary regulatory approvals with respect to any of the foregoing will be successful. As a result, the prolonged inability to generate revenue may adversely impact our business operations.

The increase in expenses may adversely impact our business if our sources of funding and revenue are insufficient.

We anticipate that as the costs related to the clinical trials for IMP321 will increase, we will require additional funds to achieve our long-term goals of commercialization and further development of IMP321 and other product candidates. In addition, we will require funds to pursue regulatory applications, defend intellectual property rights, increase contracted manufacturing capacity, potentially develop marketing and sales capability and fund operating expenses. We intend to seek such additional funding through public or private financings and/or through licensing of our assets or other arrangements with corporate partners. However, such financing, licensing opportunities or other arrangements may not be available from any sources on acceptable terms, or at all. Any shortfall in funding could result in us having to curtail or cease our operations including research and development activities, thereby harming our business, financial condition and results of operations.

In addition, because of the numerous risks and uncertainties associated with product candidate development, we are unable to predict the timing or amount of increased expenses, or when, or if, we will be able to achieve or maintain profitability. Our expenses could significantly increase beyond current expectations if the applicable regulatory authorities require further studies in addition to those currently anticipated. In any case, even if our product candidates are approved for commercial sale, we anticipate incurring significant costs associated with the commercial launch of such products and there can be no guarantee that we will ever generate significant revenues.

We will require additional financing and may be unable to raise sufficient capital, which could have a material impact on our research and development programs or commercialization of our products or product candidates.

We have historically devoted most of our financial resources to research and development, including pre-clinical and clinical development and manufacturing activities. To date, we have financed a significant amount of our operations through public and private financings. The amount of our future net losses will depend, in part, on the rate of our future expenditures and our ability to obtain funding through equity or debt financings or strategic collaborations. The amount of such future net losses, as well as the possibility of future profitability, will also depend on our success in developing and commercializing products that generate significant revenue. Our failure to become and remain profitable would depress the value of our ordinary shares or ADSs and could impair our ability to raise capital, expand our business, maintain our research and development efforts, diversify our product offerings or even continue our operations.

We anticipate that our expenses will increase substantially for the foreseeable future if, and as, we:

- continue our research and preclinical and clinical development of our product candidates;
- expand the scope of our current proposed clinical studies for our product candidates;
- initiate additional preclinical, clinical or other studies for our product candidates;
- change or add additional manufacturers or suppliers;
- seek regulatory and marketing approvals for our product candidates that successfully complete clinical studies;
- seek to identify and validate additional product candidates;
- acquire or in-license other product candidates and technologies;
- maintain, protect and expand our intellectual property portfolio;
- attract and retain skilled personnel;



- create additional infrastructure to support our operations as a publicly quoted company and our product development and planned future commercialization efforts;
- add an internal sales force; and
- experience any delays or encounter issues with any of the above.

Until our product candidates become commercially available, we will need to obtain additional funding in connection with the further development of our product candidates. Our ability to obtain additional financing will be subject to a number of factors, including market conditions, our operating performance and investor sentiment. As such, additional financing may not be available to us when needed, on acceptable terms, or at all. If we are unable to raise capital when needed or on attractive terms, we could be forced to delay, reduce or eliminate our research and development programs or any future commercialization efforts or obtain funds by entering agreements on unattractive terms. Our resource allocation decisions and the elimination of development programs may result in the failure to capitalize on profitable market opportunities. Furthermore, any additional equity fundraising in the capital markets may be dilutive for shareholders and any debt-based funding may bind us to restrictive covenants and curb our operating activities and ability to pay potential future dividends even when profitable. We cannot guarantee that future financing will be available in sufficient amounts or on acceptable terms, if at all. If we are unable to raise additional capital in sufficient amounts or on acceptable terms, we will be prevented from pursuing research and development efforts. This could harm our business, operating results and financial condition and cause the price of our common stock and ADSs to fall.

If we are unable to secure sufficient capital to fund our operations, we may be required to delay, limit, reduce or terminate our product development or future commercialization efforts or grant rights to third parties to develop and market products or product candidates that we would otherwise prefer to develop and market ourselves. For example, additional strategic collaborations could require us to share commercial rights to our product candidates with third parties in ways that we do not intend currently or on terms that may not be favorable to us. Moreover, we may also have to relinquish valuable rights to our technologies, future revenue streams, research programs or product candidates or grant licenses on terms that may not be favorable to us.

We may find it difficult to enroll patients in our current and any future clinical trials, and patients could discontinue their participation in our current and any future clinical trials, which could delay or prevent our current and any future clinical trials of our product candidates and make those trials more expensive to undertake.

Identifying and qualifying patients to participate in current and any future clinical trials of our product candidates is critical to our success. The timing of our clinical trials depends, among other things, on the speed at which we can recruit patients to participate in testing our product candidates. Patients may be unwilling to participate in any future clinical trials because of negative publicity from adverse events in the biotechnology industry. Patients may be unavailable for other reasons, including competitive clinical trials for similar patient populations, and the timeline for recruiting patients, conducting trials and obtaining regulatory approval of potential products may be delayed. If we have difficulty enrolling a sufficient number of patients to conduct any future clinical trials as planned, we may need to delay, limit or discontinue those clinical trials. Clinical trial delays could result in increased costs, slower product development, setbacks in testing the safety and effectiveness of our technology or discontinuation of the clinical trials altogether.

We may not be able to identify, recruit and enroll a sufficient number of patients, or those with required or desired characteristics to achieve diversity in a trial, to complete any future clinical trials in a timely manner. Patient enrollment is affected by factors including:

- finding and diagnosing patients;
- severity of the disease under investigation;
- design of the clinical trial protocol;
- size and nature of the patient population;
- eligibility criteria for the trial in question;
- perceived risks and benefits of the product candidate under study;
- proximity and availability of clinical trial sites for prospective patients;
- availability of competing therapies and clinical trials;
- clinicians' and patients' perceptions of the potential advantages of the product being studied in relation to other available therapies, including any new products that may be approved for the indications we are investigating;
- patient referral practices of physicians; and
- ability to monitor patients adequately during and after treatment.



If we are unable to successfully develop related diagnostics for our therapeutic product candidates, or experience significant delays in doing so, we may not achieve marketing approval or realize the full commercial potential of our therapeutic product candidates.

We may have to develop related diagnostics for some of our therapeutic product candidates. Such related diagnostics are subject to regulation by the FDA and typically to comparable foreign regulatory authorities and typically require separate regulatory approval or clearance prior to commercialization. Marketing approval or clearance of the diagnostic will require sufficient data to support its safety and efficacy. In addition, at least in some cases, the FDA and comparable foreign regulatory authorities may require the development and regulatory approval or clearance of a related diagnostic as a condition to approving our therapeutic product candidates. While we have some limited experience in developing diagnostics, we plan to rely in large part on third parties to perform these functions. We may seek to enter into arrangements with one or more third parties to create a related diagnostic for use with our current or future product candidates.

If we or any third parties that we engage to assist us, are unable to successfully develop or obtain marketing approval or clearance for related diagnostics for our therapeutic product candidates, or experience delays in doing so:

- the development of relevant product candidates may be delayed or impaired altogether if we are unable to appropriately select patients for enrollment in our clinical trials;
- our relevant therapeutic product candidate may not receive marketing approval if its effective use depends on a related diagnostic in the regulatory authority's judgment; and
- we may not realize the full commercial potential of any therapeutic product candidates that receive marketing approval if, among other reasons, we are unable to appropriately identify patients with the specific genetic alterations targeted by our therapeutic product candidates.

If any of these events were to occur, our business would be harmed.

We are exposed to significant risks related to our ongoing research and development efforts and might not be in a position to successfully develop any product candidate. Any failure to implement our business strategy could negatively impact our business, financial condition and results of operations.

The development and commercialization of IMP321, IMP701, IMP761 and IMP731, or any other product candidate we may develop, is subject to many risks, including:

- additional clinical or pre-clinical trials may be required beyond what we currently expect;
- regulatory authorities may disagree with our interpretation of data from our preclinical studies and clinical studies or may require that we conduct additional studies;
- regulatory authorities may disagree with our proposed design of future clinical trials;
- regulatory authorities may delay approval of our product candidates, thus preventing milestone payments from our collaboration partners;
- regulatory authorities may not accept data generated at our clinical study sites;
- we may be unable to obtain and maintain regulatory approval of our product candidate in any jurisdiction;
- the prevalence and severity of any side effects of any product candidate could delay or prevent commercialization, limit the indications for any approved product candidate, require the establishment of a risk evaluation and mitigation strategy, or REMS, or cause an approved product candidate to be taken off the market;
- regulatory authorities may identify deficiencies in our manufacturing processes or facilities or those of our third-party manufacturers;
- regulatory authorities may change their approval policies or adopt new regulations;
- the third-party manufacturers we expect to depend on to supply or manufacture our product candidates may not produce adequate supply;
- we, or our third-party manufacturers, may not be able to source or produce current Good Manufacturing Practice (cGMP) materials for the production of our product candidates;
- we may not be able to manufacture our product candidates at a cost or in quantities necessary to make commercially successful products;
- we may not be able to obtain adequate supply of our product candidates for our clinical trials;

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- we may experience delays in the commencement of, enrolment of patients in and timing of our clinical trials;
- we may not be able to demonstrate that our product candidates are safe and effective as a treatment for its indications to the satisfaction of regulatory authorities, and we may not be able to achieve and maintain compliance with all regulatory requirements applicable to our product candidates;
- we may not be able to maintain a continued acceptable safety profile of our products following approval;
- we may be unable to establish or maintain collaborations, licensing or other arrangements;
- the market may not accept our product candidates;
- we may be unable to establish and maintain an effective sales and marketing infrastructure, either through the creation of a commercial infrastructure or through strategic collaborations, and the effectiveness of our own or any future strategic collaborators' marketing, sales and distribution strategy and operations will affect our profitability;
- we may experience competition from existing products or new products that may emerge;
- we and our licensors may be unable to successfully obtain, maintain, defend and enforce intellectual property rights important to protect our product candidates; and
- we may not be able to obtain and maintain coverage and adequate reimbursement from third-party payors.

If any of these risks materializes, we could experience significant delays or an inability to successfully develop and commercialize IMP321 and IMP761, or any other product candidate we or our partners may develop, which would have a material adverse effect on our business, financial condition and results of operations.

Positive results from preclinical studies of our product candidates are not necessarily predictive of the results of our planned clinical trials of our product candidates.

Positive results in preclinical proof of concept and animal studies of our product candidates may not result in positive results in clinical trials in humans. Many companies in the pharmaceutical and biotechnology industries have suffered significant setbacks in clinical trials after achieving positive results in preclinical development or early-stage clinical trials, and we cannot be certain that we will not face similar setbacks. These setbacks can be caused by, among other things, preclinical findings made while clinical trials were underway or safety or efficacy observations made in clinical trials, including adverse events. Moreover, preclinical and clinical data are often susceptible to varying interpretations and analyses, and many companies that believed their product candidates performed satisfactorily in preclinical studies and clinical trials nonetheless failed to obtain FDA or other regulatory authority approval. If we fail to produce positive results in our clinical trials of our product candidates, the development timeline and regulatory approval and commercialization prospects for our product candidates, and, correspondingly, our business and financial prospects, would be negatively impacted.

We may not make acquisitions in the future, or if we do, we may not be successful in integrating the acquired company, either of which could have a materially adverse effect on our business.

Identifying strategic acquisitions is part of our business plan. There is, however, no assurance that we will be successful in identifying, negotiating, or consummating any future acquisitions. If we fail to make any future acquisitions, our growth rate could be materially and adversely affected. Any additional acquisitions we undertake could involve the dilutive issuance of equity securities, incurring indebtedness and/or incurring large one-time expenses. In addition, acquisitions involve numerous risks, including difficulties in assimilating the acquired company's operations, the diversion of our management's attention from other business concerns, risks of entering into markets in which we have had no or only limited direct experience, and the potential loss of customers, key employees and drivers of the acquired company, all of which could have a materially adverse effect on our business and operating results. If we make acquisitions in the future, we cannot guarantee that we will be able to successfully integrate the acquired companies or assets into our business, which would have a materially adverse effect on our business, financial condition, and results of operations.



Ongoing and future clinical trials of product candidates may not show sufficient safety or efficacy to obtain requisite regulatory approvals for commercial sale.

Phase I and Phase II clinical trials are not primarily designed to test the efficacy of a product candidate but rather to test safety and to understand the product candidate's side effects at various doses and schedules. Furthermore, success in preclinical and early clinical trials does not ensure that later large-scale trials will be successful nor does it predict final results. Acceptable results in early trials may not be repeated in later trials. Further, Phase III clinical trials may not show sufficient safety or efficacy to obtain regulatory approval for marketing. In addition, clinical results are frequently susceptible to varying interpretations that may delay, limit or prevent regulatory approvals. Negative or inconclusive results or adverse medical events during a clinical trial could require that the clinical trial be redone or terminated. The length of time necessary to complete clinical trials and to submit an application for marketing approval by applicable regulatory authorities may also vary significantly based on the type, complexity and novelty of the product candidate involved, as well as other factors. If we suffer any significant delays, quality issues, setbacks or negative results in, or termination of, our clinical trials, we may be unable to continue the development of our products or product candidates or generate revenue and our business may be severely harmed.

If we do not obtain the necessary regulatory approvals, we will be unable to commercialize our products.

The clinical development, manufacturing, sales and marketing of our products are subject to extensive regulation by regulatory authorities in the United States, the United Kingdom, the European Union, Australia and elsewhere. Despite the substantial time and expense invested in preparation and submission of a Biologic License Application or equivalents in other jurisdictions, regulatory approval is never guaranteed. The number, size and design of preclinical studies and clinical trials that will be required will vary depending on the product, the disease or condition for which the product is intended to be used and the regulations and guidance documents applicable to any particular product. The FDA or other regulators can delay, limit or deny approval of a product for many reasons, including, but not limited to, the fact that regulators may not approve our or a third-party manufacturer's processes or facilities or that new laws may be enacted or regulators may change their approval policies or adopt new regulations requiring new or different evidence of safety and efficacy for the intended use of a product.

IMP321 and our other product candidates are undergoing clinical trials; however, successful results in the trials and in the subsequent application for marketing approval are not guaranteed. Without additional clinical trials any other product candidate in the current portfolio cannot obtain a regulatory approval. If we are unable to obtain regulatory approvals, we will not be able to generate revenue from this product candidate or any other candidate. Even if we receive regulatory approval for IMP321 or any product candidate, our profitability will depend on our ability to generate revenues from their sale or the licensing of our technology.

Even if our product candidates receive regulatory approval, it may still face development and regulatory difficulties that may delay or impair future sales of product candidates.

Even if we or our licensing partners receive regulatory approval to sell IMP321 or any other product candidate, the relevant regulatory authorities may, nevertheless, impose significant restrictions on the indicated uses, manufacturing, labelling, packaging, adverse event reporting, storage, advertising, promotion and record keeping or impose ongoing requirements for post-approval studies. In addition, regulatory agencies subject a marketed product, its manufacturer and the manufacturer's facilities to continual review and periodic inspections. Previously unknown problems with the product candidate, including adverse events of unanticipated severity or frequency, may result in restrictions on the marketing of the product, and could include withdrawal of the product from the market. In addition, new statutory or regulatory requirements could be enacted that could prevent or delay regulatory approval of our products.

We have limited manufacturing experience with our product candidates.

We have no manufacturing capabilities and are dependent on third parties for cost effective manufacture and manufacturing process development of the company's product candidates. Problems with third party manufacturers or the manufacturing process, or the scaling up of manufacturing activities as such may delay clinical trials and commercialization of our product candidates. To minimize the chance of these kinds of disruption, we enter into advance purchase agreements for reagents wherever possible.

Biological product candidates like IMP731, IMP701, IMP761 or IMP321 usually have more complicated manufacturing procedures than chemically produced therapies. The change of manufacturing partners, manufacturing process changes or changes of other nature could impact the product quality and affect the comparability of different product batches. A lack of comparability could significantly impact the development timelines and could even lead to a situation where regulatory bodies require additional or new pre-clinical or clinical development.



To the extent we rely significantly on contractors, we will be exposed to risks related to the business and operational conditions of our contractors.

We are a small company, with few internal staff and limited facilities. We are and will be required to rely on a variety of contractors to manufacture and transport our products, to perform clinical testing and to prepare regulatory dossiers. Adverse events that affect one or more of our contractors could adversely affect us, such as:

- a contractor is unable to retain key staff that have been working on our product candidates;
- a contractor is unable to sustain operations due to financial or other business issues;
- a contractor loses their permits or licenses that may be required to manufacture our products or product candidates; or
- errors, negligence or misconduct that occur within a contractor may adversely affect our business.

We depend on, and will continue to depend on, collaboration and strategic alliances with third partners. To the extent we are able to enter into collaborative arrangements or strategic alliances, we will be exposed to risks related to those collaborations and alliances.

An important element of our strategy for developing, manufacturing and commercializing our product candidates is entering into partnerships and strategic alliances with other pharmaceutical companies or other industry participants. For example, we currently have collaborative arrangements with EOC Pharma for the development of IMP321 for China, Hong Kong, Macau and Taiwan. Any revenues from sales of any of our partnered product candidates will depend on the success of the collaboration partner.

Any partnerships or alliance we have or may have in the future may be terminated for reasons beyond our control or we may not be able to negotiate future alliances on acceptable terms, if at all. These arrangements may result in us receiving less revenue than if it sold its products directly, may place the development, sales and marketing of its products outside of its control, may require it to relinquish important rights or may otherwise be on unfavorable terms. Collaborative arrangements or strategic alliances will also subject us to a number of risks, including the risk that:

- we may not be able to control the amount and timing of resources that our strategic partner/collaborators may devote to the product candidates;
- strategic partner/collaborators may experience financial difficulties;
- the failure to successfully collaborate with third parties may delay, prevent or otherwise impair the development or commercialization of our product candidates or revenue expectations;
- products being developed by partners/collaborators may never reach commercial stage resulting in reduced or even no milestone or royalty payments;
- business combinations or significant changes in a collaborator's business strategy may also adversely affect a collaborator's willingness or ability to complete their obligations under any arrangement;
- a collaborator could independently move forward with a competing product developed either independently or in collaboration with others, including our competitors; and
- collaborative arrangements are often terminated or allowed to expire, which would delay the development and may increase the cost of developing product candidates.

Because we rely on third-party manufacturing and supply partners, our supply of research and development, preclinical and clinical development materials may become limited or interrupted or may not be of satisfactory quantity or quality.

We rely on third-party supply and manufacturing partners to manufacture and supply the materials for our research and development and preclinical and clinical study supplies. We do not own manufacturing facilities or supply sources for such materials.

There can be no assurance that our supply of research and development, preclinical and clinical development biologics and other materials will not be limited, interrupted or restricted in certain geographic regions, be of satisfactory quality or continue to be available at acceptable prices. Replacement of a third-party manufacturer could require significant effort, cost and expertise because there may be a limited number of qualified replacements.

The manufacturing process for a product candidate is subject to FDA and foreign regulatory authority review. Suppliers and manufacturers must meet applicable manufacturing requirements and undergo rigorous facility and process validation tests required by regulatory authorities in order to comply with regulatory standards, such as cGMP. In the event that any of our suppliers or manufacturers fails to comply with such requirements or to perform its obligations to us in relation to quality, timing or otherwise, or if our supply of components or other materials becomes limited or interrupted for other reasons, we may be forced to manufacture the materials ourselves or enter into an agreement with another third party, which would be costly and delay any future clinical trials.



In some cases, the technical skills or technology required to manufacture our product candidates may be unique or proprietary to the original manufacturer and we may have difficulty, or there may be contractual restrictions prohibiting us from, transferring such skills or technology to another third party. These factors increase our reliance on our manufacturers and may require us to obtain a license from a manufacturer in order to have another third-party manufacture our product candidates. If we are required to change manufacturers for any reason, we will be required to verify that the new manufacturer maintains facilities and procedures that comply with quality standards and with all applicable regulations and guidelines of the FDA and comparable foreign regulatory authorities. The delays and costs associated with the verification of a new manufacturer could increase our costs and delay the development of our product candidates.

We expect to continue to rely on third-party manufacturers for preclinical and clinical grade product candidates and if we receive regulatory approval for any product candidate. To the extent that we have existing, or enter into future, manufacturing arrangements with third parties, we will depend on these third parties to perform their obligations in a timely manner consistent with contractual and regulatory requirements, including those related to quality control and assurance. If we are unable to obtain or maintain third-party manufacturing for product candidates, or to do so on commercially reasonable terms, we may not be able to develop and commercialize our product candidates successfully. Our or a third party's failure to execute on our manufacturing requirements could adversely affect our business in a number of ways, including:

- an inability to conduct necessary preclinical studies to progress our product candidates to clinical trials;
- an inability to initiate or continue any future clinical trials of product candidates under development;
- delay in submitting regulatory applications, or receiving regulatory approvals, for product candidates;
- loss of the cooperation of a collaborator;
- subjecting our product candidates to additional inspections by regulatory authorities;
- requirements to cease distribution or to recall batches of our product candidates; and
- in the event of approval to market and commercialize a product candidate, an inability to meet commercial demands for our products.

We and our collaborators may disagree over our right to receive payments under our collaboration agreements, potentially resulting in costly litigation and loss of reputation.

Our ability to receive payments under our collaboration agreements depends on our ability to clearly delineate our rights under those agreements. We have out-licensed portions of our intellectual property to our collaborators with the intent that our collaborators will develop product candidates. However, a collaborator may use our intellectual property without our permission, dispute our ownership of intellectual property rights, or argue that our intellectual property does not cover, or add value to, any product candidates they develop. If a dispute arises, it may result in costly patent office procedures and litigation, and our collaborator may refuse to pay us while the dispute is ongoing. Furthermore, regardless of any resort to legal action, a dispute with a collaborator over intellectual property rights may damage our relationship with that collaborator and may also harm our reputation in the industry. Even if we are entitled to payments from our collaborators, we may not actually receive these payments, or we may experience difficulties in collecting the payments to which we believe we are entitled. After our collaborators launch commercial products containing our licensed traits, we will need to rely on the good faith of our collaborators to report to us the sales they earn from these products and to accurately calculate the payments we are entitled to, a process that will involve complicated and difficult calculations. Although we seek to address these concerns in our collaboration agreements by reserving our right to audit financial records, such provisions may not be effective.

Our research and development efforts will be jeopardized if we are unable to retain key personnel and cultivate key academic and scientific collaborations.

Changes in our senior management may be disruptive to our business and may adversely affect our operations. For example, when we have changes in senior management positions, we may elect to adopt different business strategies or plans. Any new strategies or plans, if adopted, may not be successful and if any new strategies or plans do not produce the desired results, our business may suffer.

Moreover, competition among biotechnology and pharmaceutical companies for qualified employees is intense and as such we may not be able to attract and retain personnel critical to our success. Our success depends on our continued ability to attract, retain and motivate highly qualified management, clinical and scientific personnel, manufacturing personnel, sales and marketing personnel and on our ability to develop and maintain important relationships with clinicians, scientists and leading academic and health institutions. If we fail to identify, attract, retain and motivate these highly skilled personnel, we may be unable to continue our product development and commercialization activities.



In addition, biotechnology and pharmaceutical industries are subject to rapid and significant technological change. Our product candidates may be or become uncompetitive. To remain competitive, we must employ and retain suitably qualified staff that are continuously educated to keep pace with changing technology, but may not be in a position to do so.

Future potential sales of our products may suffer if they are not accepted in the marketplace by physicians, patients and the medical community.

There is a risk that IMP321 or any other product candidate may not gain market acceptance among physicians, patients and the medical community, even if they are approved by the regulatory authorities. The degree of market acceptance of any of our approved products will depend on a variety of factors, including:

- timing of market introduction, number and clinical profile of competitive products;
- our ability to provide acceptable evidence of safety and efficacy and our ability to secure the support of key clinicians and physicians for our products;
- cost-effectiveness compared to existing and new treatments;
- availability of coverage, reimbursement and adequate payment from health maintenance organizations and other third-party payers;
- prevalence and severity of adverse side effects; and
- other advantages over other treatment methods.

Physicians, patients, payers or the medical community may be unwilling to accept, use or recommend our product candidates which would adversely affect our potential revenues and future profitability.

We face competition from entities that have developed or may develop product candidates for our target disease indications, including companies developing novel treatments and technology platforms based on modalities and technology similar to ours.

The development and commercialization of pharmaceutical products is highly competitive. We compete with a variety of multinational pharmaceutical companies and specialized biotechnology companies, as well as technology being developed at universities and other research institutions. Our competitors have developed, are developing or could develop product candidates and processes competitive with our product candidates. Competitive therapeutic treatments include those that have already been approved and accepted by the medical community, patients and third-party payers, and any new treatments that enter the market.

There may be a significant number of products that are currently under development, and may become commercially available in the future, for the treatment of conditions for which we are developing, and may in the future try to develop, product candidates.

Many of our competitors have significantly greater financial, technical, manufacturing, marketing, sales and supply resources and experience than we have. If we successfully obtain approval for any product candidate, we will face competition based on many different factors, including the safety and effectiveness of our products, the ease with which our products can be administered and the extent to which patients accept relatively new routes of administration, the timing and scope of regulatory approvals for these products, the availability and cost of manufacturing, marketing and sales capabilities, price, reimbursement coverage and patent position.

Competing products could present superior treatment alternatives, including by being more effective, safer, less expensive or marketed and sold more effectively than any products we may develop. Competitive products may make any products we develop obsolete or non-competitive before we recover the expense of developing and commercializing our product candidates. Such competitors could also recruit our employees, which could negatively impact our level of expertise and our ability to execute our business plan.

If healthcare insurers and other organizations do not pay for our products or impose limits on reimbursement, our future business may suffer.

Our product candidates may be rejected by the market due to many factors, including cost. The continuing efforts of governments, insurance companies and other payers of healthcare costs to contain or reduce healthcare costs may affect our future revenues and profitability. In Australia and certain foreign markets, the pricing of pharmaceutical products is already subject to government control. We expect initiatives for similar government control to continue in the United States and elsewhere. The adoption of any such legislative or regulatory proposals could harm our business and prospects.



Successful commercialization of our product candidates will depend in part on the extent to which reimbursement for the cost of our products and related treatment will be available from government health administration authorities, private health insurers and other organizations. Our product candidates may not be considered cost-effective and reimbursement may not be available to consumers or may not be sufficient to allow our products to be marketed on a competitive basis. Third-party payers are increasingly challenging the price of medical products and treatment. If third party coverage is not available for our products the market acceptance of these products will be reduced. Cost-control initiatives could decrease the price we might establish for products, which could result in product revenues lower than anticipated. If the price for our product candidates decreases or if governmental and other third-party payers do not provide adequate coverage and reimbursement levels our potential revenue and prospects for profitability will suffer.

We may be exposed to product liability claims which could harm our business.

The testing, marketing and sale of therapeutic products entails an inherent risk of product liability. We rely on a number of third party researchers and contractors to produce, collect, and analyze data regarding the safety and efficacy of our product candidates. We also have quality control and quality assurance in place to mitigate these risks, as well as professional liability and clinical trial insurance to cover financial damages in the event that human testing is done incorrectly or the data is analyzed incorrectly.

Notwithstanding our control procedures, we may face product liability exposure related to the testing of our product candidates in human clinical trials. If any of our products are approved for sale, we may face exposure to claims by an even greater number of persons than were involved in the clinical trials once marketing, distribution and sales of our products begin. Regardless of merit or eventual outcome, liability claims may result in:

- decreased demand for our product candidates;
- injury to our reputation;
- withdrawal of clinical trial participants;
- costs of related litigation;
- substantial monetary awards to patients and others;
- loss of revenues; and
- the inability to commercialize products and product candidates.

With respect to product liability claims, we could face additional liability beyond insurance limits if testing mistakes were to endanger any human subjects. In addition, if a claim is made against us in conjunction with these research testing activities, the market price of our ordinary shares or ADSs may be negatively affected.

We and our development partners, third-party manufacturers and suppliers use biological materials and may use hazardous materials, and any claims relating to improper handling, storage or disposal of these materials could be time consuming or costly.

We and our development partners, third-party manufacturers and suppliers may use hazardous materials, including chemicals and biological agents and compounds that could be dangerous to human health and safety or the environment. Our operations and the operations of our third-party manufacturers and suppliers may also produce hazardous waste products. National, state and local laws and regulations in the United States, Australia and other countries govern the use, generation, manufacture, storage, handling and disposal of these materials and wastes. Compliance with applicable environmental laws and regulations may be expensive, and current or future environmental laws and regulations may impair our product development and commercialization efforts. In addition, we cannot entirely eliminate the risk of accidental injury or contamination from these materials or wastes. We do not carry specific biological or hazardous waste insurance coverage, and our property, casualty and general liability insurance policies specifically exclude coverage for damages and fines arising from biological or hazardous waste exposure or contamination. Accordingly, in the event of contamination or injury, we could be held liable for damages or be penalized with fines in an amount exceeding our resources, and any future clinical trials, regulatory approvals or product commercialization progress could be suspended.

Our status as emerging growth company may reduce the amount of information available to investors

We are an “emerging growth company,” as defined in the Jumpstart Our Business Startups Act of 2012, or the JOBS Act. Accordingly, this allows us to postpone the date by which we must comply with some of the laws and regulations that are otherwise applicable to public companies and to reduce the amount of information we provide in our reports filed with the SEC, which could undermine investor confidence in our company and adversely affect the market price of our ordinary shares or ADSs.



We would cease to be an “emerging growth company” upon the earliest of: (i) the last day of our fiscal year following the fifth anniversary of the date of the first sale of our initial U.S. public offering, which closed on July 5, 2017; (ii) the last day of the first fiscal year in which we have total annual gross revenues of at least US\$1.1 billion; (iii) the date on which we are deemed to be a large accelerated filer, which means the market value of our ordinary shares (including ordinary shares represented by ADSs) that is held by non-affiliates exceeds US\$700 million as of the end of the second quarter of our last completed fiscal year; and (iv) the date on which we have issued more than US\$1 billion in non-convertible debt during a three-year period.

For so long as we remain an “emerging growth company,” we may take advantage of certain exemptions from various requirements that are applicable to public companies that are not “emerging growth companies,” including, but not limited to, the provisions of Section 404(b) of the Sarbanes-Oxley Act requiring that our independent registered public accounting firm provide an attestation report on the effectiveness of our internal control over financial reporting. As a result, our independent registered public accounting firm will not be required to provide an attestation report on the effectiveness of our internal control over financial reporting for so long as we qualify as an “emerging growth company,” which may increase the risk that weaknesses or deficiencies in our internal control over financial reporting go undetected.

The outbreak of the novel strain of coronavirus, SARS-CoV-2, which causes COVID-19, could adversely impact our business, including our non-clinical studies and clinical trials.

Public health crises such as pandemics or similar outbreaks might adversely impact our business. In December 2019, a novel strain of coronavirus, SARS-CoV-2, which causes coronavirus disease 2019 (COVID-19), surfaced in Wuhan, China. Since then, COVID-19 has spread throughout the world.

As a result of the COVID-19 outbreak, or similar pandemics, we have and may in the future experience disruptions that could severely impact our business, preclinical studies and clinical trials, including:

- delays or difficulties in enrolling patients in our clinical trials;
- delays or difficulties in clinical site initiation, including difficulties in recruiting clinical site investigators and clinical site staff;
- delays or disruptions in non-clinical experiments and investigational new drug application-enabling good laboratory practice standard toxicology studies due to unforeseen circumstances at contract research organizations and vendors along their supply chain;
- increased rates of patients withdrawing from our clinical trials following enrollment as a result of contracting COVID-19, being forced to quarantine, or not wanting to attend hospital visits;
- diversion of healthcare resources away from the conduct of clinical trials, including the diversion of hospitals serving as our clinical trial sites and hospital staff supporting the conduct of our clinical trials;
- interruption of key clinical trial activities, such as clinical trial site data monitoring, due to limitations on travel imposed or recommended by national, state or local governments, employers and others or interruption of clinical trial subject visits and study procedures (particularly any procedures that may be deemed non-essential), which may impact the integrity of subject data and clinical study endpoints;
- interruption or delays in the operations of the U.S. Food and Drug Administration, the European Medicines Agency, the Australian Therapeutic Goods Administration or other foreign regulatory agencies, which may impact approval timelines;
- interruption of, or delays in receiving, supplies of our product candidates from our contract manufacturing organizations due to staffing shortages, production slowdowns or stoppages and disruptions in our supply chain or distribution vendors’ ability to ship product candidates; and
- limitations on employee resources that would otherwise be focused on the conduct of our non-clinical studies and clinical trials, including because of sickness of employees or their families, the desire of employees to avoid contact with large groups of people, an increased reliance on working from home or mass transit disruptions.

These and other factors arising from the COVID-19 pandemic could worsen in countries that are afflicted with COVID-19, could continue to spread to additional countries, or could return to countries where the pandemic has been partially contained, each of which could further adversely impact our ability to conduct clinical trials and our business generally, and could have a material adverse impact on our operations and financial condition and results.

In addition, the trading prices for our American Depositary Shares, or ADSs, and for the securities of other biotech companies have been highly volatile as a result of the COVID-19 pandemic. As a result, we may face difficulties raising capital through sales of our ADSs or such sales may be on unfavorable terms. The COVID-19 outbreak continues to rapidly evolve. The extent to which the outbreak may impact our business, preclinical studies and clinical trials will depend on future developments, which are highly uncertain and cannot be predicted with confidence, such as the ultimate geographic spread of the disease, the duration of the outbreak, travel restrictions and actions to contain the outbreak or treat its impact, such as social distancing and quarantines or lock-downs in countries, business closures or business disruptions and the effectiveness of actions taken in countries to contain and treat the disease.



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Additionally, COVID-19 may hinder the ability of our license partners to continue the development of our licensed product candidates. This may result in the delay or the inability of the partners to execute on their development plans which, in turn, may cause delays in or the inability to achieve the clinical, regulatory and sales milestones which trigger payments to us under the terms of our license agreements. This may have a material adverse effect on our financial results and operations as the related milestone payments may not be received at the expected time, if at all.

Risks Related to Intellectual Property

Our success depends on our ability to protect our intellectual property and our proprietary technology.

Our success is to a certain degree also dependent on our ability to obtain and maintain patent protection or where applicable, to receive/maintain orphan drug designation/status and resulting marketing exclusivity for our product candidates.

We may be materially adversely affected by our failure or inability to protect our intellectual property rights. Without the granting of these rights, the ability to pursue damages for infringement would be limited. Similarly, any know-how that is proprietary or particular to our technologies may be subject to risk of disclosure by employees or consultants despite having confidentiality agreements in place.

Any future success will depend in part on whether we can obtain and maintain patents to protect our own products and technologies; obtain licenses to the patented technologies of third parties; and operate without infringing on the proprietary rights of third parties. Biotechnology patent matters can involve complex legal and scientific questions, and it is impossible to predict the outcome of biotechnology and pharmaceutical patent claims. Any of our future patent applications may not be approved, or we may not develop additional products or processes that are patentable. Some countries in which we may sell our product candidate or license our intellectual property may fail to protect our intellectual property rights to the same extent as the protection that may be afforded in the United States or Australia. Some legal principles remain unresolved and there has not been a consistent policy regarding the breadth or interpretation of claims allowed in patents in the United States, the United Kingdom, the European Union, Australia or elsewhere. In addition, the specific content of patents and patent applications that are necessary to support and interpret patent claims is highly uncertain due to the complex nature of the relevant legal, scientific and factual issues. Changes in either patent laws or in interpretations of patent laws in the United States, the United Kingdom, the European Union or elsewhere may diminish the value of our intellectual property or narrow the scope of our patent protection. Even if we are able to obtain patents, they may not issue in a form that will provide us with any meaningful protection, prevent competitors from competing with us or otherwise provide us with any competitive advantage. Our competitors may be able to circumvent our patents by developing similar or alternative technologies or products in a non-infringing manner. We may also fail to take the required actions or pay the necessary fees to maintain our patents.

Moreover, any of our pending applications may be subject to a third-party pre-issuance submission of prior art to the U.S. Patent and Trademark Office, or USPTO, the European Patent Office, or EPO, the Australian Patent and Trademark Office and/or any patents issuing thereon may become involved in opposition, derivation, reexamination, inter partes review, post grant review, interference proceedings or other patent office proceedings or litigation, in the United States or elsewhere, challenging our patent rights. An adverse determination in any such submission, proceeding or litigation could reduce the scope of, or invalidate, our patent rights, and allow third parties to commercialize our technology or products and compete directly with us, without payment to us. In addition, if the breadth or strength of protection provided by our patents and patent applications is threatened, it could dissuade companies from collaborating with us to exploit our intellectual property or develop or commercialize current or future product candidates.

The issuance of a patent is not conclusive as to the inventorship, scope, validity or enforceability, and our patents may be challenged in the courts or patent offices in the U.S., the EU, Australia and elsewhere. Such challenges may result in loss of ownership or in patent claims being narrowed, invalidated or held unenforceable, in whole or in part, which could limit the duration of the patent protection of our technology and products. As a result, our patent portfolio may not provide us with sufficient rights to exclude others from commercializing products similar or identical to ours.

In addition, other companies may attempt to circumvent any regulatory data protection or market exclusivity that we obtain under applicable legislation, which may require us to allocate significant resources to preventing such circumvention. Such developments could enable other companies to circumvent our intellectual property rights and use our clinical trial data to obtain marketing authorizations in the EU, Australia and in other jurisdictions. Such developments may also require us to allocate significant resources to prevent other companies from circumventing or violating our intellectual property rights.



Our attempts to prevent third parties from circumventing our intellectual property and other rights may ultimately be unsuccessful.

Intellectual property rights of third parties could adversely affect our ability to commercialize our products, such that we could be required to litigate with or obtain licenses from third parties in order to develop or market our products. Such litigation or licenses could be costly or not available on commercially reasonable terms.

Our commercial success may somewhat depend upon our future ability and the ability of our potential collaborators to develop, manufacture, market and sell our product candidates without infringing valid intellectual property rights of third parties.

If a third-party intellectual property right exists it may require the pursuit of litigation or administrative proceedings to nullify or invalidate the third-party intellectual property right concerned, or entry into a license agreement with the intellectual property right holder, which may not be available on commercially reasonable terms, if at all.

Third-party intellectual property right holders, including our competitors, may bring infringement claims against us. We may not be able to successfully settle or otherwise resolve such infringement claims. If we are unable to successfully settle future claims or otherwise resolve such claims on terms acceptable to us, we may be required to engage in or continue costly, unpredictable and time-consuming litigation and may be prevented from, or experience substantial delays in, marketing our product candidate.

If we fail to settle or otherwise resolve any such dispute, in addition to being forced to pay damages, we or our potential collaborators may be prohibited from commercializing any product candidates we may develop that are held to be infringing, for the duration of the patent term. We might, if possible, also be forced to redesign our formulations so that we no longer infringe such third-party intellectual property rights. Any of these events, even if we were ultimately to prevail, could require us to divert substantial financial and management resources that we would otherwise be able to devote to our business.

Our reliance on third parties requires us to share our trade secrets, which increases the possibility that a competitor will discover them or that our trade secrets will be misappropriated or disclosed.

Because we rely on third parties to manufacture our product candidates, and because we collaborate with various organizations and academic institutions on the advancement of our technology and product candidates, we may, at times, share trade secrets with them. We seek to protect our proprietary technology in part by entering into confidentiality agreements and, if applicable, material transfer agreements, collaborative research agreements, consulting agreements or other similar agreements with our collaborators, advisors, employees and consultants prior to beginning research or disclosing proprietary information. These agreements typically limit the rights of the third parties to use or disclose our confidential information, such as trade secrets. Despite these contractual provisions, the need to share trade secrets and other confidential information increases the risk that such trade secrets become known by potential competitors, are inadvertently incorporated into the technology of others, or are disclosed or used in violation of these agreements. Given that our proprietary position is based, in part, on our know-how and trade secrets, discovery by a third party of our trade secrets or other unauthorized use or disclosure would impair our intellectual property rights and protections in our product candidates.

In addition, these agreements typically restrict the ability of our collaborators, advisors, employees and consultants to publish data potentially relating to our trade secrets. Our academic collaborators typically have rights to publish data, provided that we are notified in advance and may delay publication for a specified time in order to secure our intellectual property rights arising from the collaboration. In other cases, publication rights are controlled exclusively by us. In other cases, we may share these rights with other parties. Despite our efforts to protect our trade secrets, our competitors may discover our trade secrets, either through breach of these agreements, independent development or publication of information including our trade secrets in cases where we do not have proprietary or otherwise protected rights at the time of publication.

Obtaining and maintaining our patent protection depends on compliance with various procedural, document submission, fee payment and other requirements imposed by governmental patent agencies, and our patent protection could be reduced or eliminated for non-compliance with these requirements.

Periodic maintenance fees, renewal fees, annuity fees and various other governmental fees on patents and applications are required to be paid to the USPTO and various governmental patent agencies outside of the United States in several stages over the lifetime of the patents and applications. The USPTO and various corresponding governmental patent agencies outside of the United States require compliance with a number of procedural, documentary, fee payment and other similar provisions during the patent application process and after a patent has issued. There are situations in which non-compliance can result in abandonment or lapse of the patent or patent application, resulting in partial or complete loss of patent rights in the relevant jurisdiction.



We may become involved in lawsuits to protect and defend our patents or other intellectual property, which could be expensive, time consuming and unsuccessful.

Competitors may infringe our patents or other intellectual property and we may inadvertently infringe the patent or intellectual property of others. To counter infringement or unauthorized use, we may be required to file claims, and any related litigation and/or prosecution of such claims can be expensive and time consuming. Any claims we assert against perceived infringers could provoke these parties to assert counterclaims against us alleging that we infringe their intellectual property. In addition, in a patent infringement proceeding, a court may decide that a patent of ours is invalid in whole or in part, unenforceable, or construe the patent's claims narrowly allowing the other party to commercialize competing products on the grounds that our patents do not cover such products.

Even if resolved in our favor, litigation or other legal proceedings relating to intellectual property claims may cause us to incur significant expenses and could distract our technical and management personnel from their normal responsibilities. Such litigation or proceedings could substantially increase our operating losses and reduce our resources available for development activities. We may not have sufficient financial or other resources to adequately conduct such litigation or proceedings. Some of our competitors may be able to sustain the costs of such litigation or proceedings more effectively than we can because of their substantially greater financial resources. The effects of patent litigation or other proceedings could therefore have a material adverse effect on our ability to compete in the marketplace.

If we do not obtain patent term extension for our products, our business may be materially harmed.

Depending upon the timing, duration and specifics of any FDA marketing approval of any products we may develop, we may be eligible for limited patent term extension under the Drug Price Competition and Patent Term Restoration Action of 1984 ("Hatch-Waxman Act"). The Hatch-Waxman Act permits a patent term extension of up to five years as compensation for patent term lost during the drug testing phase and the FDA regulatory review process. A patent term extension cannot extend the remaining term of a patent beyond a total of 14 years from the date of product approval, only one patent may be extended and only those claims covering the approved drug, a method for using it, or a method for manufacturing it may be extended. However, we may not be granted an extension because of, for example, failing to apply within applicable deadlines, failing to apply prior to expiration of relevant patents, or otherwise failing to satisfy applicable requirements. Moreover, the applicable time period or the scope of patent protection afforded could be less than we request. If we are unable to obtain patent term extension or the term of any such extension is less than we request, our competitors may obtain approval of competing products following our patent expiration, and our business, financial condition, results of operations, and prospects could be materially harmed. Other jurisdictions including Australia, Europe and Japan have similar extension of term provisions, whilst other countries do not have any such provisions.

Confidentiality and invention assignment agreements with our employees, advisors and consultants may not adequately prevent disclosure of trade secrets and protect other proprietary information.

We consider proprietary trade secrets and/or confidential know-how and unpatented know-how to be important to our business. We may rely on trade secrets and/or confidential know-how to protect our technology, especially where patent protection is believed by us to be of limited value. However, trade secrets and/or confidential know-how can be difficult to maintain as confidential.

To protect this type of information against disclosure or appropriation by competitors, our policy is to require our employees, advisors and consultants to enter into confidentiality and invention assignment agreements with us. However, current or former employees, advisors and consultants may unintentionally or willfully disclose our confidential information to competitors, and confidentiality and invention assignment agreements may not provide an adequate remedy in the event of unauthorized disclosure of confidential information. Enforcing a claim that a third-party obtained illegally and is using trade secrets and/or confidential know-how is expensive, time consuming and unpredictable. The enforceability of confidentiality and invention assignment agreements may vary from jurisdiction to jurisdiction.

Failure to obtain or maintain trade secrets and/or confidential know-how trade protection could adversely affect our competitive position. Moreover, our competitors may independently develop substantially equivalent proprietary information and may even apply for patent protection in respect of the same. If successful in obtaining such patent protection, our competitors could limit our use of our trade secrets and/or confidential know-how.

Intellectual property rights do not address all potential threats to our competitive advantage.

The degree of future protection afforded by our intellectual property rights is uncertain because intellectual property rights have limitations, and may not adequately protect our business, or permit us to maintain our competitive advantage. The following examples are illustrative:

- Others may be able to make products that are similar to ours but that are not covered by our intellectual property rights.



- Others may independently develop similar or alternative technologies or otherwise circumvent any of our technologies without infringing our intellectual property rights.
- We or any of our collaboration partners might not have been the first to conceive and reduce to practice the inventions covered by the patents or patent applications that we own, license or will own or license.
- We or any of our collaboration partners might not have been the first to file patent applications covering certain of the patents or patent applications that we or they own or have obtained a license, or will own or will have obtained a license.
- It is possible that any pending patent applications that we have filed, or will file, will not lead to issued patents.
- Issued patents that we own may not provide us with any competitive advantage, or may be held invalid or unenforceable, as a result of legal challenges by our competitors.
- Our competitors might conduct research and development activities in countries where we do not have patent rights, or in countries where research and development safe harbor laws exist, and then use the information learned from such activities to develop competitive products for sale in our major commercial markets.
- Ownership of our patents or patent applications may be challenged by third parties.
- The patents of third parties or pending or future applications of third parties, if issued, may have an adverse effect on our business.

Changes in patent laws or patent jurisprudence could diminish the value of patents in general, thereby impairing our ability to protect our products or product candidate.

As is the case with other biopharmaceutical companies, our success is heavily dependent on intellectual property, particularly patents. Obtaining and exploiting patents in the biopharmaceutical industry involve both technological and legal complexity. Therefore, obtaining and exploiting biopharmaceutical patents is costly, time-consuming and inherently uncertain. For example, the U.S. Supreme Court has ruled on several patent cases in recent years, either narrowing the scope of patent protection available in certain circumstances or weakening the rights of patent owners in certain situations.

In addition, the America Invents Act, or AIA, has been enacted in the United States, resulting in significant changes to the U.S. patent system. In addition to increasing uncertainty with regard to our ability to obtain patents in the future, the combination of the U.S. Supreme Court decisions and AIA has created uncertainty with respect to the value of patents, once obtained. A few highlights of changes to U.S. patent law under the AIA are:

- Under the AIA, a patent is awarded to the “first-inventor-to-file” rather than the first to invent.
- There is a new definition of prior art which removes geographic and language boundaries found in the pre-AIA law. At the same time, certain categories of “secret” prior art have been eliminated.
- The AIA introduced new procedures for challenging the validity of issued patents: post-grant review and inter partes review.
- Patent owners under the AIA may now request supplemental examination of a patent to consider, reconsider, or correct information believed to be relevant to the patent.
- The AIA allows third parties to submit any patent, published application, or publication relevant to examination of a pending patent application with a concise explanation for inclusion during prosecution of the patent application.

The “first-inventor-to-file” system and the new definitions of prior art apply to U.S. patent applications with claims having an effective filing date on or after March 16, 2013. Until at least 2034, patent practice will involve both pre-AIA and AIA laws. Depending on decisions by the U.S. Congress, the federal courts, and the USPTO, the laws and regulations governing patents could change in unpredictable ways that could weaken our ability to obtain new patents or to exploit our existing patents and patents that we might obtain in the future. Similarly, the complexity and uncertainty of European patent laws has also increased in recent years. In addition, the European patent system is relatively stringent in the type of amendments that are allowed during prosecution. Changes in patent law or patent jurisprudence could limit our ability to obtain new patents in the future that may be important for our business.

We may face difficulties with protecting our intellectual property in certain jurisdictions, which may diminish the value of our intellectual property rights in those jurisdictions.

The laws of some jurisdictions do not protect intellectual property rights to the same extent as the laws in the U.S. and the EU, and many companies have encountered significant difficulties in protecting and defending such rights in such jurisdictions. If we or our collaboration partners encounter difficulties in protecting, or are otherwise precluded from effectively protecting, the intellectual property rights important for our business in such jurisdictions, the value of these rights may be diminished and we may face additional competition from others in those jurisdictions.



Some countries in Europe and China have compulsory licensing laws under which a patent owner may be compelled to grant licenses to third parties. In addition, many countries limit the enforceability of patents against government agencies or government contractors. In these countries, the patent owner may have limited remedies, which could materially diminish the value of such patent. If we are, or any of our licensors is, forced to grant a license to third parties with respect to any patents relevant to our business, our competitive position or commercial advantage may be impaired and our business and results of operations may be adversely affected.

Risks Relating to Our Securities

Our stock price is volatile and could decline significantly.

The market price of our ordinary shares and ADSs historically has been, and we expect will continue to be, subject to significant fluctuations over short periods of time. These fluctuations may be due to factors specific to us, to changes in analysts' recommendations and earnings estimates, to arbitrage between our Australian-listed ordinary shares and our NASDAQ-listed ADSs, to changes in exchange rates, or to factors affecting the biopharmaceutical industry or the securities markets in general. Market fluctuations, as well as general political and economic conditions, such as a recession, interest rate or currency fluctuations, could adversely affect the market price of our securities.

For example, during the last two fiscal years, the market price for our ordinary shares on the Australian Securities Exchange and ADSs on NASDAQ has ranged from a low of A\$0.10 and US\$0.53, respectively, to a high of A\$0.725 and US\$7.95, respectively. We may experience a material decline in the market price of our shares, regardless of our operating performance. Therefore, a holder of our ordinary shares or ADSs may not be able to sell those ordinary shares or ADSs at or above the price paid by such holder for such shares or ADSs. Price declines in our ordinary shares or ADSs could result from a variety of factors, including many outside our control. These factors include:

- the results of pre-clinical testing and clinical trials by us and our competitors;
- unforeseen safety issues or adverse side effects resulting from the clinical trials or the commercial use of our product candidate;
- regulatory actions in respect of any of our products or the products of any of our competitors;
- announcements of the introduction of new products by us or our competitors;
- market conditions, including market conditions in the pharmaceutical and biotechnology sectors;
- increases in our costs or decreases in our revenues due to unfavorable movements in foreign currency exchange rates;
- developments or litigation concerning patents, licenses and other intellectual property rights;
- litigation or public concern about the safety of our potential products;
- changes in recommendations or earnings estimates by securities analysts;
- actual and anticipated fluctuations in our quarterly operating results;
- deviations in our operating results from the estimates of securities analysts;
- rumors relating to us or our competitors;
- additions or departures of key personnel;
- changes in third-party reimbursement policies; and
- developments concerning current or future strategic alliances or acquisitions.

In addition, volatility and low market price of our ordinary shares and/or ADSs may adversely impact investors' interest in our securities. A decline in investors' interest may prompt further volatility and decrease in market price.

Our ordinary shares may be considered a "penny stock" under SEC regulations which could adversely affect market trading in our ADSs.

The SEC has adopted regulations which generally define "penny stock" to be an equity security that has a market price of less than \$5.00 per share, subject to specific exemptions. During the fiscal year ended June 30, 2021, our American Depository Shares traded on the NASDAQ from low of US\$1.03 to a high of US\$7.95 per share. Penny stock rules impose additional sales practice requirements on broker-dealers who sell to persons other than established customers and "accredited investors" The term "accredited investor" refers generally to institutions with assets in excess of US\$5,000,000 or individuals with a net worth in excess of US\$1,000,000 or annual income exceeding US\$200,000 or US\$300,000 jointly with their spouse in each of the prior two years.



The penny stock rules require a broker-dealer, prior to a transaction in a penny stock not otherwise exempt from the rules, to deliver a standardized risk disclosure document in a form prepared by the SEC, which provides (a) contains a description of the nature and level of risk in the market for penny stocks in both public offerings and secondary trading; (b) contains a description of the broker's or dealer's duties to the customer and of the rights and remedies available to the customer with respect to a violation of such duties or other requirements of the securities laws; (c) contains a brief, clear, narrative description of a dealer market, including bid and ask prices for penny stocks and the significance of the spread between the bid and ask price; (d) contains a toll-free telephone number for inquiries on disciplinary actions; (e) defines significant terms in the disclosure document or in the conduct of trading in penny stocks; and (f) contains such other information and is in such form, including language, type size and format, as the SEC shall require by rule or regulation.

The broker-dealer also must provide, prior to effecting any transaction in a penny stock, the customer with (a) bid and offer quotations for the penny stock; (b) the compensation of the broker-dealer and its salesperson in the transaction; (c) the number of shares to which such bid and ask prices apply, or other comparable information relating to the depth and liquidity of the market for such stock; and (d) a monthly account statement showing the market value of each penny stock held in the customer's account.

In addition, the penny stock rules require that prior to a transaction in a penny stock not otherwise exempt from those rules, the broker-dealer must make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser's written acknowledgment of the receipt of a risk disclosure statement, a written agreement as to transactions involving penny stocks, and a signed and dated copy of a written suitability statement.

These disclosure requirements may significantly burden trading in, and delay the execution of transactions in, our ADSs. Thus, if our ADSs are considered penny stock, these disclosure requirements may adversely impact market trading in our ADSs.

If we are or become a passive foreign investment company (PFIC), then that would subject our U.S. shareholders to adverse tax rules.

Holders of our ADSs who are U.S. residents could face income tax risks if we are a passive foreign investment company, or PFIC, which could result in a reduction in the after-tax return to a "U.S. Holder" of our ADSs and reduce the value of our ADSs. For U.S. federal income tax purposes, we will be classified as a PFIC for any taxable year in which (i) 75% or more of our gross income is passive income, or (ii) at least 50% of the average value of all of our assets for the taxable year produce or are held for the production of passive income. For this purpose, cash is considered to be an asset that produces passive income.

If we are classified as a PFIC in any year that a U.S. Holder owns ADSs, the U.S. Holder will generally continue to be treated as holding ADSs of a PFIC in all subsequent years, notwithstanding that we are not classified as a PFIC in a subsequent year. Dividends received by the U.S. Holder and gains realized from the sale of our ADSs would be taxed as ordinary income and subject to an interest charge. We urge U.S. investors to consult their own tax advisors about the application of the PFIC rules and certain elections that may help to minimize adverse U.S. federal income tax consequences in their particular circumstances.

We have never paid a dividend and we do not intend to pay dividends in the foreseeable future which means that holders of shares and ADSs may not receive any return on their investment from dividends.

To date, we have not declared or paid any cash dividends on our ordinary shares and currently intend to retain any future earnings for funding growth. We do not anticipate paying any dividends in the foreseeable future. Dividends may only be paid out of our profits. Payment of cash dividends, if any, in the future will be at the discretion of our board of directors. Our holders of shares and ADSs may not receive any return on their investment from dividends. The success of your investment will likely depend entirely upon any future appreciation of the market price of our ordinary shares and ADSs, which is uncertain and unpredictable. There is no guarantee that our ordinary shares and ADSs will appreciate in value or even maintain the price at which you purchased your ordinary shares and ADSs.

Currency fluctuations may adversely affect the price of the ADSs relative to the price of our ordinary shares.

The price of our ordinary shares is quoted in Australian dollars and the price of our ADSs is quoted in U.S. dollars. Movements in the Australian dollar/U.S. dollar exchange rate may adversely affect the U.S. dollar price of our ADSs and the U.S. dollar equivalent of the price of our ordinary shares. In the last two years, the value of the Australian dollar remained relatively stable against the U.S. dollar. There can be no assurance, however, that this trend will continue. If the Australian dollar weakens against the U.S. dollar, the U.S. dollar price of the ADSs could decline, even if the price of our ordinary shares in Australian dollars increases or remains unchanged.



The requirements of being a public company may strain our resources and divert management's attention and if we are unable to maintain effective internal control over financial reporting in the future, the accuracy and timeliness of our financial reporting may be adversely affected.

As a publicly-traded company, we are subject to the reporting requirements of the U.S. Securities Exchange Act of 1934, as amended (the Exchange Act), the Sarbanes-Oxley Act, the Dodd-Frank Act, the listing requirements of the NASDAQ Global Market and other applicable securities rules and regulations. Compliance with these rules and regulations increases our legal and financial compliance costs, make some activities more difficult, time-consuming or costly and increase demand on our systems and resources. The Exchange Act requires, among other things, that we file certain reports with respect to our business and results of operations. The Sarbanes-Oxley Act requires, among other things, that we maintain effective disclosure controls and procedures and internal control over financial reporting. In order to maintain and, if required, improve our disclosure controls and procedures and internal control over financial reporting to meet this standard, significant resources and management oversight are required. As a result, management's attention may be diverted from other business concerns, which could adversely affect our business and results of operations.

The Sarbanes-Oxley Act requires, among other things, that we assess the effectiveness of our internal control over financial reporting annually and disclosure controls and procedures. In particular, beginning with fiscal year ended on June 30, 2013, we have performed system and process evaluation and testing of our internal control over financial reporting to allow our management to report on the effectiveness of our internal control over financial reporting, as required by Section 404 of the Sarbanes-Oxley Act. We have in prior fiscal years identified material weaknesses that have been remediated. If we identify material weaknesses in future periods or we are not able to comply with the requirements of Section 404 in a timely manner, our reported financial results could be restated, we could be subject to investigations or sanctions by regulatory authorities, which would require additional financial and management resources, and the market price of our stock could decline.

The listing of our securities on stock exchanges in different countries may adversely impact their liquidity.

Our ordinary shares are listed and traded on the ASX, NASDAQ and on Over The Counter markets within Germany. Price levels for our ordinary shares could fluctuate significantly on either market, independent of our share price on the other market. Investors could seek to sell or buy our shares to take advantage of any price differences between the three markets through a practice referred to as arbitrage. Any arbitrage activity could create unexpected volatility in our share prices on either exchange and the volumes of shares available for trading on either exchange. In addition, holders of shares in either jurisdiction will not be immediately able to transfer such shares for trading on the other markets without effecting necessary procedures with our transfer agent. This could result in time delays and additional cost for our shareholders. Further, if we are unable to continue to meet the regulatory requirements for listing on the ASX and NASDAQ, we may lose our listing on any of these exchanges, which could impair the liquidity of our shares.

Risks Related to an Investment in Our ADSs

Our ADS holders are not shareholders and do not have shareholder rights.

The Bank of New York Mellon, as depository, registers and delivers our American Depositary Shares, or ADSs. Our ADS holders will *not* be treated as shareholders and do not have the rights of shareholders. The depository will be the holder of the shares underlying our ADSs. Holders of our ADSs will have ADS holder rights. A deposit agreement among us, the depository and our ADS holders, and the beneficial owners of ADSs, sets out ADS holder rights as well as the rights and obligations of the depository. New York law governs the deposit agreement and the ADSs. For a description of ADS holder rights, see "Item 12. Description of Securities Other than Equity Securities—D. American Depositary Shares."

Our shareholders have shareholder rights. Australian law and our constitution govern shareholder rights. For a description of our shareholders' rights, see "Item 10. Additional Information—B. Memorandum and Articles of Association." Shareholders are entitled to our notices of general meetings and to attend and vote at our general meetings of shareholders. At a general meeting, every shareholder present (in person or by proxy, attorney or representative) and entitled to vote has one vote on a show of hands. Every shareholder present (in person or by proxy, attorney or representative) and entitled to vote has one vote per fully paid ordinary share on a poll. This is subject to any other rights or restrictions which may be attached to any shares.

Our ADS holders do not have the same voting rights as our shareholders. ADS holders may exercise voting rights with respect to the underlying ordinary shares only in accordance with the provisions of the deposit agreement. Under the deposit agreement, ADS holders vote by giving voting instructions to the depository. Upon receipt of instructions, the depository will try to vote in accordance with those instructions. Otherwise, ADS holders will not be able to vote unless they withdraw the ordinary shares underlying their ADSs.



If we ask for our ADS holders' instructions, the depositary will notify our ADS holders of the upcoming vote and arrange to deliver our voting materials and form of notice to them. The depositary will try, as far as practical, subject to Australian law and the provisions of the depositary agreement, to vote the shares as our ADS holders instruct. The depositary will not vote or attempt to exercise the right to vote other than in accordance with the instructions of the ADS holders. We cannot assure our ADS holders that they will learn of ordinary shareholders' meetings and receive the voting materials in time to instruct the depositary or withdraw the underlying ordinary shares. This means that there is a risk that our ADS holders may not be able to exercise voting rights and there may be nothing they can do if their shares are not voted as they requested.

Our ADS holders do not have the same rights to receive dividends or other distributions as our shareholders.

Subject to any special rights or restrictions attached to a share, the directors may determine that a dividend will be payable on a share and fix the amount, the time for payment and the method for payment (although we have never declared or paid any cash dividends on our ordinary stock and we do not anticipate paying any cash dividends in the foreseeable future). Dividends may be paid on shares of one class but not another and at different rates for different classes. Dividends and other distributions payable to our shareholders with respect to our ordinary shares generally will be payable directly to them. Any dividends or distributions payable with respect to ordinary shares will be paid to the depositary, which has agreed to pay to our ADS holders the cash dividends or other distributions it or the custodian receives on shares or other deposited securities, after deducting its fees and expenses. Our ADS holders will receive these distributions in proportion to the number of shares their ADSs represent. In addition, there may be certain circumstances in which the depositary may not pay to our ADS holders amounts distributed by us as a dividend or distribution.

There are circumstances where it may be unlawful or impractical to make distributions to the holders of our ADSs.

The deposit agreement with the depositary generally requires the depositary to convert foreign currency it receives in respect of deposited securities into U.S. dollars and distribute the U.S. dollars to ADS holders, provided the depositary can do so on a reasonable basis. If it does not convert foreign currency, the depositary may distribute the foreign currency only to those ADS holders to whom it is possible to do so. If a distribution is payable by us in Australian dollars, the depositary will hold the foreign currency it cannot convert for the account of the ADS holders who have not been paid. It will not invest the foreign currency and it will not be liable for any interest. If the exchange rates fluctuate during a time when the depositary cannot convert the foreign currency, our ADS holders may lose some of the value of the distribution. The depositary is not responsible if it decides that it is unlawful or impractical to make a distribution available to any ADS holders. This means that our ADS holders may not receive the distributions we make on our shares or any value for them if it is illegal or impractical for us to make them available.

If we fail to comply with the Nasdaq listing requirements, Nasdaq could delist the ADSs, which could limit liquidity of the ADSs and adversely affect our business and access to future capital.

The ADSs are listed on the Nasdaq Global Market under the symbol "IMMP." In the past we have failed, and in the future we may again fail, to comply with the Nasdaq Global Market regulations and listing requirements as to minimum shareholders' equity, minimum market value, minimum total assets and revenue, minimum bid price, minimum public float and/or other requirements, and as a result Nasdaq may initiate procedures to delist the ADSs from the Nasdaq Global Market, which may adversely affect our business.

If we fail to meet Nasdaq's continued listing rules, the ADSs may be delisted from the Nasdaq Global Market. Delisting from the Nasdaq Global Market could have an adverse effect on our business, including our ability to access future capital, and on the trading of the ADSs. If a delisting of the ADSs were to occur, the ADSs may trade in the over-the-counter market such as on the OTC Bulletin Board or on the "pink sheets". The over-the-counter market is generally considered to be a less efficient market, and this could diminish investors' interest in the ADSs as well as significantly impact the price and liquidity of the ADSs. Any such delisting may also adversely affect the trading of the ADSs by ADS holders, or impede them from liquidating their holdings. Delisting may also adversely impact the success of future issues of securities or the possibility to receive additional financing, particularly in the United States.

Risks Relating to Our Location in Australia

Currency fluctuations may expose us to increased costs and revenue decreases.

Our business is affected by fluctuations in foreign exchange rates. Our expenses are denominated in Australian dollars, U.S. dollars and European euro. During fiscal year 2021, the Australian dollar had appreciated against the U.S. dollar and European Euro, whereas in fiscal year 2020, the Australian dollar had depreciated against the U.S. dollar and European Euro. We conduct clinical trials in many different countries and we have manufacturing of our product candidate undertaken outside of Australia, which exposes us to potential cost increases resulting from fluctuations in exchange rates. In fiscal year 2021, there was a foreign exchange loss of A\$507,000 as a result of currency fluctuations. Currency fluctuations could, therefore, cause our costs to increase and revenues to decline.



In fiscal year 2020, we made net foreign exchange gain of A\$346,000 as a result of currency fluctuations. In fiscal year 2019, we made net foreign exchange gain of A\$494,000 as a result of currency fluctuations.

Australian takeovers laws may discourage takeover offers being made for us or may discourage the acquisition of large numbers of our shares.

We are incorporated in Australia and are subject to the takeovers laws of Australia. Amongst other things, we are subject to the Corporations Act 2001 (Commonwealth of Australia). Subject to a range of exceptions, the Corporations Act prohibits the acquisition of a direct or indirect interest in our issued voting shares (including through the acquisition of ADSs) if the acquisition of that interest would lead to a person's or someone else's voting power in us increasing from 20% or below to more than 20%, or increasing from a starting point that is above 20% and below 90%. Exceptions to the general prohibition include circumstances where the person makes a formal takeover bid for us, if the person obtains shareholder approval for the acquisition or if the person acquires less than 3% of the voting power of us in any rolling six-month period. Australian takeovers laws may discourage takeover offers being made for us or may discourage the acquisition of large numbers of our shares.

Rights as a holder of ordinary shares are governed by Australian law and our Constitution which differ from the rights of shareholders under U.S. law. Holders of our ordinary shares or ADSs may have difficulty in effecting service of process in the United States or enforcing judgments obtained in the United States.

We are a public company incorporated under the laws of Australia. Therefore, the rights of holders of our ordinary shares are governed by Australian law and our Constitution. These rights differ from the typical rights of shareholders in U.S. corporations. The rights of holders of ADSs are affected by Australian law and our Constitution but are governed by U.S. law. Circumstances that under U.S. law may entitle a shareholder in a U.S. company to claim damages may also give rise to a cause of action under Australian law entitling a shareholder in an Australian company to claim damages. However, this will not always be the case. Holders of our ordinary shares or ADSs may have difficulties enforcing, in actions brought in courts in jurisdictions located outside the U.S., liabilities under U.S. securities laws. In particular, if such a holder sought to bring proceedings in Australia based on U.S. securities laws, the Australian court might consider:

- that it did not have jurisdiction; and/or
- that it was not an appropriate forum for such proceedings; and/or
- that, applying Australian conflict of laws rule, U.S. law (including U.S. securities laws) did not apply to the relationship between holders of our ordinary shares or ADSs and us or our directors and officers; and/or
- that the U.S. securities laws were of a public or penal nature and should not be enforced by the Australian court.

Holders of our ordinary shares and ADSs may also have difficulties enforcing in courts outside the U.S. judgments obtained in the U.S. courts against any of our directors and executive officers or us, including actions under the civil liability provisions of the U.S. securities laws.

As a foreign private issuer whose shares are listed on the NASDAQ Global Market, we may follow certain home country corporate governance practices instead of certain NASDAQ requirements.

As a foreign private issuer whose shares are listed on the NASDAQ Global Market, we are permitted to follow certain home country corporate governance practices instead of certain requirements of The NASDAQ Marketplace Rules. As an Australian company listed on the NASDAQ Global Market, we may follow home country practice with regard to, among other things, the composition of the board of directors, director nomination process, compensation of officers and quorum at shareholders' meetings. In addition, we may follow Australian law instead of the NASDAQ Marketplace Rules that require that we obtain shareholder approval for certain dilutive events, such as for the establishment or amendment of certain equity-based compensation plans, an issuance that will result in a change of control of the company, certain transactions other than a public offering involving issuances of a 20% or more interest in the company and certain acquisitions of the stock or assets of another company. As a foreign private issuer that has elected to follow a home country practice instead of NASDAQ requirements, we have submitted to NASDAQ a written statement from our independent counsel certifying that our practices are not prohibited by Australian laws. Accordingly, our shareholders may not be afforded the same protection as provided under NASDAQ's corporate governance rules. Please see "Item 6. Directors, Senior Management and Employees—C. Board Practices" for further information.



We are exposed to differing legal and tax laws in multiple jurisdictions, including complex transfer pricing rules in Australia.

We and our subsidiaries are located in a number of jurisdictions and therefore have exposure to different legal and taxation requirements in multiple jurisdictions, which requirements are subject to change. The listed entity Immutep Limited is incorporated in, and a tax resident of, Australia. It has a number of intercompany arrangements with its subsidiaries (resident outside Australia also for tax purposes), including, for example, funding and employee sourcing arrangements. In Australia there are complex and material requirements on transfer pricing of intercompany loan arrangements with overseas entities. The multiple jurisdictional structure of the Company and its subsidiaries can expose the Group to substantial compliance and taxation liabilities. While we believe we are compliant with these tax laws, there is a risk that we and our subsidiaries could be subject to tax audits (with the resulting compliance costs) or exposed to fines or penalties.

ITEM 4. INFORMATION ON THE COMPANY

A. History and Development of the Company

Our legal and commercial name is Immutep Limited. We were incorporated under the laws of the Commonwealth of Australia on May 21, 1987. Immutep, formerly called Prima BioMed, was originally created as a mining company (Prima Resources) in Australia in 1987, and was first publicly traded in 1988 on the Australian Stock Exchange. The Company was repositioned as biotechnology company in 2001 following the acquisition of the rights to develop technologies from the Austin Research Institute (now the Burnet Institute), including immunotherapeutic product candidate CVac.

In December 2014, we completed the acquisition of Immutep S.A., a private French company. In December 2014, Immutep S.A. underwent a change of company organization and become known as Immutep S.A.S. In November 2017, what was then known as Prima BioMed Ltd, changed its name to Immutep Limited to reflect the new strategic direction and management of the business to focus on the development of its portfolio of LAG-3 based immunotherapy assets.

In March 2018, we entered into a clinical trial collaboration and supply agreement with Merck & Co., Inc., Kenilworth, NJ, USA (known as MSD outside the United States and Canada) to evaluate the combination of Immutep's lead immunotherapy product candidate eftilagimod alpha ("efti" or "IMP321") with KEYTRUDA® (pembrolizumab) in a Phase II trial. The trial is known as TACTI-002 and is being conducted in up to 183 patients (expanded from an original 109 patients in November 2020) with non-small cell lung cancer (NSCLC) in first and second line (Parts A and B, respectively) or second line head and neck squamous cell carcinoma (HNSCC) (Part C). The trial is being conducted across study centers in Europe, United States, and Australia.

In September 2018, we entered into a clinical trial collaboration and supply agreement with Merck KGaA and Pfizer Inc., to evaluate the combination of Immutep's lead immunotherapy product candidate IMP321 with avelumab, a human anti-PD-L1 antibody, in patients with advanced solid malignancies.

The clinical evaluation is conducted as an amendment to the existing INSIGHT Phase I clinical trial platform and is evaluating the safety, tolerability and recommended Phase II dose of efti when combined with avelumab in 12 patients with advanced solid malignancies. The Institute of Clinical Cancer Research, Krankenhaus Nordwest GmbH in Frankfurt, Germany ("IKF") is the sponsor of the investigator initiated clinical trial and it is conducted under the existing protocol of the ongoing INSIGHT clinical study. Prof. Dr. Salah-Eddin Al-Batran, the lead investigator of INSIGHT and member of Immutep's clinical advisory board, is the lead investigator of the trial.

The clinical trial evaluates the clinical safety and benefits of releasing the brakes and pushing the accelerator of the body's immune system at two different positions in the cancer immunity cycle. Efti is a first-in-class antigen presenting cell ("APC") activator which stimulates cancer-fighting T cells, while avelumab is an anti-PD-L1 therapy that works by increasing the ability of the body's immune system to help detect and fight tumor cells.

In January 2019, we entered into a clinical trial collaboration agreement, a supply agreement and a service agreement with CYTLIMIC Inc. The agreements enable Immutep and CYTLIMIC to collaborate on clinical trials to evaluate efti as part of CYTLIMIC's innovative peptide cancer vaccine, called CYT001. The trials will be conducted by and under the control of CYTLIMIC who will fully fund all development costs. Under the collaboration agreement, Immutep received an upfront payment of US\$500,000 and is eligible to receive up to US\$4.5 million in milestone payments upon the achievement of milestones by CYTLIMIC. Immutep retains complete exclusivity over its patent rights specifically covering its own clinical development programs and those it is conducting in conjunction with its other collaboration partners evaluating IMP321 in combination with either chemotherapy (AIPAC trial) or PD-1 / PD-L1 immunotherapy (INSIGHT and TACTI trials).

In November 2020, the Company announced plans for a new study in the commercially more relevant 1st line recurrent or metastatic HNSCC setting. The new trial, called TACTI-003, is a randomised, controlled Phase IIb clinical study in up to 154 patients and marks Immutep's second collaboration with MSD to evaluate KEYTRUDA® (pembrolizumab) in combination with efti.

In Jun 2021, the company announced a new Phase I clinical trial, called INSIGHT-003, in patients with various solid tumour and a new investigator-initiated explorative, multi-centre, open-labelled Phase I/IIa trial in 12 previously treated patients with different solid tumours, called INSIGHT-005.



Our registered office is located at Level 12, 95 Pitt Street, Sydney 2000 New South Wales, Australia and our telephone number is +61 (0)2 8315 7003. Our address on the Internet is www.immutep.com. Our agent for service of process is Immutep U.S., Inc. The information on, or accessible through, our website is not part of this Annual Report on Form 20-F. We have included our website address in this Annual Report on Form 20-F solely as an inactive textual reference. All information we file with the SEC is available through the SEC's Electronic Data Gathering, Analysis and Retrieval system, which may be accessed through the SEC's website at www.sec.gov.

B. Business Overview

Background

Immutep is a leader in the development of LAG-3 related immunotherapeutic products. Our key product candidate is IMP321, which is a recombinant protein in clinical trials for the treatment of different types of cancers.

IMP321, based on the LAG-3 immune control mechanism, could play a vital role in the regulation of the T cell immune response. IMP321, which is a soluble LAG-3Ig fusion protein, is an antigen presenting cell (APC) activator. IMP321 is currently tested in a Phase IIb clinical trial as a chemo-immunotherapy combination for metastatic breast cancer termed AIPAC (clinicaltrials.gov identifier NCT02614833). In addition, IMP321 is being evaluated as part of a combination therapy in head and neck squamous cell carcinoma and non-small cell lung carcinoma in a Phase II clinical trial called TACTI-002 (clinicaltrials.gov identifier NCT03625323), and as part of a combination therapy in head and neck squamous cell carcinoma in a Phase IIb clinical trial called TACTI-003 (clinicaltrials.gov identifier NCT04811027) and in an investigator-initiated Phase I platform trial called INSIGHT (clinicaltrials.gov identifier NCT03252938). Immutep has completed a Phase I combination therapy trial in metastatic melanoma termed TACTI-mel (clinicaltrials.gov identifier NCT02676869).

Two LAG-3 product candidates including antibodies for immune response modulation in autoimmunity and cancer are being developed by Immutep's pharmaceutical partners. Immutep is also developing an agonist of LAG-3 (IMP761) for autoimmune disease.

Operations Summary

Immutep has administrative offices in Sydney, Australia, Leipzig, Germany and in Berlin, Germany. We also have a laboratory located close to Paris, France for the conduct of research and development relating to the LAG-3 program, under which we have four product candidates: IMP321, IMP761, IMP701 and IMP731. Background IP supporting the development of LAG-3 products was licensed from Merck Serono in 2002. Development milestones and royalties are payable on earnings of IMP321, IMP701 and IMP731. Further details are provided under the intellectual property section. As of June 30, 2021, we employed 28 people. Our internal staff manages the Company's finances, business development, intellectual property, investor relations, oversight of manufacturing, and clinical development. We make extensive use of outside contractors and consultants to help manage and conduct manufacturing and clinical trials.

IMP321 Clinical Development

Immutep's lead program is the development of IMP321 (INN: eftilagimod alpha or efti), a recombinant protein that may be used in conjunction with chemotherapy to amplify a patient's immune response. IMP321 may also be administered in combination with other agents including immunotherapies and at different doses to achieve different effects on the immune system. These alternative applications of IMP321 are the subject of various clinical programs.

Immutep is developing IMP321 jointly with EOC Pharma under a licensing agreement between Immutep S.A.S and EOC Pharma. EOC Pharma has the exclusive development right of the IMP321 product in China, Hong Kong, Macau and Taiwan, while the development right in other countries is retained by Immutep. Eddingpharm originally held these rights but transferred the right to develop IMP321 to its affiliate, EOC Pharma. Eddingpharm paid for the past manufacture of IMP321 GMP grade material needed for the conduct of clinical trials of IMP321. Immutep will offer technical assistance to EOC Pharma to facilitate its application to register IMP321 in China, Hong Kong, Macau and Taiwan. EOC Pharma is also required to make further milestone payments to Immutep if IMP321 achieves specific development milestones as well as undisclosed royalties on sales. EOC Pharma's co-development of IMP321 is supported by a sublicense from Immutep to the background Serono licensed IP. Following the grant of EOC Pharma's Investigational New Drug (IND) application in December 2017, Immutep received a US\$1 million milestone payment from EOC Pharma. In October 2018, EOC Pharma, commenced the clinical development of IMP321 in China and reported that the first patient in its Phase I clinical study in metastatic breast cancer was safely dosed. In March 2020, Immutep announced that EOC Pharma had completed recruitment of its Phase I study. In April 2020, Immutep announced that it had discussed the results of its Phase IIb AIPAC study with EOC Pharma and that EOC Pharma had confirmed its plans to continue advancing IMP321 in metastatic breast cancer in China. EOC Pharma announced in mid 2021 that they will commence a Phase II clinical trial in metastatic breast cancer in China.



In fiscal year 2016, Immutep started two clinical trials for IMP321. The first one was Active Immunotherapy PAclitaxel (AIPAC), a Phase IIB study on IMP321's effectiveness in treating metastatic breast cancer. Meetings have taken place with the European Medicines Agency (EMA) in regard to protocol design of the AIPAC study and the EMA who in a meeting provided legally non-binding scientific advice. The primary purpose of the AIPAC trial, which has a study group of 227 patients in the randomized part of the study and 15 patients for the safety run-in (242 patients in total), is to determine the clinical benefit of IMP321 in terms of Progression-Free Survival as the primary clinical endpoint and a number of secondary endpoints such as overall survival in this patient population. The second of the two clinical trials was Two ACTive Immunotherapeutics in melanoma (TACTI-mel), a Phase I study on IMP321's effectiveness in enhancing immune responses to PD-1 inhibitors in melanoma patients. The primary purpose of the TACTI-mel trial, which had a study group of up to 24 patients, was to determine safety and dosage levels for combining the two products in future trials.

In fiscal year 2017, we continued our AIPAC Phase IIB and TACTI-mel Phase I clinical trials for IMP321. Regarding AIPAC Phase IIB clinical trial, in December 2016, we announced interim data, with respect to tests of IMP321 plus paclitaxel chemotherapy, with all 15 patients in the safety run-in phase confirming previous trial results as well as the safety, pharmacokinetics and pharmacodynamics of IMP321 at both dosage levels. In January 2017, we commenced the enlarged randomized phase of its AIPAC Phase IIB clinical trial for IMP321 in breast cancer. The randomized phase entails half of the 227 patients receiving paclitaxel plus a placebo and half receiving paclitaxel in conjunction with IMP321. Regarding TACTI-mel Phase I clinical trial, in December 2016, we announced first clinical data from its TACTI-mel Phase I clinical trial for IMP321 combined with PD-1 checkpoint inhibitor pembrolizumab (KEYTRUDA®) in melanoma cancer. The results confirmed that IMP321 is safe and well tolerated at the first dose level of 1 mg, paving the way for 6 mg dosage. In January 2017, we commenced recruitment for the second cohort of six patients for its TACTI-mel melanoma trial being conducted in Australia. This second cohort was fully recruited by March 2017.

We also entered into new partnerships. In particular, in July 2016, we announced a new clinical trial investigating the intra-tumoural injection of IMP321 in collaboration with the Institute of Clinical Cancer Research, Krankenhaus Nordwest GmbH in Frankfurt Germany.

In November 2016, we announced the signing of a non-binding MOU and strategic development and manufacturing partnership it entered into with WuXi Biologics. Under the partnership, WuXi Biologics will be the exclusive clinical and commercial manufacturer for IMP321 for Immutep worldwide (excluding: China, Macau, Taiwan and Hong Kong where rights are retained by EOC, Immutep's development partner in China).

In January 2017, we entered into a new collaboration with Japan's CYTLIMIC, a spin off from NEC Corporation (NEC), to test CYTLIMIC's innovative cancer peptide vaccine, called CYT001, which contains IMP321. This partnership was formalised under a clinical trial collaboration agreement, a supply agreement and a service agreement with CYTLIMIC Inc. in January 2019. The trials will be conducted by and are under the control of CYTLIMIC who will fully fund all development costs. In March 2020, CYTLIMIC announced that it had published the results from its YNP01 Phase I trial evaluating CYT001 in "Cancer Immunology, Immunotherapy". In June 2020, CYTLIMIC presented results from its YCP02 Phase I trial evaluating CYT001 at the American Association for Cancer Research (AACR).

We also entered into a new three-year collaboration with Monash University in Melbourne following a grant of A\$360,000 from the Australian Research Council (ARC) in August 2017. The grant funds a research project investigating the role of LAG-3 in immune responses. In August 2020, Immutep announced that a further three years of funding (A\$671,427) had been awarded from the ARC to continue the collaboration with Monash University.

In fiscal year 2018, we continued our AIPAC Phase IIB and TACTI-mel Phase I clinical trials for IMP321. Regarding AIPAC Phase IIB clinical trial, clinical trials sites were opened across Germany, the UK, France, Hungary, Belgium, Poland and the Netherlands. Recruitment of all 227 patients for the AIPAC study was completed in June 2019 and first data was reported in March 2020. In March 2020, Immutep reported supportive efficacy data with a response rate of 48.3% for patients treated with a combination of IMP321 and paclitaxel compared with 38.4% for patients treated with placebo and paclitaxel. 63% of patients who received paclitaxel plus efi were progression-free at the 6-month landmark (at the end of the chemo-immunotherapy combination phase) and according to RECIST 1.1 based on blinded independent central readers (BICR). This compares favorably to 54% of patients who received paclitaxel plus placebo. The PFS data yielded an unadjusted hazard ratio (HR) of 0.93. Encouraging results were observed in multiple predefined patient subgroups. Immutep expects to report Overall Survival (OS) and immune monitoring data in 2H 2020.

Regarding TACTI-mel Phase I clinical trial, we reported overall encouraging interim data regarding the efficacy and safety of IMP321 combined with pembrolizumab (KEYTRUDA®). In March 2018, we expanded the clinical trial to include a fourth cohort (Part B) of six patients which evaluates 30mg of efi in combination with pembrolizumab. This cohort was fully recruited in August 2018. In May 2018, interim data for the initial three cohorts (Part A) yielded an overall response rate of 61% when the response rates from the initial four cycles of pembrolizumab monotherapy are used, and an overall rate response (ORR) of 33% measured from the start of the combination therapy when IMP321 was added at cycle five of pembrolizumab. Two complete responses according to RECIST have been reported from the trial, out of 18 patients. Full recruitment of the expanded TACTI-mel trial was reached in August 2018, bringing the participation number to 24 patients.



In November 2018, Immutep presented new interim data from the TACTI-mel trial which were reconfirmed with more mature data in March 2019. It reported efficacy data from Part A was encouraging and supportive of previously disclosed response rates. The first efficacy data from Part B of the trial was also reported in November 2018, where the combination treatment is administered to patients from the beginning of cycle 1, day 1 of pembrolizumab treatment.

In October 2019, Immutep reported final efficacy data from the TACTI-mel trial. Deep and durable responses were observed with 56% and 66% of patients showing tumour shrinkage in Parts A and B, respectively.

In March 2018, we announced that we had entered into a clinical trial collaboration and supply agreement with Merck & Co., Inc., Kenilworth, NJ, USA (known as MSD outside the United States and Canada) to evaluate the safety and efficacy of the combination of IMP321 and pembrolizumab (KEYTRUDA®) in a new Phase II clinical trial (TACTI-002) with respect to head and neck squamous cell carcinoma (second line) and non-small cell lung carcinoma (first and second line). In July 2018, the FDA granted approval of the IND regarding TACTI-002 Phase II clinical trial which allows us to initiate the study in the United States. Up to 109 patients will be recruited into the trial across various centers in the United States, Europe and Australia. Immutep obtained competent authority approval from the UK's Medicines & Healthcare products Regulatory Agency (MHRA) for TACTI-002, as well as a number of Ethics Committee approvals and completed the site selection process for the trial in November 2018. The first patient was dosed with the combination of KEYTRUDA and IMP321 in March 2019 and in August 2019 the trial had 26 patients participating, including full enrolment (17 patients) into the first cohort of the first line non-small cell lung cancer (NSCLC) arm (Part A).

In September 2019, Part A was expanded to include a further 19 patients because a predefined number of patient responses to the combination treatment was observed. Recruitment is ongoing and in November 2019 first data from Part A was reported from the trial which showed an initial response rate (ORR) of 41%. In January 2020, Part C (2nd line HNSCC) of the trial was expanded to include a further 19 patients because of a predefined number of patient responses to the treatment. In February 2020, Immutep presented encouraging data from Parts A and C of the trial. In Part A of the trial, we reported an improving response rate of 47% and responses were seen across all PD-L1 expression groups (< 1%, 1-49% and ≥ 50%). In Part C, Immutep reported an initial response rate of 33%. In April 2020, Immutep reported more mature data showing an improved response rate of 53% for Part A and a response rate of 33% for Part C (consistent with earlier data). In June 2020, Immutep announced more mature data showing a response rate of 53% for Part A (consistent with earlier data) and an improved response rate of 39% for Part C. In June 2020, Immutep reported that Part A of the trial had been fully recruited with a total of 36 patients. In August 2020, Immutep announced that recruitment of Stage 1 of Part B of the trial (2nd line NSCLC) was complete. In September 2020, TACTI-002 data presented at a major scientific conference, ESMO, showed three patients had had a complete response, or complete disappearance of all lesions when treated with the combination of efi and pembrolizumab. This includes complete responses from two patients with 2nd line head and neck squamous cell carcinoma (HNSCC) and one with 1st line non-small cell lung cancer (NSCLC). In addition, patients with 1st line NSCLC had a median progression-free survival (PFS) of 11.8 months and those patients who responded, had durable responses.

We also expanded our collaborative studies in 2018. In particular, the investigator initiated "INSIGHT" clinical trial was amended in September 2018, through a collaboration with Merck KGaA and Pfizer, Inc. The Institute of Clinical Cancer Research, Krankenhaus Nordwest GmbH (IKF) will be the sponsor of the amended Phase I clinical trial (called INSIGHT-004) which will be conducted under the existing protocol of the ongoing INSIGHT clinical study. In particular, this new collaborative study will test the safety and efficacy of IMP321 combined with Merck KGaA's and Pfizer's avelumab, which is a stimulator of the immune system to detect and fight tumor cells, in 12 patients with advanced solid tumors. Prof. Dr. Salah-Eddin Al-Batran, the lead investigator of INSIGHT and member of Immutep's clinical advisory board, will also be the lead investigator of INSIGHT-004. The first patient in (FPI) the INSIGHT-004 trial was enrolled in Germany and received the first dose of treatment in June 2019. In April 2020, Immutep announced that it had completed patient enrolment (12 patients) for the INSIGHT-004 trial. In June 2020, Immutep reported first data from INSIGHT-004 in which 33% of patients showed a partial response to the combination of IMP321 and avelumab. In September 2020, INSIGHT-004 data reported at the ESMO conference, showed promising early anti-tumour activity signals in a variety of cancer indications not typically sensitive to immune checkpoint inhibitor therapy. Overall, 41.7% of patients in the trial showed a Partial Response to the combination therapy of efi with avelumab.

In fiscal year 2021, Immutep announced a number of updates regarding the clinical development of IMP321. In particular, in June 2020, Immutep announced completion of recruitment of Stage 2 of Part A of TACTI-002. In August 2020, Immutep announced completion of recruitment of Stage 1 of Part B of TACTI-002.

In September 2020, Immutep announced the presentation of further interim data from TACTI-002 and INSIGHT-004 at the ESMO Virtual Congress 2020. In October 2020, Immutep announced the commencement of a new investigator-initiated Phase II trial (EAT-COVID) being conducted by University Hospital Pilsen, Czech Republic, evaluating IMP321 for the treatment of COVID-19 disease. In November 2020, Immutep announced the presentation of further interim data from TACTI-002 at SITC 2020. Immutep also announced the expansion of Part A of TACTI-002 to include an additional 74 patients and its plans to conduct a new randomized and controlled Phase II trial evaluating IMP321 in combination with anti-PD-1 therapy in 1st line HNSCC.



In December 2020, Immutep announced the presentation of first Overall Survival data from AIPAC at the San Antonio Breast Cancer Symposium 2020. The data showed a statistically significant survival benefit in certain pre-defined patient sub-groups. Immutep also announced that EOC Pharma will commence a Phase II clinical trial evaluating IMP321 in combination with chemotherapy in metastatic breast cancer in China. Also in December 2020, Immutep announced plans to commence upscaling of manufacturing of IMP321 to 2000L scale in preparation for late stage clinical development and subsequent commercialization.

In January 2021, Immutep announced completion of enrolment for Part C of TACTI-002. In January 2021, Immutep also announced completion of the safety run-in phase of the EAT-COVID Phase II trial and commencement of the randomized phase of the trial.

In March 2021, Immutep announced the opening of recruitment of Stage 2 of Part B of TACTI-002. In March 2021, Immutep also announced a second clinical trial collaboration and supply agreement with Merck & Co., Inc., Kenilworth, NJ, USA (known as MSD outside the United States and Canada) to conduct a new randomized and controlled Phase IIb trial (TACTI-003) evaluating IMP321 in combination with pembrolizumab in 1st line HNSCC. In April 2021, Immutep announced the grant of Fast Track designation by the FDA for IMP321 in 1st line recurrent or metastatic HNSCC.

In June 2021, Immutep announced a new clinical trial collaboration and supply agreement with Merck KGaA to evaluate IMP321 in combination with bintrafusp alpha in solid tumors. The new trial will be a Phase I/IIa trial referred to as INSIGHT-005.

In June 2021, Immutep also announced the presentation of further interim data from TACTI-002 and final data from INSIGHT-004 at the ASCO 2021 Annual Meeting. The interim data from Part A (1st line NSCLC) of the TACTI-002 trial presented showed sustained and durable responses in 15 patients with responses giving an ORR of 41.7% on an intention-to-treat basis and 48.4% in evaluable patients, as assessed by blinded independent committee read. Two out of the 36 patients (5.6%) had a Complete Response (complete disappearance of tumour lesions) and 23/36 (63.9%) of patients had a target lesion decrease (this includes the 2 with Complete Responses). Data presented for Part C (2nd line HNSCC) showed 11 patients with responses giving an ORR of 29.7% on an intention-to-treat basis and 35.5% in evaluable patients and durable responses with 5 patients (13.5%) having a Complete Response. The encouraging 2nd line HNSCC data formed an excellent basis to move into the 1st line HNSCC indication via Immutep's randomised Phase IIb TACTI-003 study. The final data from INSIGHT-004 presented at ASCO 2021 showed an Objective Response Rate of 41.7% (5/12) demonstrating encouraging early activity signals from this all-comer trial. Disease Control was seen in 50% of patients (6/12).

In addition, in June 2021, Immutep announced a discovery and development program of a new generation of small molecule anti-LAG-3 therapies in collaboration with the Cardiff University and the commencement of a new Phase I trial (INSIGHT-003), which will evaluate IMP321 in conjunction with a standard of care combination of chemotherapy and anti-PD-1 therapy. The new INSIGHT-003 and INSIGHT-005 trials will be conducted by the Clinical Cancer Research, Krankenhaus Nordwest GmbH in Frankfurt, Germany ("IKF").

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IMP761 Preclinical Development

In January 2017, we announced a new early stage product candidate to be known as IMP761, developed in our laboratory in Paris, and believed to be the first agonist antibody of LAG-3. IMP761, our fourth LAG-3 related product candidate, is our first agonist antibody related to LAG-3. The product candidate is not partnered.

In September 2018, Immutep commenced cell line development and the associated GMP manufacturing steps for IMP761 to progress the product candidate towards clinical development. This work is ongoing.

Encouraging positive results from the preclinical studies of IMP761, were reported in March 2019. Consistent with earlier in vitro studies conducted by Immutep on the immunosuppressive activity of IMP761, in vivo studies in a non-human primate animal model showed that IMP761 decreases inflammatory T cell infiltration induced by intra-dermal injection of an antigen. This demonstrates that IMP761 may have potential to address the root cause of autoimmune diseases by specifically silencing the autoimmune memory T cells accumulating at the disease site.

In April 2020, Immutep announced that its manufacturing partner, Batavia Biosciences, had developed a pharmaceutical grade CHO cell line which is able to produce significant quantities of IMP761.

Research Reagents used in the Development of LAG-3 Products

Our French subsidiary, Immutep S.A.S. manufactures, sells and distributes research reagents used by scientists in the research of LAG-3 products. The reagents are manufactured by Immutep S.A.S. and distributed through third party distributors. These third parties include Adipogen and Enzo.

The research reagents were originally manufactured and sold based on background licensed technology from Serono. Since 2018, the relevant patents have expired and Immutep therefore has no further obligation to make royalty payments on these sales to Serono under the licensing agreement dated December 2002 between Immutep and Serono.

In addition, in October 2020, Immutep entered into a licence and collaboration agreement with Laboratory Corporation of America Holdings (LabCorp). The agreement is unrelated to any of Immutep's own development programs and will support the development of immuno-oncology products or services by LabCorp.

IMP731 Clinical Development

A second key product candidate of Immutep is IMP731, a depleting antibody that removes T cells involved in autoimmunity. The product candidate was acquired through our acquisition of Immutep S.A.S (formerly known as Immutep S.A.) in December 2014. Immutep S.A.S obtained the exclusive intellectual property rights of IMP731 from the Institut national de la santé et de la recherche médicale (INSERM Transfert) under a commercial co-ownership and exploitation agreement dated July 2010. In return, Immutep S.A.S has the obligation to make customary milestone payments when the product achieves market authorization, plus additional minor royalty payments on sales.

The development of IMP731 was licensed to Glaxo Smith Kline (GSK) under a license and research collaboration agreement dated December 2010 between Immutep S.A.S and GSK. Under the sublicense, GSK has the exclusive development right of IMP731 and will fund all the development costs and make potential milestone payments in the aggregate amount of up to £64 million as well as potential royalty payments to Immutep.

In January 2015, Immutep collected a milestone payment from GSK for the development of GSK2831781 (derived from Immutep's IMP731 antibody) for a first time in human clinical trial. GSK announced in July 2018 that the lead indication for GSK2831781 will be ulcerative colitis with Proof of Concept data expected in 2020. This new Phase II clinical study commenced in May 2019 (clinicaltrials.gov identifier NCT03893565) and will build on GSK's Phase I clinical trial of the product candidate in psoriasis, which was completed in March 2018 (clinicaltrials.gov identifier NCT02195349). Another Phase I study in 36 Japanese and Caucasian healthy volunteers in Japan was started in June 2019 (clinicaltrials.gov identifier NCT03965533).

In September 2019, Immutep announced that it would receive a £4,000,000 milestone payment from GSK related to the first patient being dosed in GSK's Phase II clinical trial evaluating GSK2831781 in ulcerative colitis, which was subsequently received by Immutep in the fiscal year 2020. In January 2021, Immutep announced that GSK had stopped the Phase II trial as part of a planned interim analysis conducted in consultation with the trial's Data Review Committee. GSK is conducting further reporting, assessment and analyses of the efficacy and safety data and evaluating the biology to determine the next steps for the GSK2831781 development program.

IMP701 Clinical Development

The third key product candidate of Immutep is IMP701, an antagonist (blocking) antibody targeting the LAG-3 molecule with potential application in the treatment of cancer. It is designed to block the negative signal in cytotoxic T cells, which may stop T cells from responding to the cancer. The product candidate was acquired through our acquisition of Immutep S.A.S in December 2014.



The development of IMP701 was licensed to CoStim Pharmaceuticals under an exclusive license and collaboration agreement dated September 2012 between Immutep and CoStim. Under the license, CoStim has the exclusive development right of IMP701, in consideration for the obligation to fund all the development costs and to make milestone and royalty payments to Immutep S.A.S. In February 2014, CoStim became a wholly owned subsidiary of Novartis, but the obligations of the Agreement remained with CoStim.

In August 2017, we received a milestone payment of US\$1,000,000 from Novartis relating to our IMP701 LAG-3 antibody. Novartis is continuing its clinical development program for IMP701, known as LAG525 (INN: leramilimab) by Novartis, in oncology. Currently, there are five ongoing Phase I/II clinical trials evaluating this product candidate, with a total target enrolment of 1,100 patients. More information about these clinical trials can be found at www.clinicaltrials.gov.

Novartis presented two posters on LAG525 at ESMO 2021. One poster included data from its PLATForM Phase II study of novel spartalizumab combinations in melanoma, concluding that patients with LAG-3+ melanoma may be more likely to respond to spartalizumab + ieramilimab (LAG525) treatment.

Novartis also presented data from its Phase II, open-label, 3-arm study, in patients with advanced TNBC regardless of PD-L1 status progressing after adjuvant or 1 prior line of systemic therapy for metastatic disease, but who had not received an immune checkpoint inhibitor, where patients were randomised 1:1:1 to LAG525 + spartalizumab, LAG525 + spartalizumab + carboplatin, or LAG525 + carboplatin. As no arms met the proof of preliminary efficacy PPE criteria, no further investigation is planned for this study.

Intellectual Property

As of June 30, 2021, Immutep owns or co-owns 12 patent families relating to our development candidates IMP321, IMP761, IMP701 and IMP731.

On the December 9, 2002, Ares Trading SA (a fully owned subsidiary of Serono, now Merck Serono) and Immutep S.A. entered into an exclusive License Agreement for the development of the LAG-3 technology. The license covers use of background patents and know-how necessary for the development of certain LAG-3 products. Confidential milestones and royalties are payable to Serono while the patent or know-how license is in force. As the license is exclusive it provides a greater level of protection to the development of LAG-3 products. The license is sub-licensable and has been sublicensed in agreements with GSK, Co-Stim, Eddingpharm and Cytlimic. Improvements to the technology and new developments in intellectual property covered by the license are the property of Immutep S.A. The last of the licensed patents expired on July 23, 2018 and so the license continues as only a know-how license.

In addition to patent protection for all of our assets, we rely on unpatented trade secrets, know-how and other confidential information as well as proprietary technological innovation and expertise that are protected in part by confidentiality and invention assignment agreements with our employees, advisors and consultants.

Patent matters in biotechnology are highly uncertain and involve complex legal and factual questions. The availability and breadth of claims allowed in biotechnology and pharmaceutical patents cannot be predicted. Statutory differences in patentable subject matter may limit the protection Immutep can obtain on some or all of their licensed inventions or prevent us from obtaining patent protection either of which could harm our business, financial condition and results of operations. Since patent applications are not published until at least 18 months from their first filing date and the publication of discoveries in the scientific literature often lags behind actual discoveries, we cannot be certain that we, or any of our licensors, were the first creator of inventions covered by pending



patent applications, or that we or our licensors, were the first to file patent applications for such inventions. Additionally, the grant and enforceability of a patent is dependent on a number of factors that may vary between jurisdictions. These factors may include the novelty of the invention, the requirement that the invention not be obvious in the light of prior art (including prior use or publication of the invention), the utility of the invention and the extent to which the patent clearly describes the best method of working the invention. In short, this means that claims granted in various territories may vary and thereby influence commercial outcomes.

While we have applied and will continue to file for protection as appropriate for our therapeutic products and technologies, we cannot be certain that any future patent applications filed by the company, or licensed to us, will be approved, or that Immutep will develop additional proprietary products or processes that are patentable or that we will be able to license any other patentable products or processes. Immutep cannot be certain that others will not independently develop similar products or processes, duplicate any of the products or processes developed or being developed by the company or licensed to us, or design around the patents owned or licensed by us, or that any patents owned or licensed by us will provide us with competitive advantages.

Furthermore, we cannot be certain that patents held by third parties will not prevent the commercialization of products incorporating the technology developed by us or licensed to us, or that third parties will not challenge or seek to narrow, invalidate or circumvent any of the issued, pending or future patents owned or licensed by us.

Our commercial success will also depend, in part, on our ability to avoid infringement of patents issued to others. If a court determines that we were infringing any third party patents, we could be required to pay damages, alter our products or processes, obtain licenses or cease certain activities. We cannot be certain that the licenses required under patents held by third parties would be made available on terms acceptable to us or at all. To the extent that we are unable to obtain such licenses, we could be foreclosed from the development, export, manufacture or commercialization of the product requiring such license or encounter delays in product introductions while we attempt to design around such patents, and any of these circumstances could have a material adverse effect on our business, financial condition and results of operations. We may have to resort to litigation to enforce any patents issued or licensed to us or to determine the scope and validity of third party proprietary rights. Such litigation could result in substantial costs and diversion of effort by us. We may have to participate in opposition proceedings before the Australian Patent and Trademark Office or another foreign patent office, or in interference proceedings declared by the United States Patent and Trademark Office, to determine the priority of invention for patent applications filed by competitors. Any such litigation interference or opposition proceeding, regardless of outcome, could be expensive and time consuming, and adverse determinations in any such proceedings could prevent us from developing, manufacturing or commercializing our products and could have a material adverse effect on our business, financial condition and results of operations.

As of June 30, 2021, the Company also owns trademark registrations for IMMUTEP in Australia, United States, Europe, China and Japan.

In fiscal year 2021, Immutep has continued its active intellectual property protection program for its technologies with 9 key new patents being granted for efti, IMP761 and leramilimab.

Immutep was granted a new patent from the United States Patent & Trademark Office (USPTO) to protect combined preparations comprising efti and a PD-1 pathway inhibitor, specifically either pembrolizumab (as being evaluated in TACTI-002 and TACTI-003) or nivolumab. The USPTO later granted a divisional patent, building on the protection provided by the parent patent. A similar divisional patent was also granted by the European Patent Office (EPO) during the year.

The USPTO and Chinese Patent Office each granted a new patent drawn to efti in combination with certain chemotherapies, building on corresponding Australian, European and Japanese patents.

The EPO granted a new patent protecting Immutep's pre-clinical product candidate, IMP761, and also to the use of IMP761 in the treatment of T-cell mediated inflammatory and autoimmune diseases.

The USPTO and the Australian Patent Office each granted a new patent drawn to embodiments of leramilimab. These new patents build on the corresponding US, European and Japanese patents granted in previous years. The European Patent Office also granted a patent directed to combination therapy with leramilimab. These leramilimab patents are co-owned by Immutep SAS and Novartis AG.

Patent Portfolio

The following table presents our portfolio of patents and patent applications, including their status (as at June 30, 2021) and title.



| <u>Patent Family</u> | <u>Title</u> | <u>Status</u> | <u>Expires</u> |
|---|--|---|----------------|
| 550 (Immutep S.A.S. & INSERM) | Cytotoxic anti-LAG-3 monoclonal antibody and its use in the treatment or prevention of organ transplant rejection and autoimmune disease | Pending China, US, Europe Granted US, Canada, Europe and Japan (x2) | 2028 |
| 650 (Immutep S.A.S.) | Use of recombinant LAG-3 or the derivatives thereof for eliciting monocyte immune response | Pending China, Europe, Hong Kong and US Granted Australia, Europe (x4), Japan (x2) and US (x2) | 2028 |
| 660 (Immutep S.A.S.) | Combined preparations for the treatment of cancer | Pending in China, Europe, Japan, Korea, US and Hong Kong Granted in Australia, China, Europe, Hong Kong, Japan and US | 2034 |
| 661 (Immutep S.A.S.) | Treatment of Cancer | PCT application filed | 2041 |
| 670 (Immutep S.A.S.) | Combination of IMP321 and a checkpoint inhibitor | Pending in Europe, Russia, US, Canada, Mexico, Australia, New Zealand, China, Hong Kong, Korea, Japan, Brazil, India and Israel Granted in Europe (x2), Hong Kong, US (x2) and Mexico | 2036 |
| 700 (Immutep S.A.S. & Novartis) | Antibody molecules to LAG-3 and uses thereof | National phase in 50 territories Granted Australia, US (x2), Europe, Japan, Iraq, Lebanon, Algeria and Colombia | 2035 |
| 710 (Immutep S.A.S. & Novartis) | Combination therapies comprising antibody molecules to LAG-3 | Pending in Europe and US Granted in Europe | 2036 |
| 761 (Immutep S.A.S.) | Anti-LAG-3 antibodies | Pending in Europe, Russia, US, Canada, Mexico, Brazil, Australia, New Zealand, China, Hong Kong, Korea, Japan, India, Israel, Indonesia, Malaysia, Philippines and Singapore Granted in Europe, South Africa and Nigeria | 2036 |
| 762 (Immutep S.A.S.) | Anti-LAG-3 Binding Molecules | PCT application filed | 2040 |
| 763 (Immutep S.A.S.) | Anti-LAG-3 Binding Molecules | PCT application filed | 2040 |
| 800 (Immutep S.A.S.) | Binding assay | Pending in Europe, Russia, US, Canada, Mexico, Australia, New Zealand, China, Korea, Japan, India, Brazil, and Israel | 2037 |
| 810 (Immutep S.A.S.) | Assays | PCT application filed | 2040 |
| Family 3(CVac) (Burnet Institute) | Method of producing dendritic cells pulsed with MFP | Granted in US | 2022 |

Competition

The biopharma industry, including the immunotherapy subsector, is intensely competitive and characterized by ongoing and extensive research and development efforts devoted to developing innovative and proprietary technologies. Our product candidates target oncology and autoimmune diseases. We compete with many organizations who have developed and/or are developing products, or product candidates for the same indications or employing a mechanism-of-action (MOA) principle that is similar or competitive to ours, including large and specialty pharmaceutical and biotechnology companies, academic research institutes, governmental agencies, and public and private research institutes. We anticipate that we may face increasing competition as new drugs or therapies targeting oncology or autoimmune diseases are developed and enter the market.

There is great industry interest in the field of immune-oncology, particularly given the therapeutic benefits achieved by FDA-approved checkpoint inhibitors targeting CTLA-4, PD1, or PD-L1. These positive results for checkpoint monotherapies are typically only seen in a relatively small subset of the targeted patient population which has led to hundreds of immune-oncology combination treatments being tested in clinical trials.



Our lead product candidate, efitlagimod alpha (IMP321 or efti), is being developed as a cancer therapeutic. Efti's MOA stimulates and augments the human body's natural immune response to fight cancer tumors and it is a member of a class of drugs known as "antigen presenting cell (APC) activators." Other types of APC activators include toll like receptor (TLR) agonists, stimulator of interferon genes (STING) agonists, CD40 agonists, or oncolytic viral therapies. Efti's MOA leads to the activation of APCs, such as monocytes and dendritic cells, which results in increased T cell levels.

We are aware of other companies that are developing cancer therapeutics in the same specific indications we are currently targeting and may target in the future. Some of these competitors are developing APC product candidates, other immune-modulating therapeutics that promote an immunological response against cancer and therapies targeting patients who have received prior anti-PD-1/PD-L1 therapies. These companies include, but are not limited to Birdie Biotech, Inc., AstraZeneca PLC, Arcus Biosciences Inc., Curevac NV, Checkmate Pharmaceuticals, Inc., Gilead Sciences Inc., GlaxoSmithKline plc, Hoffmann-La Roche Ltd., Idera Pharmaceuticals, Inc., AbbVie, Inc., Incyte Corporation, ImmunityBio, Inc, Merck & Co, Idera Pharmaceuticals, Inc., Nektar Therapeutics, Eisai Co Ltd. and Regeneron Pharmaceuticals, Inc..

Current treatments for metastatic breast cancer, the current lead indication of efti, include chemotherapies/cytotoxics, parp inhibitors, CDK4/6 inhibitors, angiogenesis inhibitors, nonsteroidal aromatase inhibitors and immunotherapies. Efti is developed for a specific subset of metastatic breast cancer, specifically human epidermal growth factor receptor 2-negative (HER2-), hormone receptor positive (HR+) metastatic breast cancer patients that have previously undergone endocrine therapy as well as possibly CDK4/6 therapy and are eligible to receive chemotherapy. Efti is also being investigated in patients with recurrent/metastatic head and neck squamous cell carcinomas (R/M HNSCC). Current treatments for HNSCC include combination therapy with cetuximab, cisplatin, and 5-fluoruracil (5-FU) and more recently, immunotherapy through PD-1 blockade has become an option, either alone or in combination with platinum plus 5-FU. Similarly in metastatic Non-small cell lung cancer, another indication where efti is tested, platinum based chemotherapies were mostly replaced by anti-PD-(L)1 monotherapies or anti-PD-(L)1 + chemotherapy combination treatments in recent years.

Many competitors, or potential competitors, either alone, or with their strategic partners, have substantially greater financial, technical and human resources than we do. Therefore, our competitors may be more successful than us in obtaining approval for treatments and achieving widespread market adoption which may render our treatments obsolete or non-competitive. In addition, many of our competitors have significantly greater experience than we have in undertaking preclinical studies and human clinical trials of new pharmaceutical products, obtaining FDA and other regulatory approvals of products for use in health care, manufacturing and marketing and selling approved products. Our competitors may also obtain FDA or other regulatory approval for their products more rapidly than we may obtain approval for ours.

We expect our product candidates, if approved and commercialized, to compete with other products on a number of factors including, but not limited to, product safety and efficacy, time to market, price, insurance coverage and reimbursement by third-party payors, extent of adverse side effects, and convenience of treatment. We may not be able to effectively compete in any of these areas.

Regulatory Authorities

Our ongoing research and development, clinical, regulatory, commercial and manufacturing activities of our pharmaceutical products are subject to extensive regulation by numerous governmental authorities, including (i) in Australia, principally the Therapeutics Goods Administration, or TGA; (ii) in the United States, principally the Food and Drug Administration, or FDA; and (iii) in Europe, principally the European Medicines Agency, or EMA and local competent authorities, ethics committees (ECs), institutional research boards (IRBs) and other regulatory authorities at federal, state or local levels. We, along with our third-party contractors, will be required to navigate the various preclinical, clinical and commercial approval and post-approval requirements of the governing regulatory agencies of the countries in which we wish to conduct studies or seek approval or licensure of our product candidates.

United States – FDA process

In the United States, the FDA regulates drugs under the Federal Food, Drug, and Cosmetic Act, or the FDCA, and its implementing regulations. Regulations that govern the testing, manufacturing, safety, efficacy, labeling, storage, record keeping, advertising and promotion of such products under the Federal Food, Drug and Cosmetic Act, the Public Health Service Act, and their implementing regulations. The process of obtaining FDA approval and achieving and maintaining compliance with applicable laws and regulations requires the expenditure of substantial time and financial resources. Failure to comply with applicable FDA or other requirements may result in refusal to approve pending applications, a clinical hold, warning letters, civil or criminal penalties, recall or seizure of products, partial or total suspension of production or withdrawal of the product from the market. FDA approval is required before any new drug or biologic, including a new use of a previously approved drug, can be marketed in the United States. All applications for FDA approval must contain, among other things, information relating to safety and efficacy, stability, manufacturing, processing, packaging, labeling and quality control.



Government oversight of the pharmaceutical industry is usually classified into pre-approval and post-approval categories. Most of the therapeutically significant innovative products marketed today are the subject of New Drug Applications, or NDAs, or Biologics License Applications, or BLAs. Pre-approval activities, based on these detailed applications, are used to assure the product is safe and effective before marketing.

Drug Approval Process—FDA

None of our drug product candidates may be marketed in the United States until the drug has received FDA approval. The steps required before a drug may be marketed in the United States generally include the following:

- completion of extensive pre-clinical laboratory tests, animal studies, and formulation studies in accordance with the FDA’s GLP regulations;
- submission to the FDA of an Investigational New Drug, or IND, application for human clinical testing, which must become effective before human clinical trials may begin;
- performance of adequate and well-controlled human clinical trials in accordance with GCP requirements to establish the safety and efficacy of the drug for each proposed indication;
- submission to the FDA of an NDA/BLA after completion of all pivotal clinical trials;
- satisfactory completion of an FDA pre-approval inspection of the manufacturing facility or facilities at which the active pharmaceutical ingredient, or API, and finished drug product are produced and tested to assess compliance with current Good Manufacturing Practices, or cGMPs; and
- FDA review and approval of the NDA/BLA prior to any commercial marketing or sale of the drug in the United States.

The manufacturing and quality, as well as preclinical and clinical testing and approval process requires substantial time, effort and financial resources, and we cannot guarantee approval of our product candidates will be granted on a timely basis, if at all.

The FDA may inspect and audit the development facilities, planned production facilities, clinical trial sites and laboratory facilities. After the product is approved and marketed, the FDA uses different mechanisms for assuring that firms adhere to the terms and conditions of approval described in the application and that the product is manufactured in a consistent and controlled manner. This is done by periodic unannounced inspections of production and quality control facilities by FDA’s field investigators and analysts.

Preclinical tests include laboratory evaluation of toxicity and immunogenicity in animals. The results of preclinical tests, together with manufacturing information and analytical data, are submitted as part of an IND application to the FDA.

Further, an independent institutional review board, or IRB, covering each medical center proposing to conduct clinical trials must review and approve the plan for any clinical trial before it commences at that center and it must monitor the study until completed. The FDA, the IRB or the sponsor may suspend a clinical trial at any time on various grounds, including a finding that the subjects or patients are being exposed to an unacceptable health risk. Clinical testing also must satisfy extensive Good Clinical Practice, or GCP, regulations, which include requirements that all research subjects provide informed consent and that all clinical studies be conducted under the supervision of one or more qualified investigators.

Clinical trials (under an IND) involve administration of the investigational drug to human subjects under the supervision of qualified investigators. Clinical trials are conducted under protocols detailing the objectives of the study, the parameters to be used in monitoring safety and the effectiveness criteria to be evaluated. Each protocol must be provided to the FDA as part of a separate submission to the IND. Further, an Institutional Review Board, or IRB, for each medical center proposing to conduct the clinical trial must review and approve the study protocol and informed consent information for study subjects for any clinical trial before it commences at that center, and the IRB must monitor the study until it is completed. There are also requirements governing reporting of ongoing clinical trials and clinical trial results to public registries. Study subjects must sign an informed consent form before participating in a clinical trial.

Progress reports detailing the results of the clinical studies must be submitted at least annually to the FDA and safety reports must be submitted to the FDA and the investigators for serious and unexpected adverse reactions in case of an open IND. For purposes of a BLA submission and approval, human clinical trials are typically conducted in the following sequential phases, which may overlap:



- Phase I: Trials are initially conducted in a limited population of healthy human (in oncology Phase I trials are often conducted in patients) subjects or patients to test the product candidate for safety and dose tolerance. These studies are designed to test the safety, dosage tolerance, absorption, metabolism and distribution of the investigational product in humans, the side effects associated with increasing doses, and, if possible, to gain early evidence on effectiveness.
- Phase II: The investigational product is administered to a limited patient population with a specified disease or condition to evaluate the preliminary efficacy, optimal dosages and dosing schedule and to identify possible adverse side effects and safety risks. Multiple Phase 2 clinical trials may be conducted to obtain information prior to beginning larger and more expensive Phase 3 clinical trials.
- Phase III: The investigational product is administered to an expanded patient population in adequate and well-controlled studies to further evaluate dosage, to provide statistically significant evidence of clinical efficacy and to further test for safety, generally at multiple geographically dispersed clinical trial sites. These clinical trials are intended to establish the overall risk/benefit relationship of the investigational product and to provide an adequate basis for product approval.
- Phase IV: In some cases, the FDA may condition approval of a BLA on the sponsor's agreement to conduct additional clinical trials to further assess the product candidate's safety, purity and potency after BLA approval. Such post-approval trials are typically referred to as Phase IV clinical trials.

Concurrent with clinical studies, sponsors usually complete additional animal studies and must also develop additional information about the product and finalize a process for manufacturing the product in commercial quantities in accordance with cGMP requirements. The manufacturing process must be capable of consistently producing quality batches of the product candidate and, among other things, the manufacturer must develop and validate methods for testing the identity, strength, quality and purity of the final product. Moreover, appropriate packaging must be selected and tested and stability studies must be conducted to demonstrate that the product candidate does not undergo unacceptable deterioration over its shelf life.

The results of product development, preclinical studies and clinical trials, along with the aforementioned manufacturing information, are submitted to the FDA as part of a BLA/NDA. Under the Prescription Drug User Fee Act, or PDUFA, the FDA agrees to specific goals for BLA review time. The testing and approval process requires substantial time, effort and financial resources. The FDA will review the BLA/NDA and may deem it to be inadequate to support approval, and we cannot be sure that any approval will be granted on a timely basis, if at all. The FDA may also refer the application to the appropriate advisory committee, typically a panel of clinicians, for review, evaluation and a recommendation as to whether the application should be approved. The FDA is not bound by the recommendations of the advisory committee, but it typically follows such recommendations.

The FDA may deny approval of a BLA/NDA if the applicable regulatory criteria are not satisfied, or it may require additional clinical data or additional pivotal Phase III clinical trials. Even if such data are submitted, the FDA may ultimately decide that the BLA does not satisfy the criteria for approval. Data from clinical trials are not always conclusive and the FDA may interpret data differently than the sponsor does. Once issued, product approval may be withdrawn by the FDA if ongoing regulatory requirements are not met or if safety problems occur after the product reaches the market. In addition, the FDA may require testing, including Phase IV clinical trials, Risk Evaluation and Mitigation Strategies, or REMS, and surveillance programs to monitor the effect of approved products that have been commercialized, and the FDA has the power to prevent or limit further marketing of a product based on the results of these post-marketing programs. Products may be marketed only for the approved indications and in accordance with the provisions of the approved label. Further, if there are any modifications to the drug, including changes in indications, labeling or manufacturing processes or facilities, approval of a new or supplemental BLA may be required, which may involve conducting additional preclinical studies and clinical trials.

Expedited Review and Approval

The FDA has various programs, including fast track designation, priority review, accelerated approval, and breakthrough therapy designation, which are intended to expedite or simplify the process for reviewing drugs and/or provide for approval on the basis of surrogate endpoints. Even if a drug qualifies for one or more of these programs, the FDA may later decide that the drug no longer meets the conditions for qualification or that the time period for FDA review or approval will not be shortened. Generally, drugs that may be eligible for these programs are those for serious or life-threatening diseases or conditions, those with the potential to address unmet medical needs, and those that offer meaningful benefits over existing treatments.

Other U.S. Regulatory Requirements

After approval, products are subject to extensive continuing regulation by the FDA, which include company obligations to manufacture products in accordance with GMP, maintain and provide to the FDA updated safety and efficacy information, report adverse experiences with the product, keep certain records and submit periodic reports, obtain FDA approval of certain manufacturing or labelling changes and comply with FDA promotion and advertising requirements and restrictions. Failure to meet these obligations can result in various adverse consequences, both voluntary and FDA-imposed, including product recalls, withdrawal of approval, restrictions on marketing, and the imposition of civil fines and criminal penalties against the BLA holder. In addition, later discovery of previously unknown safety or efficacy issues may result in restrictions on the product, manufacturer or BLA holder.



We, and any manufacturers of our products, are required to comply with applicable FDA manufacturing requirements contained in the FDA's GMP regulations. GMP regulations require, among other things, quality control and quality assurance as well as the corresponding maintenance of records and documentation. The manufacturing facilities for our products must meet GMP requirements. We, and any third-party manufacturers, are also subject to periodic inspections of facilities by the FDA and other authorities, including procedures and operations used in the testing and manufacture of our products to assess our compliance with applicable regulations.

With respect to post-market product advertising and promotion, the FDA imposes a number of complex regulations on entities that advertise and promote pharmaceuticals, which include, among others, standards for direct-to-consumer advertising, promoting products for uses or in patient populations that are not described in the product's approved labelling (known as "off-label use"), industry-sponsored scientific and educational activities, and promotional activities involving the Internet. Failure to comply with FDA requirements can have negative consequences, including adverse publicity, enforcement letters from the FDA, mandated corrective advertising or communications with doctors and civil or criminal penalties. Although physicians may prescribe legally available drugs for off-label uses, manufacturers may not market or promote such off-label uses.

Changes to some of the conditions established in an approved application, including changes in indications, labelling, or manufacturing processes or facilities, require submission and FDA approval of a new BLA or BLA supplement before the change can be implemented. A BLA supplement for a new indication typically requires clinical data similar to that in the original application, and the FDA uses the same procedures and actions in reviewing BLA supplements as it does in reviewing BLAs.

Adverse event reporting and submission of periodic reports is required following FDA approval of a BLA. The FDA also may require post-marketing testing, known as Phase IV testing, risk mitigation strategies, and surveillance to monitor the effects of an approved product or place conditions on an approval that could restrict the distribution or use of the product.

Foreign Regulation

In addition to regulations in the United States, we are subject to a variety of foreign regulations governing clinical trials and commercial sales and distribution of our products. Whether or not we obtain FDA approval for a product, we must obtain approval of a product by the comparable regulatory authorities of foreign countries before we can commence clinical trials or marketing of the product in those countries. The approval process varies from country to country and the time may be longer or shorter than that required for FDA approval. The requirements governing the conduct of clinical trials vary greatly from country to country.

European Union

In the European Economic Area, or EEA, which is comprised of the Member States of the EU plus Norway, Iceland and Liechtenstein, medicinal products can only be commercialized after obtaining a Marketing Authorization, or MA by the EMA. Under European Union regulatory systems, we must submit and obtain authorization for a clinical trial application in each member state in which we intend to conduct a clinical trial. When conducting clinical trials in the EU, we must adhere to the provisions of the European Union Clinical Trials Directive (Directive 2001/20/EC) and the laws and regulations of the EU Member States implementing them. These provisions require, among other things, that the prior authorization of an Ethics Committee and the competent Member State authority is obtained before commencing the clinical trial. In April 2014, the EU passed the Clinical Trials Regulation (Regulation 536/2014), which will replace the current Clinical Trials Directive. To ensure that the rules for clinical trials are identical throughout the European Union, the EU Clinical Trials Regulation was passed as a regulation that is directly applicable in all EU member states. All clinical trials performed in the European Union are required to be conducted in accordance with the Clinical Trials Directive until the Clinical Trials Regulation becomes applicable. According to the current plans of the EMA, the Clinical Trials Regulation is expected to become applicable.

After we have completed our clinical trials, we must obtain marketing authorization before we can market our product. We may submit applications for marketing authorizations under a centralized procedure. The centralized procedure provides for the grant of a single marketing authorization that is valid for all European Union member states.

The European Medicines Agency, or EMA, is a body of the European Union located in Amsterdam. The EMA is responsible for the scientific evaluation of medicines developed by pharmaceutical companies for use in the European Union. The EMA is involved in the scientific evaluation of medicines that fall within the scope of the centralized procedure. Like the FDA there is a harmonization between regulators and the EMA may inspect and audit the development facilities, planned production facilities, clinical trial sites and laboratory facilities. Additionally, after the product is approved and marketed, the EMA uses different mechanisms for assuring that firms adhere to the terms and conditions of approval described in the application and that the product is manufactured in a consistent and controlled manner. This is done by periodic unannounced inspections of production and quality control facilities.



If any of our products receive marketing approval in the EEA, we expect they will benefit from 8 years of data protection and 10 years of market protection. The periods run in parallel so effectively 8 years of data protection plus 2 years of market protection is granted. This means that a biosimilar application referencing Immutep's safety and efficacy data held on file at the EMA cannot be filed until the end of the data protection period of 8 years, and the biosimilar cannot be placed on the market until after a further 2 years have elapsed (8 + 2). Furthermore, an additional 1 year of market protection is available (8 + 2 + 1) where we obtain approval of a second indication having a significant clinical benefit in the initial 8 year period.

Similarly, since the Biologics Price Competition and Innovation Act (BPCIA) came into force in 2010, the United States provides 4 years of data exclusivity and 12 years of marketing exclusivity for a new biologic. The periods of exclusivity run in parallel, meaning that the FDA will not accept a biosimilar filing for 4 years and will not approve the biosimilar for a further 8 years (4 + 8).

Australia

In Australia, the relevant regulatory body responsible for the pharmaceutical industry is the Therapeutics Goods Administration, or TGA. As with the EMA and FDA there is a harmonization and collaboration between regulatory authorities. The TGA requires notification of all clinical trials via an electronic submission of a Clinical Trial Notification (CTN) prior to commencing the clinical trial.

Third-Party Payer Coverage and Reimbursement

Although our product candidate has not been commercialized for any indication, if they are approved for marketing, commercial success of our product candidate will depend, in part, upon the availability of coverage and reimbursement from third-party payers at the federal, state and private levels.

In the United States and internationally, sales of any other product that we market in the future, and our ability to generate revenues on such sales, are dependent, in significant part, on the availability of adequate coverage and reimbursement from third-party payors, such as state and federal governments, managed care providers and private insurance plans.

Private insurers, such as health maintenance organizations and managed care providers, have implemented cost-cutting and reimbursement initiatives and likely will continue to do so in the future. These include establishing formularies that govern the drugs and biologics that will be offered and the out-of-pocket obligations of member patients for such products. We may need to conduct pharmacoeconomic studies to demonstrate the cost-effectiveness of our products for formulary coverage and reimbursement. Even with such studies, our products may be considered less safe, less effective or less cost-effective than existing products, and third-party payors may not provide coverage and reimbursement for our product candidates, in whole or in part. In addition, particularly in the United States and increasingly in other countries, we are required to provide discounts and pay rebates to state and federal governments and agencies in connection with purchases of our products that are reimbursed by such entities. It is possible that future legislation in the United States and other jurisdictions could be enacted to potentially impact reimbursement rates for the products we are developing and may develop in the future and could further impact the levels of discounts and rebates paid to federal and state government entities. Any legislation that impacts these areas could impact, in a significant way, our ability to generate revenues from sales of products that, if successfully developed, we bring to market. Political, economic and regulatory influences are subjecting the healthcare industry in the United States to fundamental changes. There have been, and we expect there will continue to be, legislative and regulatory proposals to change the healthcare system in ways that could significantly affect our future business.



Similar political, economic and regulatory developments are occurring in the EU and may affect the ability of pharmaceutical companies to profitably commercialize their products. In addition to continuing pressure on prices and cost containment measures, legislative developments at the EU or member state level may result in significant additional requirements or obstacles. The delivery of healthcare in the EU, including the establishment and operation of health services and the pricing and reimbursement of medicines, is almost exclusively a matter for national, rather than EU, law and policy. National governments and health service providers have different priorities and approaches to the delivery of health care and the pricing and reimbursement of products in that context. In general, however, the healthcare budgetary constraints in most EU member states have resulted in restrictions on the pricing and reimbursement of medicines by relevant health service providers. Coupled with ever-increasing EU and national regulatory burdens on those wishing to develop and market products, this could restrict or regulate post-approval activities and affect the ability of pharmaceutical companies to commercialize their products. In international markets, reimbursement and healthcare payment systems vary significantly by country, and many countries have instituted price ceilings on specific products and therapies. In the future, there may continue to be additional proposals relating to the reform of the U.S. healthcare system and international healthcare systems. Future legislation, or regulatory actions implementing recent or future legislation may have a significant effect on our business. Our ability to successfully commercialize products depends in part on the extent to which reimbursement for the costs of our products and related treatments will be available in the United States and worldwide from government health administration authorities, private health insurers and other organizations. The adoption of certain proposals could limit the prices we are able to charge for our products, the amounts of reimbursement available for our products, and limit the acceptance and availability of our products. Therefore, substantial uncertainty exists as to the reimbursement status of newly approved health care products by third-party payors.

Inflation and Seasonality

Management believes inflation has just had a very limited impact on our operations or financial condition. Management further believes that our operations are not currently subject to seasonal influences due to our current lack of marketed products. Moreover, cancer and autoimmune diseases, which are the targets of our product candidates, are not seasonal diseases. Accordingly, once we have marketed products, management does not expect that our business will be subject to seasonal influences.

Manufacturing and Raw Materials

Immutep has no manufacturing capabilities and is dependent on third parties for cost effective manufacture and manufacturing process development of their product candidates. Problems with third party manufacturers or the manufacturing process as such may delay or jeopardize clinical trials and commercialization of Immutep's product candidates.

Biological product candidates like IMP731, IMP761, IMP701 or IMP321 usually have more complicated manufacturing procedures than chemically produced therapies. The change of manufacturing partners, manufacturing process changes or changes of other nature could impact the product quality and affect the comparability of different product batches. A lack of comparability could significantly negatively impact the development timelines and could even lead to a situation where regulatory bodies require additional or new pre-clinical or clinical development.

C. Organizational Structure

Below is a list of the significant subsidiaries of Immutep, including our ownership percentage, its date of formation and its jurisdiction. These subsidiaries were established to allow us to conduct commercial and clinical operations in Europe and the United States and expand our operations in Australia.

| <u>Subsidiary</u> | <u>Ownership</u> | <u>Date of Formation/Acquisition</u> | <u>Jurisdiction</u> |
|---------------------------|------------------|--------------------------------------|-------------------------|
| Immutep U.S., Inc. | 100% | April 2010 (formed) | Delaware, United States |
| Immutep GmbH | 100% | September 2010 (formed) | Germany |
| Immutep Australia Pty Ltd | 100% | November 2011 (formed) | Australia |
| Immutep S.A.S. | 100% | December 2014 (acquired) | France |

D. Property, Plants and Equipment

We own computer equipment, office furniture and laboratory equipment, which is primarily placed at our own offices and laboratories.

| <u>Office Location</u> | <u>Lease expiry date</u> |
|------------------------|--------------------------|
| Sydney, Australia | October 31, 2021 |
| Paris, France | December 31, 2021 |
| Berlin, Germany | February 28, 2023 |
| Leipzig, Germany | December 31, 2021 |



ITEM 4A. UNRESOLVED STAFF COMMENTS

Not Applicable.

ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

Overview

We are a development stage enterprise at an early stage in the development of our product candidate. We have incurred net losses since inception and expect to incur substantial and increasing losses for the next several years as we expand our research and development activities and move our product candidate into later stages of development. The process of carrying out the development of our products to later stages of development may require significant additional research and development expenditures, including pre-clinical testing and clinical trials, as well as for obtaining regulatory approval. To date, we have funded our operations primarily through the sale of equity securities, proceeds from the exercise of options, grants and interest income. For details of the business overview, see “Item 4. Information on the Company—B. Business Overview.”

We receive tax incentives from the Australian and French Governments for research and development activities (R&D activities).

Subject to certain exclusions, the Australian Government tax incentive scheme provides benefits for eligible R&D activities. Under the Australian R&D tax incentive scheme, entities are entitled to either (i) a 43.5% refundable tax offset for eligible companies with an aggregated turnover of less than A\$20 million per annum or (ii) a non-refundable 38.5% tax offset for all other entities with an aggregate turnover of A\$20m or more, or controlled by any exempt entity (exempt entity is, entity which is exempted from income tax). Our aggregated turnover is less than A\$20 million and not controlled by an exempt entity, we anticipate being entitled to a claim of 43.5% refundable tax offset for costs relating to eligible R&D activities during the year.

The French R&D tax credit is determined on the basis of the eligible R&D expenses incurred during the calendar year. Currently, the R&D credit equals 30% of the R&D eligible expenses incurred during the year, up to EUR 100 million in eligible R&D expenses, and 5% beyond this amount. As our turnover is currently less than EUR 100 million p.a., we anticipate being entitled to claim a 30% refundable tax offset for costs relating to eligible R&D activities during the year.

We are exposed to foreign currency risk via trade and other payables we hold. We are required to make certain payments in U.S. dollars, European Euro and other currencies. See “Note 2. Financial Risk Management—(a) Market Risk” to our notes to the financial statements for a further discussion of market risk and sensitivity analysis.

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A. Operating Results

Results of Operations

Comparison of Fiscal Year Ended June 30, 2021 to Fiscal Year Ended June 30, 2020

Revenue

Licensing revenue was nil in the fiscal year 2021 compared to A\$7.49 million in fiscal year 2020. In fiscal year 2020 the Company received licensing revenue as a licensing partner achieved a predetermined milestone, which triggered a payment to Immutep. No such milestones were recognised during fiscal year 2021.

Other Income

The research material sales increased from A\$280,000 in fiscal year 2020 to A\$313,000 in fiscal year 2021.

Other income decreased by A\$4.0 million to A\$5.0 million for fiscal year 2021 from A\$9.0 million for fiscal year 2020.

In April 2021, Immutep received a cash rebate of A\$1.16 million from the Australian Federal Government's R&D tax incentive program, which was provided mainly in respect of expenditure incurred on eligible research and development activities conducted in fiscal year 2020 for the TACTI-mel and TACTI-002 trials. In addition, Immutep has recognised approximately A\$986K in grant income from the Australian Federal Government's R&D tax incentive program for fiscal year 2021.

Our French subsidiary recognised A\$3.41 million of grant income from the French Crédit d'Impôt Recherche scheme for expenditure incurred on eligible research and development activities conducted in calendar year 2020 and A\$998K for the first half of calendar year 2021.

Interest income decreased from A\$200,000 in fiscal year 2020 to A\$105,000 in fiscal year 2021. The decrease was mainly due to the decrease in weighted average interest rates. Total revenue and other income decreased from A\$16.50 million in fiscal year 2020 to A\$3.97 million in fiscal year 2021.

Research & Development and Intellectual Property Expenses

Research and development and intellectual property expenses decreased from A\$22.47 million in fiscal year 2020 to A\$17.24 million in year 2021. This decrease was mainly attributable to the significant decrease of clinical trial costs related to the completion of the TACTI-mel trial and the winding down of the AIPAC trial as all patients have completed the treatment and moved into the follow-up phase.

Whilst clinical trial costs related to AIPAC are expected to decline further given the trial is being finalized, costs related to TACTI-002 are expected to rise further with the expansion announced in November 2020, which includes an additional 74 patients with 1st line non-small cell lung cancer (NSCLC).



Clinical trial costs related to TACTI-003 are also expected to increase significantly in fiscal year 2022 due to the planned progress of the clinical trial.

Corporate Administrative Expenses

Corporate administrative expenses for fiscal year 2021 were A\$6.28 million compared to A\$6.34 million for fiscal year 2020.

Net change in fair value of convertible note liability

The net change in fair value of the convertible note liability was A\$1.17 million for fiscal year 2021 compared to A\$1.15 million for fiscal year 2020. The increase was attributable to the liability component of the convertible note being measured at fair value.

Net change in fair value of warrants

The loss of \$8.66m for fiscal year 2021 was from the net change in fair value of warrants due to the share price increase, whilst in fiscal year 2020 a gain of \$2.21m in the net change in fair value of warrants was recognised.

Net Loss

The loss after tax for fiscal year 2021 of A\$29,902,624 was significantly higher compared to A\$13,468,232 for fiscal year 2020. This increase was mainly attributable to a decrease in licensing revenues as well as an increase in non-cash changes in the fair value of financial liabilities. Removing the impact of this non-cash item results in a loss after tax for fiscal year 2021 of ~\$21.24M.

Comparison of Fiscal Year Ended June 30, 2020 to Fiscal Year Ended June 30, 2019

Revenue

Licensing revenue increased significantly from A\$140,000 in fiscal year 2019 to A\$7.49 million in fiscal year 2020, mainly attributed to the GSK milestone payment of GBP 4 million (A\$7.49 million) received in this fiscal year related to the first patient being dosed in GSK's Phase II clinical trial evaluating GSK2831781 in ulcerative colitis.

Other Income

Other income increased by A\$1.7 million to A\$9.0 million for fiscal year 2019 from A\$7.3 million for fiscal year 2019.

The research material sales decreased from A\$1.16 million in fiscal year 2019 to A\$280,000 in fiscal year 2020 due to a single bigger purchase by customer in fiscal year 2019.

In June 2020, Immutep received a cash rebate of A\$1.44 million from the Australian Federal Government's R&D tax incentive program, which was provided in respect of expenditure incurred on eligible research and development activities conducted in fiscal year 2019 mainly related to the TACTI-mel and TACTI-002 trials being conducted in Australia. In addition, Immutep has recognised approximately A\$1.16 million grant income from the Australian Federal Government's R&D tax incentive program for fiscal year 2020.

Our French subsidiary received two cash grants from the French Crédit d'Impôt Recherche scheme during fiscal year 2020. In October 2019, it received €1.57 million (approximately A\$2.58 million) for the eligible research and development expenditures incurred in the 2018 calendar year in Europe. In May 2020, it received €2.17 million (approximately A\$3.58 million) for the eligible research and development expenditures incurred in the 2019 calendar year in Europe. The French subsidiary has also recognised A\$1.98 million grant income from the French Crédit d'Impôt Recherche scheme for the expenditure incurred on eligible research and development activities conducted in first half of calendar year 2020.

There was a net gain on fair value movement of warrants of A\$2.2 million from fiscal year 2020 compared to A\$1.0 million for fiscal year 2019.

Interest income decreased from A\$397,000 in fiscal year 2019 to A\$200,000 in fiscal year 2020. The decrease was mainly due to the decrease in weighted average interest rates. Total revenue and other income increased from A\$7.49 million in fiscal year 2019 to A\$16.5 million in fiscal year 2020, which is a 120% increase.

Research & Development and Intellectual Property Expenses

Research and development and intellectual property expenses increased from A\$18.47 million in fiscal year 2019 to A\$22.47 million in fiscal year 2020. The significant increase was primarily due to the increased clinical trial activities, especially in TACTI-002 and AIPAC.



Whilst clinical trial costs related to AIPAC and TACTI-mel are expected to decline given both of these trials are being finalized, costs related to TACTI-002 are expected to rise further as the predefined number of patient responses to the combination treatment were observed in the initial patient cohorts, warranting further recruitment of patients into stage 2 of two of the three patient Parts so far.

Corporate Administrative Expenses

Corporate administrative expenses for fiscal year 2020 were A\$6.34 million compared to A\$6.37 million for fiscal year 2019.

Net change in fair value of convertible note liability

The net change in fair value of the convertible note liability was A\$1.1 million for fiscal year 2020 compared to A\$1.0 million for fiscal year 2019. The increase was attributable to the liability component of the convertible note being measured at fair value.

Net Loss

The loss after tax for fiscal year 2020 of A\$13,468,232 was significantly lower compared to A\$18,343,984 for fiscal year 2019, mainly due to the significant increase in the license revenue.

New Accounting Standards and Interpretations Not Adopted

New and amended standards not yet adopted by the Company

Certain new accounting standards and interpretations have been published that are not mandatory for June 30, 2021 reporting periods and have not been early adopted by the Group. The Group's assessment of the impact of these new standards and interpretations is set out below.

AASB 101(IAS 1) Presentation of Financial Statements

The AASB issued a narrow-scope amendment to AASB 101(IAS1) Presentation of Financial Statements to clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant). The amendment also clarifies what AASB 101(IAS 1) means when it refers to the 'settlement' of a liability.

Entities should reconsider their existing classification in light of the amendment and determine whether any changes are required. The amendment should be applied for annual periods beginning on or after January 1, 2022. There is no significant impact on adopting the amendment to AASB 101 (IAS 1).

B. Liquidity and Capital Resources

Off-Balance Sheet Arrangements

During fiscal years 2021, 2020 and 2019, we did not have any relationships with unconsolidated entities or financial partnerships, such as entities often referred to as structured finance or special purpose entities, which would have been established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes.

Tabular Disclosure of Contractual Obligations

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Contractual maturities of financial liabilities

| | Less than 12 months \$ | Between 1 and 5 years \$ | > 5 years \$ | Total contractual cash flows \$ | Carrying Amount \$ |
|----------------------------|------------------------------|--------------------------------|-----------------|--|--------------------------|
| At June 30, 2021 | | | | | |
| Convertible note liability | — | 4,469,019 | — | 4,469,019 | 2,526,870 |
| Lease liability | 215,005 | 78,455 | — | 293,460 | 288,307 |
| Total | 215,005 | 4,547,474 | — | 4,762,479 | 2,815,177 |

Contingent liabilities

Immutep did not have material Contingent liabilities outstanding as of June 30, 2021.

**Capital commitments**

Immutep did not have material future capital expenditure outstanding as of June 30, 2021.

We have agreements with clinical sites and contract research organizations, which specify the total cost for each project. We make payments to these sites and organizations based upon the number of patients enrolled and the period of follow-up in the trial. Immutep has the legal right to terminate the contract early with a written notice to the contract research organization.

Since our inception, our operations have mainly been financed through the issuance of equity securities. Additional funding has come through convertible notes, exercise of US warrants, operating grants and interest earned from cash on term deposit. For further information, refer to notes 15, 16 and 20 to our audited financial statements included in this annual report.

Equity Issuances

The following table summarizes our issuances of ordinary shares for cash, share-based payments and executive and employee compensation in the last five fiscal years.

| | <u>Fiscal Year</u> | <u>Number of Shares</u> | <u>Net Proceeds (in A\$)</u> |
|--|--------------------|-------------------------|------------------------------|
| Ordinary Shares – exercise of performance rights and options | 2017 | 1,811,199 | 1 |
| Ordinary Shares – private placement, share purchase plan and exercise of performance rights and options | 2018 | 94,633,973 | 16,142,679 |
| Ordinary Shares – private placement and exercise of warrants | 2019 | 36,251,563 | 5,792,343 |
| Ordinary Shares – private placement and fully underwritten entitlement offer | 2020 | 148,769,070 | 20,555,622 |
| Ordinary Shares – private placement, share purchase plan, conversion of convertible notes, exercise of performance rights and warrants | 2021 | 260,521,997 | 52,429,303 |

All number of shares in the table above has been adjusted for the 10 to 1 share consolidation completed in November 2019.

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In July 2017, we completed our first US capital raise after it entered into a securities purchase agreement with certain accredited investors for the Group to issue American Depositary Shares (ADSs) and Warrants of Immutep for cash consideration totaling A\$6,561,765. We issued warrants to purchase up to 1,973,451 of its ADSs. The warrants will expire on January 5, 2023. The warrants do not confer any rights to dividends or a right to participate in a new issue without exercising the warrant. During the fiscal years 2021, 1,347,211 of these warrants were exercised at US\$2.49 each and 206,507 of the Warrants remain as at June 30, 2021.

In December 2018, we completed its second US capital raise after it entered into a securities purchase agreement with certain accredited investors in the United States to purchase 260,000,000 ordinary shares represented by 2,600,000 ADSs, as a purchase price per ADS of US\$2.00 in a registered direct offering, for total gross proceeds of approximately US\$5.2 million. In a concurrent private placement, we issued warrants to purchase up to 208,000,000 ordinary shares represented by 2,080,000 ADSs. Each warrant has an exercise price of US\$2.50. In December 2020, 2,080,000 of these warrants were exercised at US\$2.49 each. As a result, none of these warrants were outstanding as at June 30, 2021.

In July 2019, we completed a private placement of our ordinary shares. In August 2019, we completed an underwritten pro rata non-renounceable entitlement offer. In total, we raised A\$10 million before transaction costs.

In May 2020, we completed a private placement of our ordinary shares that raised A\$12.0 million before transaction costs.

In November 2020, we completed a private placement of our ordinary shares that raised A\$29.6 million before transaction costs.

During the fiscal year 2021, US investors exercised total of 3,427,211 warrants at an exercise price of US\$ 2.49 each. Immutep received US\$8.53 million (A\$11.3 million) cash payment in total.

In June 2021, we conducted a Two-Tranche private placement which raised A\$67.2 million in total before transaction costs.

Capital Requirements

As of June 30, 2021, we had year-end cash and cash equivalents of A\$60.6 million. We anticipate that our current cash and cash equivalents will be sufficient to fund our operations for more than 12 months from the date of this filing. However, our forecast of the period of time through which our financial resources will be adequate to support our operations is a forward-looking statement that involves risks and uncertainties, and actual results could vary materially. If we are unable to raise additional capital when required or on acceptable terms, we may have to significantly delay, scale back or discontinue one or more of our clinical trials or our operations.

We anticipate that we will require substantial additional funds in order to achieve our long-term goals and complete the research and development of our current product candidates. We do not expect to generate significant revenue until we obtain regulatory approval to market and sell our product candidate and sales of our product candidate have commenced. We therefore expect to continue to incur substantial losses in the near future.

Our future capital requirements are difficult to forecast and will depend on many factors, including:

- the cost of filing, prosecuting, defending and enforcing any patent claims and other intellectual property rights;
- the scope, results and timing of preclinical studies and clinical trials;



- the costs and timing of regulatory approvals; and
- the costs of establishing sales, marketing and distribution capabilities.

Cash Flows

The following table summarizes our cash flows for the periods presented:

| | Fiscal Year Ended June 30, | | |
|--|----------------------------|--------------|--------------|
| | 2021 | 2020 | 2019 |
| | A\$ | A\$ | A\$ |
| Net cash used in operating activities | (17,640,342) | (10,839,339) | (15,286,398) |
| Net cash used in investing activities | (15,601) | (19,348) | (41,434) |
| Net cash provided by (used in) financing activities | 52,679,925 | 20,478,081 | 8,012,715 |
| Net increase (decrease) in cash and cash equivalents | 35,023,982 | 9,619,394 | (7,315,117) |
| Effect of exchange rate on cash and cash equivalents | (752,838) | 134,671 | 407,578 |
| Cash and cash equivalents at beginning of period | 26,322,047 | 16,567,982 | 23,475,521 |
| Cash and cash equivalents at end of period | 60,593,191 | 26,322,047 | 16,567,982 |

Operating Activities

Net cash used in operating activities was A\$17.6 million, A\$10.8 million and A\$15.3 million during fiscal years 2021, 2020 and 2019, respectively. Payments to suppliers and employees in the net cash used in operating activities mainly relates to R&D and administrative costs. Payments to suppliers and employees decrease by A\$7.1 million during fiscal year 2021. This decrease was mainly attributable to the significant decrease of clinical trial costs related to the completion of the TACTI-mel trial and the winding down of the AIPAC trial as all patients have completed the treatment and moved into the follow-up phase.

During fiscal years 2021, 2020 and 2019, our payments to suppliers and employees were offset by license revenue received of Nil, A\$7.5 million and A\$0.1 million, respectively, interest income received of A\$0.1 million, A\$0.2 million and A\$0.4 million, respectively, and grant income received of A\$1.3 million, A\$7.7 million and A\$2.7 million, respectively.

Investing Activities

Net cash used in investing activities was A\$15,601 during fiscal year 2021, Net cash used in investing activities was A\$19,348 during fiscal year 2020 and A\$41,434 during fiscal year 2019. The net cash outflow for fiscal year 2021 and 2020 was due to the purchase of plant and equipment.

Financing Activities

Net cash provided by financing activities during fiscal year 2021 was A\$52.7 million and \$20.5 million during fiscal year 2020. Net cash provided by financing activities was A\$8.0 million during fiscal year 2019. Net cash provided by financing activities during (i) fiscal year 2021 was primarily attributable to the two placements of A\$41.2 million and exercising of warrants of A\$11.3 million and advance payment from Australian and New Zealand shareholders under a Share Purchase Plan of A\$0.5 million, (ii) fiscal year 2020 was primarily attributable to the placement of A\$4.0 million, underwritten entitlement offer of A\$6.0 million and another placement of A\$12 million, (iii) fiscal 2019 was primarily attributable to a registered direct offer of ADSs (A\$6.6 million) and the exercise of warrants (A\$1.5 million).

At June 30, 2021, we had A\$60.6 million in cash and cash equivalents compared with 2020, where we had A\$26.3 million in cash and cash equivalents. At June 30, 2019, we had A\$16.6 million in cash and cash equivalents.

C. Research and Development, Patents and Licenses

For a description of our research and development programs and activities, see “Item 4. Information on the Company—B—. Business Overview—Background”. For a description of the amount spent during each of the last three fiscal years on company-sponsored research and development activities, as well as the four components of research and development expenses, see “Item 5. Operating and Financial Review and Prospects—A. Operating Results—Results of Operations.”

D. Trend Information

We are a development stage company and it is not possible for us to predict with any degree of accuracy the outcome of our research or commercialization efforts.



Our research and development expenditure is our primary expenditure. Increases or decreases in research and development expenditure are attributable to the level of clinical trial activity and the amount of expenditure on those trials. The main clinical trials are the ongoing AIPAC 227 patient Phase IIb study in hormone receptor-positive metastatic breast carcinoma patients receiving IMP321 as an adjuvant to a standard chemotherapy treatment regimen of paclitaxel, TACTI-002 Phase II study in up to 183 patients, and our pilot Phase I TACTI-mel study for 24 patients who are being dosed with IMP321 in combination with KEYTRUDA® (pembrolizumab). Whilst clinical trial costs related to AIPAC and TACTI-mel are expected to decline further given both of these trials are being finalized, costs related to TACTI-002 are expected to rise further as the predefined number of patient responses to the combination treatment were observed in the initial patient cohorts, warranting further recruitment of patients into stage 2 of two of the three patient Parts so far. Based on the encouraging results reported at ESMO and SITC in 2020, Immutep began plans for its new TACTI-003 Phase IIb trial. In November 2020, the Company announced plans for a new study in the commercially more relevant 1st line recurrent or metastatic HNSCC setting. The new trial, called TACTI-003, is a randomised, controlled Phase IIb clinical study in up to 154 patients and marks Immutep's second collaboration with MSD to evaluate KEYTRUDA® (pembrolizumab) in combination with efti.

It is expected that our R&D expenses will increase as we continue to progress our ongoing clinical trials with IMP321, as well as commence the recently announced trials with our partners. Expenses will also increase as we continue to progress the pre-clinical development of IMP761.

E. Critical Accounting Estimates

Not applicable.

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F. Safe Harbor

Special note regarding forward-looking statements

This Annual Report contains forward-looking statements within the meaning of Section 27A of the U.S. Securities Act of 1933, as amended, and section 21E of the U.S. Securities Exchange Act of 1934, as amended, including assumptions, anticipations, expectations and forecasts concerning the Company’s future business plans, products, services, financial results, performance, future events and information relevant to our business, industries and operating environments. When used in this document, the words ‘anticipate’, ‘believe’, ‘estimate’, ‘assume’, ‘could’, ‘should’, ‘expect’ and similar expressions, as they relate to the Company or its management are intended to identify forward-looking environments. Such statements reflect the current views of management with respect to future events and are subject to certain risks, uncertainties and assumptions. The forward-looking statements contained herein represent a good-faith assessment of our future performance for which we believe there is a reasonable basis. Many factors could cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements, including, among others, adverse changes or uncertainties in economic conditions that affect the markets we serve and the risks as described in Item 3D. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described herein as anticipated, believed, estimated or expected.

These forward-looking statements represent our view only as of the date they are made and we disclaim any obligation to update forward-looking statements contained herein, except as may be otherwise required by law.

ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

A. Directors and Senior Management

The following table sets forth our directors and senior management, their age and the positions they held as of September 1, 2021.

| <u>Name</u> | <u>Age</u> | <u>Position</u> |
|---------------------------|------------|--|
| Russell Howard, Ph.D. (1) | 71 | Chairman and Non-Executive Chairman |
| Pete Meyers (3) | 52 | Deputy Chairman and Non-Executive Director |
| Grant Chamberlain (2) | 50 | Non-Executive Director |
| Marc Voigt | 48 | Executive Director, Chief Executive Officer, and Chief Financial Officer |
| Frédéric Triebel | 66 | Chief Scientific Officer & Chief Medical Officer |
| Deanne Miller | 44 | Chief Operating Officer, General Counsel & Company Secretary |

- (1) Chair of the Remuneration Committee and member of the Audit & Risk Committee.
- (2) Member of the Remuneration Committee and Audit & Risk Committee.
- (3) Chair of the Audit & Risk Committee and member of the Remuneration Committee.

Dr. Russell Howard, Ph.D. Dr. Russell Howard has been a Non-Executive Director of Immutep since May 8, 2013 and has been appointed as Non-Executive Chairman on November 17, 2017. He is an Australian scientist, executive manager and entrepreneur. He was a pioneer in molecular parasitology and commercialization of “DNA Shuffling”. He is an inventor of 9 patents and has over 140 scientific publications. After his PhD in biochemistry from the University of Melbourne, he held positions at several research laboratories, including the National Institutes of Health in the USA where he gained tenure. In industry, Dr. Howard worked at Schering-Plough’s DNAX Research Institute in Palo Alto, CA; was the President and Scientific Director of Affymax, Inc. and co-founder and CEO of Maxygen, Inc. After its spin-out from GlaxoWellcome, as Maxygen’s CEO, Dr. Howard led its IPO on NASDAQ and a secondary offering, raising US\$ 260 million. Maxygen developed and partnered dozens of technology applications and products over 12 years of his tenure as CEO. After leaving Maxygen in 2008, he started the Cleantech company NovoNutrients Inc. (formerly Oakbio, Inc.) and remains involved in several innovative companies in the USA and Australia. He is currently Executive Chairman of NeuClone Pty Ltd.

Mr. Pete Meyers. Pete Meyers has been a Non-Executive Director of Immutep since February 12, 2014 and appointed as Non-Executive Deputy Chairman on November 17, 2017. He is also the Chief Financial Officer of Slayback Pharma LLC. Prior to joining Slayback Pharma LLC, Mr. Meyers served in Chief Financial Officer roles at Eagle Pharmaceuticals, Inc., Motif BioSciences Inc. and TetraLogic Pharmaceuticals Corporation. Prior to his role at TetraLogic, Mr. Meyers spent 18 years in health care investment banking, holding positions of increasing responsibility at Dillon, Read & Co., Credit Suisse First Boston LLC and, most recently, as Co-Head of Global Health Care Investment Banking at Deutsche Bank Securities Inc. Mr. Meyers is the Chairman and President of The Thomas M. Brennan Memorial Foundation, Inc., and also serves on the Board of Directors of East End Hospice, Inc. He earned a Bachelor of Science degree in Finance from Boston College and a Master of Business Administration degree from Columbia Business School.



Mr. Grant Chamberlain. Mr Chamberlain has been a Director of Immutep since August 21, 2017. He is a partner of One Ventures, one of Australia’s leading venture capital firms. Prior to joining OneVentures in 2017 Mr. Chamberlain was Head of Mergers & Acquisitions and Financial Sponsors Australia at Bank of America Merrill Lynch. Prior to joining Bank of America Merrill Lynch in 2013, Mr Chamberlain held senior positions at Nomura Australia and Deutsche Bank. He has over 20 years’ experience in investment banking and advised on many of the largest mergers and acquisitions transactions in Australia during that time. He began his career as a corporate lawyer at Freehill Hollingdale & Page. Mr Chamberlain earned a Bachelor of Laws with Honours and a Bachelor of Commerce from the University of Melbourne.

Mr. Marc Voigt. Marc has been Chief Executive Officer of Immutep since July 9, 2014. He has more than 21 years of experience in the financial and biotech industry, having joined the Immutep team in 2011 as the General Manager, European Operations based in Berlin, Germany. In May 2012, he became Immutep’s Chief Business Officer and in November 2012 its Chief Financial Officer, as well as continuing to focus on its European operations. Having started his career at the Allianz Group working in pension insurances and funds, he moved to net.IPO AG, a publicly-listed boutique investment bank in Frankfurt where he was focused on IPOs and venture capital investments. Marc then worked for a number of years as an investment manager for a midsize venture capital fund based in Berlin, specialising in healthcare. He also gained considerable operational experience while serving in different management roles with Revotar Biopharmaceuticals, Caprotec Bioanalytics and Medical Enzymes AG respectfully, where he handled several successful licensing transactions and financing rounds. Since 2001, Marc has been a judge and coach in BPW, Germany’s largest regional start-up initiative.

Dr. Frédéric Triebel, MD Ph.D., Dr Triebel is our Chief Scientific Officer and Chief Medical Officer and has been with the Company since December 2014, following the completion of the acquisition of Immutep S.A. Dr Triebel was the scientific founder of Immutep S.A. (2001) and served as the Scientific and Medical Director at Immutep from 2004. Before starting Immutep S.A., he was Professor in Immunology at Paris University. While working at Institut Gustave Roussy (IGR), a large cancer center in Paris, he discovered the LAG-3 gene in 1990 and continued working on this research program since then, identifying the functions and medical usefulness of this molecule. He headed a research group at IGR while also being involved in the biological follow-up of cancer patients treated in Phase I/II immunotherapy trials. He was Director of an INSERM Unit from 1991 to 1996. First trained as a clinical hematologist, Prof. Triebel holds a Ph.D. in immunology (Paris University) and successfully developed several research programs in immunogenetics and immunotherapy, leading to more than 150 publications and 25 patent families.

Ms. Deanne Miller. Ms. Miller joined Immutep as General Counsel and Company Secretary in October 2012 and was promoted to the role of Chief Operating Officer in November 2016. She has broad commercial experience having held legal, investment banking, regulatory compliance and tax advisory positions, including, Legal Counsel at RBC Investor Services, Associate Director at Westpac Group, Legal & Compliance Manager at Macquarie Group, Regulatory Compliance Analyst at the Australian Securities and Investment Commission, and Tax Advisor at KPMG. She has a Combined Bachelor of Laws (Honours) and Bachelor of Commerce, Accounting and Finance (double major) from the University of Sydney. She is admitted as a solicitor in NSW and member of the Law Society of NSW.

B. Compensation

Remuneration Principles

Remuneration of all executive and non-executive directors and officers is determined by the Remuneration Committee.

We are committed to remunerating senior executives and executive directors in a manner that is market-competitive and consistent with “Best Practice” including the interests of shareholders. Remuneration packages are based on fixed and variable components, determined by the executives’ position, experience and performance, and may be satisfied via cash or equity.

Non-executive directors are remunerated out of the aggregate amount approved by shareholders and at a level that is consistent with industry standards. Non-executive directors do not receive performance-based bonuses and prior shareholder approval is required to participate in any issue of equity. No retirement benefits are payable other than statutory superannuation, if applicable.

Our remuneration policy is not directly based on our financial performance, rather on industry practice, given we operate in the biotechnology sector and our primary focus is research activities with a long-term objective of developing and commercializing the research and development results.

We envisage our performance in terms of earnings will remain negative while we continue in the research and development phase.

The purpose of a performance bonus is to reward individual performance in line with our objectives. Consequently, performance-based remuneration is paid to an individual where the individual’s performance clearly contributes to a successful outcome. This is regularly measured in respect of performance against key performance indicators.



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We use a variety of key performance indicators to determine achievement, depending on the role of the executive being assessed. These include:

- Successful contract negotiations.
- Achievement of research project milestones within scheduled time and/or budget.
- Our share price reaching a targeted level on the ASX over a period of time.

Executive Compensation

The following table sets forth all of the compensation awarded to, earned by or paid to each individual who served as directors and executive officers in fiscal year 2021.

| June 30, 2021 | Short-term Benefits | | | Post Employment Benefits | Long-term Benefits | Share-based Payments | | Total |
|---------------------------------------|---------------------|----------------|----------------------|--------------------------|-----------------------|----------------------------------|-------------------------------------|------------------|
| | Salary and fees AS | Cash bonus AS | Non Monetary* AS | Super-annuation AS | Long service leave AS | Executive Performance rights* AS | Non-executive Performance Rights AS | AS |
| Non-Executive Directors | | | | | | | | |
| Dr. R. Howard | 82,192 | — | — | 7,808 | — | — | 53,452 ¹ | 143,452 |
| Mr. P. Meyers | — | — | — | — | — | — | 113,508 ² | 113,508 |
| Mr G Chamberlain | — | — | — | — | — | — | 164,948 ³ | 164,948 |
| Mr. M. Voigt | 408,593** | 123,942 | 24,167 [#] | — | — | 437,885 ⁴ | — | 994,587 |
| Other Key Management Personnel | | | | | | | | |
| Dr. F. Triebel | 271,522* | — | 163,620 [#] | 118,270 | — | 305,218 ⁵ | — | 858,630 |
| Ms. D. Miller | 225,500*** | 100,000 | — | 30,923 | 9,059 | 203,479 ⁵ | — | 568,961 |
| | 987,807 | 223,942 | 187,787 | 157,001 | 9,059 | 946,582 | 331,908 | 2,844,086 |

* The cash salary for Dr Triebel remains the same as fiscal year 2020. The variances are from the foreign currency translation.

** The cash salary for Mr Voigt increased by €12,500 per annum effective January 2021.

*** The cash salary for Ms Miller increased by \$11,000 per annum effective January 2021.

Non-monetary benefits include compulsory employer funded social security contributions (\$24,167 for Mr M Voigt and \$163,620 for Dr F Triebel) which are paid directly by the Company to Government authorities in line with French and German regulations.

(1) Dr. Russell Howard was issued 1,000,000 performance rights to vest over 4 tranches in accordance with shareholder approval received at the Annual General Meeting of Shareholders on November 16, 2018. The 1,000,000 performance rights were granted in lieu of additional cash to compensate Dr Howard for his additional responsibilities due to his elevation to the role of Chairman following the retirement of the previous Chairman from the date of the 2017 AGM.

The first tranche of 250,000 performance rights vested on December 1, 2018 (being for continued service from November 18, 2017 to November 17, 2018). The second tranche of 250,000 performance rights vested on December 1, 2019 (being for continued service from November 18, 2018 to November 17, 2019). The third tranche of 250,000 performance rights vested on December 1, 2020 (being for continued service from November 18, 2019 to November 17, 2020). The final 250,000 rights will vest on December 1, 2021 (being continued service from November 18, 2020 to November 17, 2021).

(2) Mr. Pete Meyers was issued 1,002,335 performance rights to vest over 4 tranches in lieu of cash for his services as a non-executive director, in accordance with shareholder approval received in November 25, 2016.

The number of performance rights was calculated based on 3.67 years of directors' fees at \$105,000 per annum divided by \$0.384 (being the 5-day VWAP up to and including September 9, 2016). However, the fair value of his performance rights reflects the prevailing share price as at the date of shareholder approval. The first tranche of 181,425 performance rights vested on October 1, 2017 (being for service from February 1, 2017 to September 30, 2017). The second tranche of 273,636 performance rights vested on October 1, 2018 (being for service from October 1, 2017 to September 30, 2018). The third tranche of 273,637 performance rights vested on October 1, 2019 (being for service from October 1, 2018 to September 30, 2019). The final 273,637 vested on October 1, 2020 (being for service from October 1, 2019 to September 30, 2020).



On December 2, 2019, Mr. Pete Meyers was issued 1,500,000 performance rights to vest over 3 tranches in lieu of cash for his services as a non-executive director, in accordance with shareholder approval received in November 1, 2019. The number of performance rights was calculated based on 3 years of directors' fees at \$105,000 p.a. divided by \$0.21 (being the closing share price on August 14, 2019). However, the fair value of his performance rights reflects the prevailing share price as at the date of shareholder approval.

The first tranche of 500,000 performance rights (post share consolidation) vested on October 1, 2021 (being for service from October 1, 2020 to September 30, 2021). The second tranche of 500,000 performance rights due to vest on October 1, 2022 (being for service from October 1, 2021 to September 30, 2022). The third tranche of 500,000 performance rights due to vest October 1, 2023 (being for service from October 1, 2022 to September 30, 2023).

(3) Mr. G Chamberlain was issued 1,327,236 performance rights to vest over 3 tranches in lieu of cash for his services as a non-executive director, in accordance with shareholder approval received in November 2017. The number of performance rights was calculated based on 3.12 years of directors' fees at A\$90,000 p.a. divided by A\$0.2111 (being the 5-day VWAP up of our ordinary shares up to and including August 21, 2017). However, the fair value of the performance rights reflects the prevailing share price as at the date of shareholder approval.

The first tranche of 473,929 performance rights vested on October 1, 2018 (being for service from August 21, 2017 to September 30, 2018). The second tranche of 426,653 performance rights vested on October 1, 2019 (being for service from October 1, 2018 to September 30, 2019). The third tranche of 426,654 performance rights vested on October 1, 2020 (being for service from October 1, 2019 to September 30, 2020).

On November 6, 2020, Mr Grant Chamberlain was issued 1,350,000 performance rights to vest over 3 tranches in lieu of cash for his services as a non-executive director, in accordance with shareholder approval received in October 2020. The number of performance rights was calculated based on 3 years of directors' fees at \$90,000 p.a. divided by \$0.20 (being the closing price of our ordinary share on August 18, 2020). However, the fair value of his performance rights reflects the prevailing share price as at the date of shareholder approval.

The first tranche of 450,000 performance rights vested on October 1, 2021 (being for service from October 1, 2020 to September 30, 2021). The second tranche of 450,000 performance rights due to vest on October 1, 2022 (being for service from October 1, 2021 to September 30, 2022). The third tranche of 450,000 performance rights due to vest October 1, 2023 (being for service from October 1, 2022 to September 30, 2023).

(4) On December 2, 2019, Mr Marc Voigt was issued 3,600,000 performance rights to vest over 3 tranches, in accordance with shareholder approval received at the AGM on November 1, 2019. One-third vested on October 1, 2020; One-third vested on October 1, 2021 and One-third is due to vest on October 1, 2022. Vesting is contingent upon the employee being continuously employed in good standing through the vesting period. The performance rights are subject to accelerated vesting according to agreed terms in each person's contract. For vesting details of the other Performance Rights please refer to Section D on Share-based compensation below.

(5) On October 3, 2019, Ms Deanne and Dr F Triebel were issued 1,800,000 and 2,700,000 performance rights respectively under the Executive Incentive Plan (EIP). The vesting date for the Performance Rights issued to Ms D Miller and Dr F Triebel during the year are as follows: One-third vested on October 1, 2020 to Ms D Miller and Dr F Triebel; One-third vested on October 1, 2021 to Ms D Miller and Dr F Triebel and one-third is due to vest on October 1, 2022 to Ms D Miller and Dr F Triebel. Vesting is contingent upon the employee being continuously employed in good standing through the vesting period. The performance rights are subject to accelerated vesting according to agreed terms in each person's contract. For vesting details of the other Performance Rights please refer to Section D on Share-based compensation below.



Service Agreements

The following members of key personnel have service agreements as at June 30, 2021 as follows:

Mr. Marc Voigt

Managing Director, Chief Executive Officer and Chief Financial Officer

Agreement commenced:

July 9, 2014

Details

The initial term was for a period of 3 years. This term was subsequently extended for a further 3 years and extended again for an additional term that will expire on July 9, 2026, unless terminated earlier by either party in accordance with the Agreement. Each party is to provide at least 6 months' notice of its intention to extend the term of the contract.

The contract can be terminated by the company giving 12 months' notice or by Marc giving 6 months' notice. Immutep may make payments in lieu of the period of notice, or for any unexpired part of that notice period.

Base salary

€262,500

Dr. Frédéric Triebel

Chief Scientific Officer & Chief Medical Officer

Agreement commenced:

December 12, 2014

Details

Each of the parties may terminate the employment contract and the present Amendment, subject to compliance with the law and the Collective Bargaining Agreement ("CBA") and notably to a 6-month notice period as set forth in the CBA.

The party which fails to comply with the notice period provisions shall be liable to pay the other an indemnity equal to the salary for the remainder of the notice period.

Base salary

€170,040

Ms. Deanne Miller

Chief Operating Officer, General Counsel & Company Secretary

Agreement commenced:

October 17, 2012

Details

The agreement can be terminated with 6 months' notice. The termination terms are payment of base salary in lieu of notice period.

Base salary

A\$231,000

Under the cash bonus scheme approved by the Board of directors in February 2020, Mr. Marc Voigt, Dr. Frederic Triebel and Ms. Deanne Miller are each entitled to a cash bonus of A\$300,000 conditional on meeting predetermined KPIs that are designed to support our corporate strategy to develop product candidates to sell, license or partner with large pharmaceutical companies at key value inflection points or on a change of control. As at June 30, 2021, no obligation has arisen for recognition.

Key management personnel have no entitlement to termination payments in the event of removal for misconduct or gross negligence.

Executive Incentive Plan

A new Executive Incentive Plan, or EIP, was approved by shareholders at our Annual General Meeting in November 2018. The key terms of the EIP are as follows:

Operation

The Board is responsible for administering the EIP in accordance with the EIP Rules. A grant of performance rights and/or options under the EIP will be subject to both the EIP Rules and the terms and conditions of the specific grant.

Eligibility

The EIP is open to employees (including Directors employed in an executive capacity) of the Company who are invited by the Board to participate in the EIP. The EIP is not open to non-executive directors of the Company. All non-executive directors are ineligible to participate in any current employee incentive scheme of the Company. The Board may invite employees to apply for performance rights and/or options under the EIP in its absolute discretion.



Grant

No payment is required on the grant of a performance right and no exercise price is payable upon the performance right vesting. No payment is required on the grant of an option. The exercise price of an option will be determined by the Board in its discretion and specified in the participant's invitation letter.

Vesting

The vesting of a performance right will be conditional on the satisfaction of any performance conditions attaching to the performance right. Performance conditions will be determined by the Board in its discretion and specified in the participant's invitation letter. Where relevant performance conditions are met, then the performance right will vest and be automatically exercised into Shares. The vesting of an option will be conditional on the satisfaction of any performance conditions attaching to the option. Performance conditions will be determined by the Board in its discretion and specified in the participant's invitation letter.

Where a participant ceases to be an employee of the Company because of total and permanent disability, death, or any other circumstance determined by the Board in its discretion, the Board may determine that any of the performance rights and/or options granted to a participant will vest, whether or not any performance conditions attaching to the performance right and/or option have been met. Notwithstanding this and subject to the ASX Listing Rules:

- (i) the Board may vest some or all of a participant's performance rights and/or options even if a performance condition has not been met, if the Board considers that to do so would be in the interests of the Company; and
- (ii) the vesting of a participant's performance rights and/or options may be made subject to further conditions as determined by the Board.

Lapse of Performance Rights and Options

Performance rights and options will lapse if the applicable performance conditions attaching to them are not met within a prescribed period determined by the Board in its discretion. If a participant ceases to be an employee of the Company (other than in the circumstances referred to above), the participant's performance rights and/or options will lapse automatically on cessation of the participant's employment unless the Board determines otherwise within 60 days of the date of cessation of the participant's employment.

Conversion

A participant may at any time request the Board to convert any or all of the participant's unvested performance rights to Options, or vice versa, at a rate of conversion determined by the Board in its absolute discretion. Any converted performance rights or Options will be subject to the same terms and conditions of the original performance rights or options (as applicable) granted to the participant unless otherwise determined by the Board in its discretion.

Dealing with Performance Rights and Options

Performance rights and options are not transferable, except on the participant's death, to their legal personal representative.

Shares

Each performance right will entitle a participant to one share upon vesting. Each option will entitle a participant upon vesting to subscribe for one share at the exercise price specified by the Board in the participant's invitation letter. Shares issued as a result of the vesting of a performance right or vesting and exercise of an option will rank equally with the shares currently on issue.

Maximum Number of Performance Rights and Options

The Board may grant such number of performance rights and/or options under the EIP as the Board determines so long as no limit specified, imposed or calculated by any relevant policy or guideline of ASIC, including any regulatory guide, class order or condition for relief, is exceeded.

Takeovers

If the event of a takeover bid (as defined in the Corporations Act), a participant's performance rights and options will vest immediately to the extent that the performance conditions attaching to those performance rights and/or options have been satisfied and the remaining performance rights and/or options will lapse.

*Reconstruction of Capital*

If the Company makes a bonus issue, then a participant will become entitled to a proportionately greater number of shares on vesting of the performance rights and/or options held, as if the performance rights and/or options had vested before the bonus issue. If there is any other form of capital reconstruction, the number of performance rights and/or options will be adjusted in accordance with the ASX Listing Rules. A participant is not entitled to participate in any new issue of securities in the Company other than as described above.

Amendment of Incentive Plan

Subject to the ASX Listing Rules, the Board may amend the rules of the EIP, but no amendment may materially reduce the rights of participants generally in respect of the performance rights and/or options granted to them, except an amendment made primarily to enable compliance with the law governing or regulating the EIP, to correct a manifest error or mistake, to take into account changes in development in taxation law or to enable compliance with the Corporations Act or the ASX Listing Rules.

Details of bonuses and share-based compensation

The percentage of the available bonus or grant that was paid, or that vested, in the year, and the percentage that was forfeited because the person did not meet the vesting criteria is set out below.

| Name | Cash bonus | | | Share-based compensation benefits (performance rights) | | | | | | |
|------------------|------------|-------------|--------------|--|----------------------------------|----------|---|--|-------------|---------------------------------------|
| | Paid % | Forfeited % | Year granted | No Granted(A) | Value of rights at grant date \$ | Vested % | Number of rights vested/ exercised during the year(A) | Value of rights at exercise date***** \$ | Forfeited % | Fiscal years in which rights may vest |
| Mr R Howard | — | — | 2018* | 1,000,000 | 390,000 | 75% | 250,000 | 97,500 | — | 2019, 2020, 2021 & 2022 |
| Mr P Meyers | — | — | 2017** | 1,002,335 | 370,864 | 100% | 273,637 | 64,305 | — | 2018, 2019, 2020 & 2021 |
| | | | 2019***** | 1,500,000 | 420,000 | — | — | — | — | 2022, 2023 & 2024 |
| Mr G Chamberlain | — | — | 2017*** | 1,327,236 | 278,719 | 100% | 426,653 | 100,264 | — | 2019, 2020 & 2021 |
| | | | 2020**** | 1,350,000 | 344,249 | — | — | — | — | 2022, 2023 & 2024 |
| Mr M Voigt | 100% | — | 2019***** | 3,600,000 | 1,008,000 | 33% | 1,200,000 | 282,000 | — | 2021, 2022 & 2023 |
| Mr F Triebel | — | — | 2019***** | 2,700,000 | 702,000 | 33% | 900,000 | 211,500 | — | 2021, 2022 & 2023 |
| Ms D Miller | 100% | — | 2019***** | 1,800,000 | 468,000 | 33% | 600,000 | 141,000 | — | 2021, 2022 & 2023 |

* Dr Russell Howard was issued 1,000,000 performance rights in lieu of cash for his services as a non-executive director, in accordance with shareholder approval received at the AGM on November 16, 2018.

** Mr Pete Meyers was issued 1,002,335 performance rights in lieu of cash for his services as a non-executive director, in accordance with shareholder approval received at the AGM on November 25, 2016.

*** Mr Grant Chamberlain was issued 1,327,236 performance rights in lieu of cash for his services as a non-executive director, in accordance with shareholder approval received at the AGM on November 17, 2017.

**** Mr Grant Chamberlain was issued 1,350,000 performance rights to vest over 3 tranches in lieu of cash for his services as a non-executive director, in accordance with shareholder approval received at the AGM on October 27, 2020.



*****Performance rights were granted under the EIP. Short-term incentive performance rights vest in three tranches as follows:

- 1/3 vested on October 1, 2020
- 1/3 vested on October 1, 2021
- 1/3 are due to vest on October 1, 2022

Vesting is contingent upon the employee being continuously employed in good standing through the vesting period. The performance rights are subject to accelerated vesting according to agreed terms in each person's employment contract. These rights were issued pre-share consolidation, adjusted, and shown on a post consolidation basis.

*****The value at the exercise date of performance rights that were granted as part of remuneration and were exercised during the fiscal year has been determined as the intrinsic value of the performance rights at that date.

Equity instruments held by key management personnel

The tables below show the number of:

- (i) Options over ordinary shares in the Company;
- (ii) Performance rights over ordinary shares in the Company;
- (iii) Shares in the company that were held during the fiscal year by key management personnel of the Group, including their close family members and entities related to them.

There were no shares granted during the reporting period as compensation.

(i) Options holdings

There were no options holdings outstanding and no movements during the fiscal years June 30, 2021, June 30, 2020 and June 30, 2019.

(ii) Performance Rights holdings

| 2021 | Balance at start of the year | Granted | Exercised | Other Changes | Balance at end of the year | Vested and exercisable | Unvested |
|--|------------------------------|------------------|--------------------|---------------|----------------------------|------------------------|------------------|
| Performance rights over ordinary shares | | | | | | | |
| Dr Russell Howard | 500,000 | — | (250,000) | — | 250,000 | — | 250,000 |
| Mr Pete Meyers | 1,773,637 | — | (273,637) | — | 1,500,000 | — | 1,500,000 |
| Mr Marc Voigt | 3,600,000 | — | (1,200,000) | — | 2,400,000 | — | 2,400,000 |
| Mr Grant Chamberlain | 426,654 | 1,350,000 | (426,654) | — | 1,350,000 | — | 1,350,000 |
| Ms Deanne Miller | 1,800,000 | — | (600,000) | — | 1,200,000 | — | 1,200,000 |
| Dr Frédéric Triebel | 2,700,000 | — | (900,000) | — | 1,800,000 | — | 1,800,000 |
| | 10,800,291 | 1,350,000 | (3,650,291) | — | 8,500,000 | — | 8,500,000 |

(iii) Ordinary Share holdings

| 2021 | Balance at start of the year | Received during the year on exercise of performance rights | Received during the year on the exercise of options | Other changes during the year | Balance at end of the year |
|------------------------------|------------------------------|--|---|-------------------------------|----------------------------|
| Ordinary shares | | | | | |
| Dr Russell Howard | 500,000 | 250,000 | — | — | 750,000 |
| Mr Pete Meyers | 1,500,758 | 273,637 | — | — | 1,774,395 |
| Mr Marc Voigt | 7,647,445 | 1,200,000 | — | — | 8,847,445 |
| Mr Grant Chamberlain | 1,301,369 | 426,654 | — | — | 1,728,023 |
| Ms Deanne Miller | 3,003,892 | 600,000 | — | (640,000) | 2,963,892 |
| Dr Frédéric Triebel | 5,953,764 | 900,000 | — | — | 6,853,764 |
| Total ordinary shares | 19,907,228 | 3,650,291 | — | (640,000) | 22,917,519 |
| ADSs | | | | | |
| Mr Marc Voigt | 45 | — | — | — | 45 |
| Total ADSs | 45 | — | — | — | 45 |

**Shares under option**

Unissued ordinary shares of Immutep Limited under option at June 30, 2021 are as follows:

| <u>Date options granted</u> | <u>Expiration Date</u> | <u>Exercise Price</u> | <u>Number**</u> | <u>Listed/Unlisted Options</u> |
|-----------------------------|------------------------|-----------------------|------------------|--------------------------------|
| August 5, 2015 | August 4, 2025 | \$ 0.248 | 847,600 | Unlisted |
| July 4, 2017 | January 5, 2023 | US\$ 0.249* | 2,065,070* | Unlisted |
| | | | 2,912,670 | |

*1 American Depository Shares (ADS) listed on NASDAQ equals 10 ordinary shares listed on ASX thus the number of warrants on issue have been grossed up and their exercise prices adjusted accordingly in the above table to be comparable.

Set out below are summaries of STI and LTI performance rights granted under the EIP excluding the performance rights issued to non-executive directors up to June 30, 2021.

| 2021 | | | | | | | |
|-------------------|-------------------|--|---------------------------------------|---|--------------------------------------|--|---|
| <u>Grant date</u> | <u>Fair value</u> | <u>Balance at start of the year Number</u> | <u>Granted during the year Number</u> | <u>Exercised during the year Number</u> | <u>Lapsed during the year Number</u> | <u>Balance at end of the year Number</u> | <u>Vested and exercisable at end of the year Number</u> |
| November 28, 2017 | 0.230 | 500,000 | — | (500,000) | — | — | — |
| October 2, 2018 | 0.470 | 387,560 | — | (387,560) | — | — | — |
| October 3, 2019 | 0.260 | 4,500,000 | — | (1,500,000) | — | 3,000,000 | — |
| November 1, 2019 | 0.280 | 3,600,000 | — | (1,200,000) | — | 2,400,000 | — |
| January 2, 2020 | 0.260 | 2,850,000 | — | (950,000) | — | 1,900,000 | — |
| October 2, 2020 | 0.235 | — | 263,502 | — | — | 263,502 | — |
| | | 11,837,560 | 263,502 | (4,537,560) | — | 7,563,502 | — |

On November 5, 2019, there was a 10 to 1 share consolidation. The number of performance rights and fair value have therefore been adjusted retrospectively for the share consolidation.

C. Board Practices**Introduction**

Our Board of Directors is elected by and accountable to our shareholders. It currently consists of four directors, including three non-executive directors, of which one is the non-executive Chairman of our Board of Directors. The Chairman of our Board of Directors is responsible for the management of the Board of Directors and its functions.

Election of Directors

Directors are elected at our annual general meeting of shareholders. Under our Constitution, a director, other than a managing director, must not hold office for more than three years or beyond the third annual general meeting following his appointment (whichever is the longer period) without submitting himself for re-election. Our Board of Directors has the power to appoint any person to be a director, either to fill a vacancy or as an additional director (provided that the total number of directors does not exceed the maximum allowed by law), and any director so appointed may hold office only until the next annual general meeting ("AGM") when he or she shall be eligible for election.

The appointment and expiration dates of each director in office at the date of this report is as follows:

| <u>Name</u> | <u>Position</u> | <u>Year first appointed</u> | <u>Current term expires</u> |
|-------------------|------------------------|-----------------------------|--|
| Russell Howard | Non-Executive Director | 2013 | November 2021* |
| Pete Meyers | Non-Executive Director | 2014 | November 2022 |
| Grant Chamberlain | Non-Executive Director | 2017 | November 2023 |
| Marc Voigt | Managing Director, CEO | 2014 | N/A (managing director exempt from election under constitution and Australian corporate law) |

* The Company's Constitution requires that at least one of the Company's directors must retire from office at every AGM. The director who retires in this manner is required to be the director longest in office since last being elected or as agreed between Directors who have been in office an equal length of time. Russell Howard will stand for re-election at the Company's AGM in 2021.



Corporate Governance

ASX Corporate Governance Principles

In Australia there are no defined corporate governance structures and practices that must be observed by a company listed on the ASX, except that entities of a certain size are required to have audit and remuneration committees and in some instances trading policies for key management personnel. Instead, the ASX Corporate Governance Council has published the Corporate Governance Principles and Recommendations, which contains what are called the Recommendations which articulate eight core principles which are intended to provide a reference point for companies about their corporate governance structures and practices. Under ASX Listing Rule 4.10.3, companies are required to attach a copy (or the URL page on its website) of the Company's corporate governance statement (which has been approved by the Board) and provide a statement in their Annual Report to shareholders disclosing the extent to which they have followed the Recommendations in the reporting period and where they have not followed all the Recommendations, identify the Recommendations that have not been followed, and the reasons for not following them and what (if any) alternative governance practices it adopted in lieu of the recommendations during that period. It is not mandatory to follow the Recommendations. We believe we are in material compliance with the Recommendations. Set forth below are the material provisions of the Recommendations together with the reasons, where applicable, for variations therefrom.

1. *Lay solid foundations for management and oversight.* Companies should establish and disclose the respective roles and responsibilities of board and management and how their performance is monitored and evaluated. During fiscal year June 30, 2021, we varied from the Recommendations in the following area:
 - The Board adopted a formal diversity policy as recommended by the ASX Corporate Governance Council's Principles and Recommendations in June 2020, however the board believes that the Company is still not of a size and does not have large enough workforce to warrant the setting of formal gender diversity objectives.
2. *Structure the Board to be effective and add value.* Companies should have a board of an effective composition, size, and commitment to adequately discharge its responsibilities and duties effectively. During the year ended June 30, 2021, we varied from the Recommendations in the following area:
 - The Board believes that the Company is not of a size, nor are its financial affairs of such complexity, to justify the establishment of a Nomination Committee of the Board of Directors. All matters which might be properly dealt with by a Nomination Committee are considered by the full Board of Directors. The Board considers the necessity to establish a Nomination Committee annually.
3. *Instill a culture of acting lawfully, ethically and responsibly.* Companies should act lawfully, ethically and responsibly. Further to implementing the Whistleblower Policy in 2019, the Company adopted a statement of Immutep's values and Anti-Bribery and Corruption Policy in 2020 to promote ethical and responsible decision-making.
4. *Safeguard the integrity of corporate reports.* Companies should have formal and rigorous processes to independently verify and safeguard the integrity of their corporate reporting.
5. *Make timely and balanced disclosure.* Companies should make timely and balanced disclosure of all matters concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.
6. *Respect the rights of security holders.* Companies should respect the rights of shareholders by providing them with appropriate information and facilities to allow them the effective exercise of those rights.
7. *Recognize and manage risk.* Companies should establish a sound system of risk management and periodically review the effectiveness of that internal control.
8. *Remunerate fairly and responsibly.* Companies should ensure that the level and composition of remuneration is sufficient and reasonable and that its relationship to performance is clear.

Non-Executive and Independent Directors

Australian law does not require a company to appoint a certain number of independent directors to its board of directors or audit committee. However, under the Corporate Governance Principles and Recommendations, the ASX recommends, but does not require, that an ASX-listed company have a majority of independent directors on its board of directors and that the audit committee be comprised of independent directors, within the meaning of the rules of the ASX. Our Board of Directors currently has four directors, of which three are non-executive directors within the meaning of the Corporate Governance Principles and Recommendations, and our audit committee consists of three such non-executive directors. Accordingly, we currently comply with the Recommendations.



Under NASDAQ Marketplace Rules, in general a majority of our Board of Directors must qualify as independent directors within the meaning of the NASDAQ Marketplace Rules and our audit committee must have at least three members and be comprised only of independent directors, each of whom satisfies the respective “independence” requirements of NASDAQ and the U.S. Securities and Exchange Commission.

The Board of Directors does not have regularly scheduled meetings at which only independent directors are present. The Board of Directors does meet regularly and independent directors are expected to attend all such meetings. Our practices are consistent with the Recommendations, in that the Recommendations do not provide that independent directors should meet separately from the Board of Directors.

Our Board of Directors has determined that each of Pete Meyers, Grant Chamberlain and Russell Howard qualifies as an independent director under the requirements of the ASX, NASDAQ Marketplace Rules and U.S. Securities and Exchange Commission.

Committees of the Board of Directors

Audit Committee. NASDAQ Marketplace Rules require us to establish an audit committee comprised of at least three members, each of whom is financially literate and satisfies the respective “independence” requirements of the U.S. Securities and Exchange Commission and NASDAQ and one of whom has accounting or related financial management expertise at senior levels within a company.

Our Audit Committee assists our Board of Directors in overseeing the accounting and financial reporting processes of our company and audits of our financial statements, including the integrity of our financial statements, compliance with legal and regulatory requirements, our independent public accountants’ qualifications and independence, and independent public accountants, and such other duties as may be directed by our Board of Directors. The Audit Committee is also required to assess risk management.

Our Audit Committee currently consists of three board members, each of whom satisfies the “independence” requirements of the U.S. Securities and Exchange Commission, NASDAQ Marketplace Rules and ASX Rules. Our Audit Committee is currently composed of Russell Howard, Pete Meyers and Grant Chamberlain. The audit committee meets at least two times per year.

Remuneration Committee. Our Board of Directors has established a Remuneration Committee, which is comprised solely of independent directors, within the meaning of NASDAQ Marketplace Rules. The Remuneration Committee is responsible for reviewing the salary, incentives and other benefits of our directors, senior executive officers and employees, and to make recommendations on such matters for approval by our Board of Directors. The Remuneration Committee is also responsible for overseeing and advising our Board of Directors with regard to the adoption of policies that govern our compensation programs. Russell Howard, Pete Meyers and Grant Chamberlain are the current members of the Remuneration Committee, each of whom qualifies as an “independent director” within the meaning of NASDAQ Marketplace Rules.

Nominations Committee. Our Board of Directors has not established a Nominations Committee. The Recommendations provide that the Nominations Committee of a company should have a charter that clearly sets out its roles and responsibilities, composition, structure, membership requirements and the procedures for inviting non-committee members to attend meetings. We have not established a Nominations Committee as we do not believe the size of our financial affairs justify the establishment of a separate committee at this time.

Corporate Governance Requirements — Nasdaq Global Market Marketplace Rules.

Our shares in the form of ADRs are quoted on the Nasdaq Global Market. The Sarbanes-Oxley Act of 2002, as well as related new rules subsequently implemented by the SEC, require companies which are considered to be foreign private issuers in the U.S., such as us, to comply with various corporate governance practices. In addition, Nasdaq has made certain changes to its corporate governance requirements for companies that are listed on the Nasdaq Global Market. These changes allow us to follow Australian “home country” corporate governance practices in lieu of the otherwise applicable Nasdaq corporate governance standards, as long as we disclose each requirement of Rule 5600 that we do not follow and describe the home country practice we follow in lieu of the relevant Nasdaq corporate governance standards. We intend to take all actions necessary to maintain compliance with applicable corporate governance requirements of the Sarbanes-Oxley Act of 2002, rules adopted by the SEC and listing standards of Nasdaq. We follow Australian corporate governance practices in lieu of the corporate governance requirements of the Nasdaq Marketplace Rules in respect of:



- Nasdaq requirement under Rule 5620(c) that a quorum consist of holders of 33 1/3% of the outstanding ordinary shares - The ASX Listing Rules do not have an express requirement that each issuer listed on ASX have a quorum of any particular number of the outstanding ordinary shares, but instead allow a listed issuer to establish its own quorum requirements. Our quorum is currently two persons who are entitled to vote. We believe this quorum requirement is consistent with the requirements of the ASX and is appropriate and typical of generally accepted business practices in Australia.
- The Nasdaq requirements under Rules 5605(b)(1) and (2) relating to director independence, including the requirements that a majority of the board of directors must be comprised of independent directors and that independent directors must have regularly scheduled meetings at which only independent directors are present - The Nasdaq and ASX definitions of what constitute an independent director are not identical and the requirements relating to the roles and obligations of independent directors are not identical. The ASX, unlike Nasdaq, permits an issuer to establish its own materiality threshold for determining whether a transaction between a director and an issuer affects the director's status as independent and it does not require that a majority of the issuer's board of directors be independent, as long as the issuer publicly discloses this fact. In addition, the ASX does not require that the independent directors have regularly scheduled meeting at which only independent directors are present. We believe that our Board composition is consistent with the requirements of the ASX and that it is appropriate and typical of generally accepted business practices in Australia.
- We have relied on and expect to continue to rely on an exemption from the requirement that our independent directors meet regularly in executive sessions under Nasdaq Listing Rules. The ASX Listing Rules and the Corporations Act do not require the independent directors of an Australian company to have such executive sessions and, accordingly, we seek to claim this exemption.
- The Nasdaq requirements under Rules 5605(d) that compensation of an issuer's officers must be determined, or recommended to the Board for determination, either by a majority of the independent directors, or a compensation committee comprised solely of independent directors, and that director nominees must either be selected, or recommended for the Board's selection, either by a majority of the independent directors, or a nominations committee comprised solely of independent directors. The Nasdaq compensation and nomination committee requirements are not identical to the ASX remuneration and nomination committee requirements. Issuers listed on the ASX are recommended under applicable listing standards to establish a remuneration committee consisting of a majority of independent directors and an independent chairperson, or publicly disclose that it has not done so. We have a Remuneration Committee that is consistent with the requirements of the ASX and which we believe is appropriate and typical of generally accepted business practices in Australia. However, we do not have a nomination committee and do not expect to establish it.
- We have relied on and expect to continue to rely on an exemption from the requirement prescribed by Nasdaq Listing Rules that issuers obtain shareholder approval prior to the issuance of securities in connection with certain acquisitions, private placements of securities, or the establishment or amendment of certain stock option, purchase or other compensation plans. Applicable Australian law and the ASX Listing Rules differ from Nasdaq requirements, with the ASX Listing Rules providing generally for prior shareholder approval in numerous circumstances, including (i) issuance of equity securities exceeding 15% (or 25% under certain circumstances) of our issued share capital in any 12-month period (but, in determining the 15% limit, securities issued under an exception to the rule or with shareholder approval are not counted), (ii) issuance of equity securities to related parties (as defined in the ASX Listing Rules) and (iii) issuances of securities to directors or their associates under an employee incentive plan. Due to differences between Australian law and rules and the Nasdaq shareholder approval requirements, we seek to claim this exemption.

We do not have a 'diverse' board of directors as defined in Nasdaq Rule 5605(f). Immutep is a small company with four Directors. All of our Directors have been with Immutep several years so there has not been an opportunity to consider 'diverse' candidates. That being said, we believe in having a diverse workforce and will consider 'diverse' director candidates when an opportunity arises.

Directors' Service Contracts

For details of directors' service contracts providing for benefits upon termination of employment, see "Item 6. Directors, Senior Management and Employees-B. Compensation-Service Agreements."

Indemnification of Directors and Officers

Our Constitution provides that, we may indemnify a person who is, or has been, an officer of our company, to the full extent permissible by law, out of our property against any liability incurred by such person as an officer in defending proceedings, whether civil or criminal, and whatever their outcome.



In addition, our Constitution provides that to the extent permitted by law, we may pay, or agree to pay, a premium in respect of a contract insuring a person who is or has been an officer of our company or one of our subsidiaries against any liability:

- incurred by the person in his or her capacity as an officer of our company or a subsidiary of our company, and
- for costs and expenses incurred by that person in defending proceedings relating to that person acting as an officer of Immutep, whether civil or criminal, and whatever their outcome.

We maintain a directors' and officers' liability insurance policy. We have established a policy for the indemnification of our directors and officers against certain liabilities incurred as a director or officer, including costs and expenses associated in successfully defending legal proceedings.

D. Employees

As of June 30, 2021, we had 28 employees. Of these employees, 20 were employed in research and development, one in intellectual property management and 7 in general management and administration. Of these 28 employees, 7 were located in Australia, 3 were located in France and 18 were located in Germany. As at the end of fiscal years 2019 and 2020 we had 24 and 26 employees, respectively. The number of employees increased by approximately 8% during fiscal year 2021.

Each of our full-time employees has entered into an agreement with a term of employment of between one to four years or for an unlimited term. We also engage part-time employees. We may only terminate the employment of any of our employees in accordance with the relevant employee's contract of employment.

Our standard contract of employment for full time and part-time employees provides that we can terminate the employment of an employee without notice for serious misconduct or with between one to three months' notice without cause (as set out in the relevant employee's contract of employment). We can terminate the employment of a casual employee without notice. For a summary of the key terms of employment of each of our senior management, see "Item 6. Directors, Senior Management and Employees-B. Compensation-Service Agreements."

E. Share Ownership

For a description of arrangements involving the employees in the capital of the company, including any arrangement that involves the issue or grant of options or shares or securities of the company, see "Item 6. Directors, Senior Management and Employees-B. Compensation-Global Employee Share Option Plan," "-Employee Share Option Plan" and "-Executive Incentive Plan."

Beneficial Ownership of Senior Management and Directors

Beneficial ownership is determined in accordance with the rules of the U.S. Securities and Exchange Commission, and generally includes voting or investment power with respect to securities. Ordinary shares relating to options currently exercisable or exercisable within 60 days of the date of the above table are deemed outstanding for computing the percentage of the person holding such securities but are not deemed outstanding for computing the percentage of any other person. Except as indicated by footnote, and subject to community property laws where applicable, the persons named in the table below have sole voting and investment power with respect to all shares shown as beneficially owned by them.

The following table sets forth certain information as of June 30, 2021 regarding the beneficial ownership of our ordinary shares by each of our directors and senior management and by all of our directors and senior management as a group. The shares are beneficially owned, held directly or via an entity related to the individual. The percentages shown are based on 748,152,935 ordinary shares issued and outstanding as of June 30, 2021.

| <u>Name</u> | <u>Number of Ordinary Shares Beneficially Owned</u> | <u>Percentage of Ownership</u> |
|---|---|--------------------------------|
| Russell Howard | 750,000 | 0.10% |
| Pete Meyers | 1,774,395 | 0.24% |
| Marc Voigt | 8,847,445 | 1.18% |
| | 450* | — |
| Grant Chamberlain | 1,728,023 | 0.23% |
| Deanne Miller | 2,963,892 | 0.40% |
| Frédéric Triebel | 6,853,764 | 0.92% |
| All directors and executive officers as a group (6 persons) – | 22,917,969 | 3.07% |

* Held by Marc Voigt in the form of 45 ADSs listed on the NASDAQ Global Market.



ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

A. Major Shareholders

To our knowledge, the only beneficial owner of 5% or more of our ordinary shares as of June 30, 2021 was Australian Ethical Investment Ltd (AEF).

On November 20, 2020, Australian Ethical Investment Ltd increased its ownership of our ordinary shares to 8.44%. Due to the capital raising in November 2020, AEF's ownership diluted to 6.75%. On June 28, 2021, AEF's ownership further decreased to 5.56%. On July 30, 2021 AEF's ownership further decreased to 4.89%. We received the "Notice of ceasing to be a substantial Holder" on October 7, 2021.

The Bank of New York Mellon Corporation (BNYM), as depositary of the ADR program, owned 32.82% of our ordinary shares as at July 30, 2021. BNYM has a relevant interest in 279,232,259 ordinary shares as depositary for Immutep Limited ADR program administered under the Deposit Agreement. BNYM's relevant interest in these securities arises as a result of the Deposit Agreement containing rights for BNYM to dispose of securities held under the ADR program in limited circumstances. Under the Deposit Agreement, ADR holders retain their rights to dispose of those securities and to give voting Instructions for the exercise of voting rights attached to the securities. BNYM's power to vote or dispose of these securities is qualified accordingly. By an instrument of relief dated April 29, 2019, ASIC has granted certain relief to BNYM and its related bodies corporate from certain provisions of Chapter 6 of the *Corporations Act* in relation to the acquisition of, or increase in, voting power in securities held by BNYM as depositary under the ADR program.

On July 30, 2021, FIL Limited became a substantial holder with 6.21% of ownership of our ordinary shares. FIL participated in the Company's two-tranche placement which was completed on July 30, 2021.

As of June 30, 2021, there were 12,937 holders of record of our ordinary shares, of which 8 holders, holding approximately 0.24% of our ordinary shares, had registered addresses in the United States. These numbers are not representative of the number of beneficial holders of our shares nor are they representative of where such beneficial holders reside, as many of these ordinary shares were held of record by brokers or other nominees.

To our knowledge, we are not directly or indirectly controlled by another corporation, by any foreign government or by any other natural or legal person severally or jointly. There are no agreements known to us, the operation of which may at a subsequent date result in a change in control of Immutep. All shareholders have the same voting rights.

B. Related Party Transactions

We operate inter-company loan accounts with our wholly owned subsidiaries. All inter-company transactions and loan balances are eliminated in full on consolidation.

During fiscal years 2021, 2020 and 2019, there were no related party transactions.

C. Interests of Experts and Counsel

Not applicable.

ITEM 8. FINANCIAL INFORMATION

A. Consolidated Statements and Other Financial Information

Our audited consolidated financial statements for the fiscal years ending June 30, 2021, 2020 and 2019 are included in Item 18 of this Annual Report on Form 20-F, which is found immediately following the text of this Annual Report on Form 20-F. The audit report of PricewaterhouseCoopers Australia for each of the three years in the period ended June 30, 2021 is included therein immediately preceding the financial statements.

Legal Proceedings

We are not involved in any legal or arbitration proceedings, including those relating to bankruptcy, receivership or similar proceedings and those involving any third party, which may have, or have had in the recent past, significant effects on our financial position or profitability. The company is not involved in any governmental proceedings pending or known by us to be contemplated.



Dividend Distribution Policy

We have never paid cash dividends to our shareholders. We intend to retain future earnings for use in our business and do not anticipate paying cash dividends on our ordinary shares in the foreseeable future. Any future dividend policy will be determined by the Board of Directors and will be based upon various factors, including our results of operations, financial condition, current and anticipated cash needs, future prospects, contractual restrictions and other factors as the Board of Directors may deem relevant. There is no assurance that dividends will ever be paid. See “Special Note Regarding Forward Looking Statements”.

B. Significant Changes

No significant changes occurred since the date of the annual financial statements.

ITEM 9. THE OFFER AND LISTING

A. Offer and Listing Details

Our ordinary shares have traded on the ASX under the symbol “PRR” from our initial public offering on July 9, 2001 until the company changed its name from Prima BioMed to Immutep Limited in November 2017. With effect from December 1, 2017, the Company now trades on the ASX under the symbol “IMM”. The ADSs have traded on the NASDAQ Global Market under the symbol “PBMD” from April 16, 2012 and following the change of name of Prima BioMed Ltd to Immutep Limited, now trade under the symbol “IMMP”.

For a description of the rights of our ADSs, see “Item 12. Description of Securities Other Than Equity Securities—D. American Depositary Shares.”

B. Plan of Distribution

Not applicable.

C. Markets

Our ordinary shares are listed and traded on the Australian Securities Exchange Ltd., or ASX, on the NASDAQ Global Market where our ordinary shares in the form of ADSs are traded on the NASDAQ Global Market.

D. Selling Shareholders

Not applicable.

E. Dilution

Not applicable.

F. Expenses of the Issue

Not applicable.

ITEM 10. ADDITIONAL INFORMATION

A. Share Capital

Not applicable.

B. Memorandum and Articles of Association

General

Our constituent document is a Constitution. The Constitution is subject to the terms of the Listing Rules of ASX Limited and the Corporations Act 2001. The Constitution may be amended or repealed and replaced by special resolution of shareholders, which is a resolution of which notice has been given and that has been passed by at least 75% of the votes cast by shareholders entitled to vote on the resolution.

Purposes and Objects

As a public company we have all the rights, powers and privileges of a natural person. Our Constitution does not provide for or prescribe any specific objects or purposes.



The Powers of the Directors

Under the provision of our Constitution our directors may exercise all the powers of our company in relation to:

Members Approval to Significant Changes

The directors must not make a significant change (either directly or indirectly) to the nature and scale of our activities except after having disclosed full details to ASX in accordance with the requirements of the Listing Rules of the ASX and the directors must not sell or otherwise dispose of the main undertaking of our company without the approval of shareholders in general meeting in accordance with the requirements of the Listing Rules.

Interested Directors

A director may not vote in respect of any contract or arrangement in which the director has, directly or indirectly, any material interest according to our Constitution. Such director must not be counted in a quorum, must not vote on the matter and must not be present at the meeting while the matter is being considered. However, that director may execute or otherwise act in respect of that contract or arrangement notwithstanding any material personal interest.

Unless a relevant exception applies, the Corporations Act requires our directors to provide disclosure of certain interests or conflicts of interests and prohibits directors from voting on matters in which they have a material personal interest and from being present at the meeting while the matter is being considered. In addition, the Corporations Act and the ASX Listing Rules require shareholder approval of any provision of related party benefits to our directors.

Directors' compensation

Our directors are paid remuneration for their services as directors (but excluding any remuneration payable to a director under any executive services contract with us or one of our related bodies corporate) which is determined in a general meeting of shareholders. The aggregate, fixed sum for directors' remuneration is to be divided among the directors in such proportion as the directors themselves agree and in accordance with our Constitution. The fixed sum remuneration for directors may not be increased except at a general meeting of shareholders and the particulars of the proposed increase are required to have been provided to shareholders in the notice convening the meeting. In addition, executive directors may be paid remuneration as employees of Immutep.

Fees payable to our non-executive directors must be by way of a fixed sum and not by way of a commission on or a percentage of profits or operating revenue. Remuneration paid to our executive directors must also not include a commission or percentage of operating revenue.

Pursuant to our Constitution, any director who performs services that in the opinion of our board of directors, are outside the scope of the ordinary duties of a director may be paid extra remuneration, which is determined by our board of directors.

In addition to other remuneration provided in our Constitution, all of our directors are entitled to be paid by us for reasonable travel accommodation and other expenses incurred by the directors in attending general meetings, board meetings, committee meetings or otherwise in connection with our business.

In addition, in accordance with our Constitution, a director may be paid a retirement benefit as determined by our board of directors subject to the limits set out in the Corporations Act and the ASX Listing Rules which broadly restrict our ability to pay our officers a termination benefit in the event of a change of control of the Company or our subsidiaries as well as impose requirements for shareholder approval to be obtained to pay certain retirement benefits to our officers.

Borrowing powers exercisable by Directors

Pursuant to our Constitution, the management and control of our business affairs are vested in our board of directors. Our board of directors has the power to raise or borrow money, and charge any of our property or business or any uncalled capital, and may issue debentures or give any other security for any of our debts, liabilities or obligations or of any other person, in each case, in the manner and on terms it deems fit.

Retirement of Directors

Pursuant to our Constitution and the ASX Listing Rules, each director, other than the managing director, must not hold office for more than three years or beyond the third annual general meeting following his or her appointment (whichever is longer). Further, at least one director is required to retire by rotation at each annual general meeting (such director being the director who has been longest in office since their last election). Directors who retire by rotation are eligible for a re-election to the board of directors unless disqualified from acting as a director under the Corporations Act or our Constitution.



Rights Attached to Our Ordinary Shares

The concept of authorized share capital no longer exists in Australia and as a result, our authorized share capital is unlimited. All our outstanding ordinary shares are validly issued, fully paid and non-assessable. The rights attached to our ordinary shares are as follows:

Dividend Rights.

The directors may declare that a dividend be paid to the members according to the shareholders' pro rata shareholdings and the directors may fix the amount, the time for payment and the method of payment. No dividend is payable except in accordance with the Corporations Act as amended from time to time and no dividend carries interest as against the Company.

Voting Rights.

Holders of ordinary shares have one vote for each ordinary share held on all matters submitted to a vote of shareholders. Such voting rights may be affected by the grant of any special voting rights to the holders of a class of shares with preferential rights that may be authorized in the future.

The quorum required for an ordinary meeting of shareholders consists of at least two shareholders present in person, or by proxy, attorney or representative appointed pursuant to our Constitution. A meeting adjourned for lack of a quorum generally is adjourned to the same day in the following week at the same time and place. At the reconvened meeting, the required quorum consists of any two members present in person, or by proxy, attorney or representative appointed pursuant to our Constitution. The meeting is dissolved if a quorum is not present within 15 minutes from the time appointed for the meeting.

An ordinary resolution, such as a resolution for the declaration of dividends, requires approval by the holders of a majority of the voting rights represented at the meeting, in person, by proxy, or by written ballot and voting thereon. Under our Constitution, the Corporations Act and the ASX Listing Rules, certain matters must be passed by way of a special resolution. A special resolution must be passed by at least 75% of the votes cast by shareholders entitled to vote on the resolution and who vote at the meeting in person. Matters which are not required to be passed by special resolution are required to be passed by ordinary resolution.

Rights in Our Profits.

Our shareholders have the right to share in our profits distributed as a dividend and any other permitted distribution.

Rights in the Event of Liquidation.

In the event of our liquidation, after satisfaction of liabilities to creditors, our assets will be distributed to the holders of ordinary shares in proportion to the capital at the commencement of the liquidation paid up or which ought to have been paid up on the shares held by them respectively. This right may be affected by the grant of preferential dividend or distribution rights to the holders of a class of shares with preferential rights, such as the right in winding up to payment in cash of the amount then paid up on the share, and any arrears of dividend in respect of that share, in priority to any other class of shares.

Directors may make calls.

Our Constitution provides that subject to the terms on which the shares have been issued directors may make calls on a shareholder for amounts unpaid on shares held by that shareholder, other than monies payable at fixed times under the conditions of allotment. Shares represented by the ADSs issued in our initial public offering in the United States were fully paid and are not subject to calls by directors.

Changing Rights Attached to Shares

According to our Constitution, the rights attached to any class of shares, unless otherwise provided by the terms of the class, may be varied with either the written consent of the holders of not less than 75% of the issued shares of that class or the sanction of a special resolution passed at a separate general meeting of the shares of that class.



Annual and Extraordinary Meetings

Our directors must convene an annual meeting of shareholders at least once every calendar year, within five months of our last fiscal year-end balance sheet data. Notice of at least 28 days prior to the date of the meeting is required. A general meeting may be convened by any director, or one or more shareholders holding in the aggregate at least 5% of our issued capital. A general meeting must be called not more than 21 days after the request is made. The meeting must be held not later than two months after the request is given.

Limitations on the Rights to Own Securities in Our Company

Subject to certain limitations on the percentage of shares a person may hold in our company, neither our Constitution nor the laws of the Commonwealth of Australia restrict in any way the ownership or voting of shares in our company.

Changes in Our Capital

Pursuant to the Listing Rules, our directors may in their discretion issue securities to persons who are not related parties of our company, without the approval of shareholders, if such issue, when aggregate with securities issued by our company during the previous 12 month period would be an amount that would not exceed 15% of our issued capital at the commencement of the 12 month period. Other allotments of securities require approval by an ordinary resolution of shareholders.

C. Material Contracts

On March 15, 2021 we entered into our second Clinical Trial Collaboration and Supply Agreement with Merck Sharp & Dohme B.V (“MSDBV”) and MSD International GmbH (“MSDIG”) to evaluate the combination of our lead immunotherapy product candidate eftilagimod alpha (“efti”) with MSDBV’s and MSDIG’s anti-PD-1 therapy KEYTRUDA® in a new clinical trial. Under the agreement, Immutep will conduct a new Phase IIB clinical trial in 1st line HNSCC patients, called TACTI-003 (Two Active Immunotherapies). The trial will be a 1:1 randomised, controlled clinical study in approximately 160 1st line HNSCC patients. It will evaluate the safety and efficacy of Immutep’s lead product candidate, eftilagimod alpha (efti or IMP321), when given in combination with MSD’s KEYTRUDA® (pembrolizumab), compared to pembrolizumab alone. TACTI-003 will take place in 20+ clinical sites in the United States, Australia and Europe.

D. Exchange Controls

Australia has largely abolished exchange controls on investment transactions. The Australian dollar is freely convertible into U.S. dollars. In addition, there are currently no specific rules or limitations regarding the export from Australia of profits, dividends, capital or similar funds belonging to foreign investors, except that certain payments to non-residents must be reported to the Australian Cash Transaction Reports Agency, which monitors such transaction, and amounts on account of potential Australian tax liabilities may be required to be withheld unless a relevant taxation treaty can be shown to apply.

The Foreign Acquisitions and Takeovers Act 1975

Under Australian law, in certain circumstances foreign persons are prohibited from acquiring more than a limited percentage of the shares in an Australian company without approval from the Australian Treasurer. These limitations are set forth in the Australian Foreign Acquisitions and Takeovers Act, or the Takeovers Act.



Under the Foreign Acquisitions and Takeovers Act, as currently in effect, any foreign person, together with associates, or parties acting in concert, is prohibited from acquiring 20% or more of the shares in any company having consolidated total assets of or that is valued at A\$266 million or more (or A\$1,154 million or more in case of U.S. investors). "Associates" is a broadly defined term under the Takeovers Act 1975 and includes the following, but not limited to:

- any relative of the person;
- any person with whom the person is acting or proposes to act in concert;
- any person with whom the person carries on a business in partnership;
- any entity of which the person is a 'senior officer' (such as a director or executive);
- if the person is an entity, any holding entity or any senior officer of the entity;
- any entity whose senior officers are accustomed or obliged to act in accordance with the directions, instructions or wishes of the person or if the person is an entity, its senior officers or vice versa;
- any corporation in which the person holds a 'substantial interest' (i.e., 20%) or any person holding a substantial interest in the person if a corporation;
- a trustee of a trust in which the person holds a substantial interest or if the person is the trustee of a trust, a person who holds a substantial interest in the trust;
- if the person is a foreign government, a separate government entity or a foreign government investor in relation to a foreign country, any other person that is a foreign government, a separate government entity or foreign government investor, in relation to that country.

The Australian Treasurer also has power in certain circumstances to make an order specifying that two or more persons are associates.

In addition, a foreign person may not acquire shares in a company having consolidated total asset of or that is valued at A\$266 million or more (or A\$1,154 million or more in case of U.S. investors) if, as a result of that acquisition, the total holdings of all foreign persons and their associates will exceed 40% in aggregate without the approval of the Australian Treasurer. If the necessary approvals are not obtained, the Treasurer may make an order requiring the acquirer to dispose of the shares it has acquired within a specified period of time. The same rule applies if the total holdings of all foreign persons and their associates already exceeds 40% and a foreign person (or its associate) acquires any further shares, including in the course of trading in the secondary market of the ADSs. At present, we do not have total assets of A\$266 million or more. At this time, our total assets do not exceed any of the above thresholds and therefore no approval would be required from the Australian Treasurer. Nonetheless, should our total assets exceed the threshold in the future, we will be mindful of the number of ADS that can be made available, and monitor the 40% aggregate shareholding threshold for foreign persons (together with the associates) to ensure that it will not be exceeded subject to the Australian Treasurer's approval.

Each foreign person seeking to acquire holdings in excess of the above caps (including their associates, as the case may be) would need to complete an application form setting out the proposal and relevant particulars of the acquisition/shareholding. The Australian Treasurer then has 30 days to consider the application and make a decision. However, the Australian Treasurer may extend the period by up to a further 90 days by publishing an interim order. The Australian Treasurer has issued a guideline titled *Australia's Foreign Investment Policy* which provides an outline of the policy. As for the risk associated with seeking approval, the policy provides that the Treasurer will reject an application if it is contrary to the national interest.

If the level of foreign ownership exceeds 40% at any time, we would be considered a foreign person under the Foreign Acquisitions and Takeovers Act. In such event, we would be required to obtain the approval of the Australian Treasurer for our company, together with our associates, to acquire (i) more than 15% of an Australian company or business having total assets of or that is valued at A\$266 million (or A\$1,154 if the investor is a non-government entity from a 'partner agreement' country) or more; or (ii) any direct or indirect ownership in Australian residential real estate and certain non-residential real estate.

The percentage of foreign ownership in our company may also be included determining the foreign ownership of any Australian company or business in which we may choose to invest. Since we have no current plans for any such acquisition and do not own any property, any such approvals required to be obtained by us as a foreign person under the Takeovers Act will not affect our current or future ownership or lease of property in Australia.

Our Constitution does not contain any additional limitations on a non-resident's right to hold or vote our securities.

Australian law requires the transfer of shares in our company to be made in writing or electronically through the Clearing House Electronic Sub-register System.



E. Taxation

The following is a discussion of Australian and United States tax consequences material to our shareholders. To the extent that the discussion is based on tax legislation which has not been subject to judicial or administrative interpretation, the views expressed in the discussion might not be accepted by the tax authorities in question or by court. The discussion is not intended, and should not be construed, as legal or professional tax advice and does not exhaust all possible tax considerations.

Holders of our ADSs should consult their own tax advisors as to the United States, Australian or other tax consequences of the purchase, ownership and disposition of ADSs, including, in particular, the effect of any foreign, state or local taxes.

AUSTRALIAN TAX CONSEQUENCES

In this section we discuss the material Australian tax considerations that apply to non-Australian tax residents with respect to the acquisition, ownership and disposal of the absolute beneficial ownership of ADSs, which are evidenced by ADSs. This discussion is based upon existing Australian tax law as of the date of this Annual Report, which is subject to change, possibly retrospectively. This discussion does not address all aspects of Australian income tax law which may be important to particular investors in light of their individual investment circumstances, such as ADSs or shares held by investors subject to special tax rules (for example, financial institutions, insurance companies or tax exempt organizations). In addition, this summary does not discuss any foreign or state tax considerations, other than stamp duty. Prospective investors are urged to consult their tax advisors regarding the Australian and foreign income and other tax considerations of the purchase, ownership and disposition of the ADSs or shares.

Nature of ADSs for Australian Taxation Purposes

Holders of our ADSs are treated as the owners of the underlying ordinary shares for Australian income tax and capital gains tax purposes. Therefore, dividends paid on the underlying ordinary shares will be treated for Australian tax purposes as if they were paid directly to the owners of ADSs, and the disposal of ADSs will be treated for Australian tax purposes as the disposal of the underlying ordinary shares. In the following analysis we discuss the application of the Australian income tax and capital gains tax rules to non-Australian resident holders of ADSs.

Taxation of Dividends

Australia operates a dividend imputation system under which dividends may be declared to be “franked” to the extent they are paid out of company profits that have been subject to income tax. Fully franked dividends are not subject to dividend withholding tax. Dividends that are not franked or are partly franked and are paid to non-Australian resident shareholder are subject to dividend withholding tax, but only to the extent the dividends are not franked.

Dividends paid to a non-Australian resident shareholder are subject to withholding tax (a) except to the extent they have been franked and (b) at 30%, unless the shareholder is a resident of a country with which Australia has a double taxation agreement.

In accordance with the provisions of the Double Taxation Convention between Australia and the United States, the maximum rate of Australian withholding tax on any unfranked portion of a dividend to which a resident of the United States is beneficially entitled is 15%, where the U.S. resident holds less than 10% of the voting rights in our company, or 5% where the U.S. resident holds 10% or more of the voting rights in our company. Special rules apply to Regulated Investment Companies and Real Estate Investment Trusts that hold shares and receive dividends. The Double Taxation Convention between Australia and the United States does not apply to impose withholding tax on dividends where the ADSs are effectively connected to a permanent establishment or a fixed base carried on by the owner of the ADSs in Australia through which the shareholder carries on business or provides independent personal services, respectively. In such a case, the provisions of Article 7 (Business profits) or Article 14 (Independent personal services) of the Double Taxation Convention, as the case may be, would apply.

Tax on Sales or other Dispositions of Shares—Capital Gains Tax

Australian capital gains derived by non-Australian residents in respect of the disposal of capital assets that are not taxable Australian property will be disregarded. Non-Australian resident shareholders will not be subject to Australian capital gains tax on the capital gain made on a disposal of our shares, unless they, together with associates, hold 10% or more of our issued capital, tested either at the time of disposal or over any continuous 12 month period in the 24 months prior to disposal, and the value of our shares at the time of disposal is principally attributable to Australian real property assets.

Australian capital gains tax applies to net capital gains at a taxpayer’s marginal tax rate. Net capital gains are calculated after reduction for capital losses including certain prior year capital losses. Any remaining capital gain can be reduced by tax losses, including certain prior year tax losses.

Broadly, where there is a disposal of certain taxable Australian property, the purchaser will be required to withhold and remit to the Australian Taxation Office (“ATO”) 12.5% of the proceeds from the sale. A transaction is excluded from the withholding requirements in certain circumstances, including where the value of the taxable Australian property is less than A\$750,000, the transaction is an on-market transaction conducted on an approved stock exchange or is conducted using a broker operated crossing system. There is also an exception to the requirement to withhold where the entity selling the shares provides the purchaser a declaration specifying either that they are an Australian resident or that the shares are not taxable Australian property (specifically, not ‘indirect Australian real property interests’). The non-Australian resident stockholder may be entitled to receive a tax credit for the tax withheld by the purchaser that they may claim in their Australian income tax return.



Tax on Sales or other Dispositions of Shares—Shareholders Holding Shares on Revenue Account

Some non-Australian resident shareholders may hold shares on revenue account rather than on capital account, for example, stock traders. These shareholders may have the gains made on the sale or other disposal of the shares included in their assessable income under the ordinary income provisions of the income tax law, if the gains are sourced in Australia.

Non-Australian resident shareholders assessable under these ordinary income provisions in respect of gains made on shares held on revenue account would be assessed for such gains at the Australian tax rates for non-Australian residents, which start at a marginal rate of 32.5% for non-Australian resident individuals. Some relief from the Australian income tax may be available to such non-Australian resident shareholders under the Double Taxation Convention between the United States and Australia, for example, because the shareholder does not have a permanent establishment in Australia.

To the extent an amount would be included in a non-Australian resident shareholder’s assessable income under both the capital gains tax provisions and the ordinary income provisions, the capital gain amount would generally be reduced to the extent the amount has been included in the assessable income of the shareholder. As a result, so that the shareholder would not be subject to double tax on any part of the income gain or capital gain.

Dual Residency

If a shareholder were a resident of both Australia and the United States under those countries’ domestic taxation laws, then such shareholder could be primarily subject to tax as an Australian resident. If, however, the shareholder is determined to be a U.S. resident for the purposes of the Double Taxation Convention between the United States and Australia, then the Australian tax applicable would be limited by the Double Taxation Convention (albeit the tie-breaker rules only apply for individuals). Shareholders should obtain specialist taxation advice in these circumstances.

Stamp Duty

A transfer of shares of a company listed on the Australian Securities Exchange is not subject to Australian stamp duty.

Australian Death Duty

Australia does not have estate or death duties. No capital gains tax liability is realized upon the inheritance of a deceased person’s shares. The disposal of inherited shares by beneficiaries, may, however, give rise to a capital gains tax liability.

Goods and Services Tax

The issue or transfer of shares will not incur Australian goods and services tax.

UNITED STATES FEDERAL INCOME TAX CONSEQUENCES

The following is a summary of material U.S. federal income tax consequences that generally apply to U.S. Holders (as defined below) who hold ADSs as capital assets within the meaning of Section 1221 of the Internal Revenue Code of 1986, as amended (the “Code”). This summary is based on the Code, its legislative history, final, temporary and proposed United States Treasury regulations promulgated thereunder, published rulings and court decisions, and the bilateral income tax convention between Australia and the United States (the “Treaty”), all as in effect on the date hereof and all of which are subject to change, or changes in interpretation, either prospectively or retroactively. This discussion does not address all of the tax consequences relating to the purchase, ownership, and disposition of ADSs and does not take into account U.S. Holders who may be subject to special rules, including: financial institutions, insurance companies, tax-exempt organizations, real estate investment trusts, regulated investment companies, grantor trusts, non-resident aliens of the United States or taxpayers whose functional currency is not the U.S. dollar, persons who hold the ADSs through partnerships or other pass-through entities, persons who acquired their ADSs through the exercise or cancellation of any employee stock options or otherwise as compensation for their services, investors that actually or constructively own 10% or more of our shares, dealers or traders in securities or currencies, certain former citizens or long-term residents of the United States, dual resident corporations, persons that generally mark their securities to market for United States federal income tax purposes, persons who are residents of Australia for Australian income tax purposes, and investors holding ADSs as part of a straddle or appreciated financial position or as part of a hedging or conversion transaction. This summary does not address the Medicare tax imposed on certain investment income, any state, local and foreign tax considerations or any U.S. federal estate, gift or alternative minimum tax considerations relevant to the purchase, ownership and disposition of our ADSs. In addition, this discussion is based in part upon representations of the depository and the assumption that each obligation in the deposit agreement and any related agreements will be performed according to its terms.

If a partnership or an entity or arrangement treated as a partnership for U.S. federal income tax purposes owns ADSs, the U.S. federal income tax treatment of its partners will generally depend upon the status of the partner and the activities of the partnership. A partnership should consult its tax advisors regarding the U.S. federal income tax consequences applicable to it and its partners of the purchase, ownership and disposition of ADSs.



For purposes of this summary, the term “U.S. Holder” means a beneficial owner of ADSs that is for U.S. federal income tax purposes: an individual who is a citizen or resident of the United States; a corporation that is created or organized in or under the laws of the United States or any political subdivision thereof; an estate whose income is subject to U.S. federal income tax regardless of its source; or a trust if (a) a court within the United States is able to exercise primary supervision over administration of the trust, and one or more U.S. persons have the authority to control all substantial decisions of the trust or (b) it has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person.

Distributions

For U.S. federal income tax purposes, a U.S. Holder of ADSs will be treated as owning the ordinary shares underlying the ADSs. Subject to the passive foreign investment company rules discussed below, the gross amount of any distribution received by a U.S. Holder with respect to our ordinary shares or ADSs, including the amount of any Australian taxes withheld therefrom, will be included in gross income as a dividend to the extent the distribution is paid out of our current or accumulated earnings and profits (as determined under U.S. federal income tax principles). Distributions in excess of our earnings and profits will be treated first as a non-taxable return of capital to the extent of a U.S. Holder’s tax basis in the ADSs and thereafter will be treated as gain from the sale or exchange of the ADSs. We have not maintained and do not plan to maintain calculations of earnings and profits for U.S. federal income tax purposes. As a result, a U.S. Holder may need to include the entire amount of any such distribution in income as a dividend. Dividends will not, however, be eligible for the “dividends received deduction” generally allowed to corporate shareholders with respect to dividends received from U.S. corporations.

The U.S. dollar value of any distribution on the ADSs made in Australian dollars generally should be calculated by reference to the spot exchange rate between the U.S. dollar and the Australian dollar in effect on the date the distribution is actually or constructively received by the U.S. Holder regardless of whether the Australian dollars so received are in fact converted into U.S. dollars. A U.S. Holder who receives payment in Australian dollars and converts those Australian dollars into U.S. dollars at an exchange rate other than the rate in effect on such day may have a foreign currency exchange gain or loss, which would generally be treated as ordinary income or loss from sources within the United States for U.S. foreign tax credit purposes.

Subject to complex limitations and certain holding period requirements, a U.S. Holder may elect to claim a credit for Australian tax withheld from distributions against its U.S. federal income tax liability. The limitations set out in the Code include computational rules under which foreign tax credits allowable with respect to specific classes of income cannot exceed the U.S. federal income taxes otherwise payable with respect to each such class of income. Dividends generally will be treated as foreign-source passive category income for U.S. foreign tax credit purposes or in the case of certain U.S. Holders as foreign source “general category” income. A U.S. Holder that does not elect to claim a U.S. foreign tax credit may instead claim a deduction for Australian tax withheld.

Subject to certain limitations, dividends received by a non-corporate U.S. Holder are subject to tax at a reduced maximum tax rate of 20 percent if the dividends are “qualified dividends”. Dividends are qualified dividends if: (a)(i) the issuer is entitled to benefits under the Treaty or (ii) the shares are readily tradable on an established securities market in the United States and (b) certain other requirements are met. We believe that we are entitled to benefits under the Treaty and that the ADSs currently are readily tradable on an established securities market in the United States. However, no assurance can be given that the ADSs will remain readily tradable. Further, the reduced rate does not apply to dividends if we are a PFIC in the year prior to or the year in which the dividend is paid.

The U.S. Treasury has expressed concerns that intermediaries in the chain of ownership between the holder of an ADS and the issuer of the security underlying the ADS may be taking actions that are inconsistent with the claiming of foreign tax credits for U.S. Holders of ADSs. Such actions would also be inconsistent with the claiming of the reduced rate of tax, described above, applicable to dividends received by certain non-corporate holders. Accordingly, the analysis of the creditability of Australian taxes and the availability of the reduced tax rate for dividends received by certain non-corporate holders, each described above, could be affected by actions taken by intermediaries in the chain of ownership between the holder of an ADS and our Company.

Disposition of ADSs

If you sell or otherwise dispose of ADSs, you will recognize gain or loss for U.S. federal income tax purposes in an amount equal to the difference between the U.S. dollar value of the amount realized on the sale or other disposition and your adjusted tax basis in the ADSs. Subject to the passive foreign investment company rules discussed below, such gain or loss generally will be capital gain or loss and will be long-term capital gain or loss if you have held the ADSs for more than one year at the time of the sale or other disposition. In general, any gain that you recognize on the sale or other disposition of ADSs will be gain from U.S. sources for purposes of the foreign tax credit limitation; losses will generally be allocated against U.S. source income. The deduction of capital losses is subject to certain limitations under the Code.



In the case of a cash-basis U.S. Holder who receives Australian dollars in connection with the sale or other disposition of ADSs, the amount realized will be calculated based on the U.S. dollar value of the Australian dollars received as determined by reference to the spot rate in effect on the settlement date of such exchange. A U.S. Holder who receives payment in Australian dollars and converts Australian dollars into U.S. dollars at a conversion rate other than the rate in effect on the settlement date may have foreign currency exchange gain or loss that would be treated as ordinary income or loss from sources within the United States for U.S. foreign tax credit purposes.

An accrual-basis U.S. Holder may elect the same treatment required of cash-basis taxpayers with respect to a sale or disposition of ADSs, provided that the election is applied consistently from year to year. Such election may not be changed without the consent of the Internal Revenue Service ("IRS"). In the event that an accrual-basis U.S. Holder does not elect to be treated as a cash-basis taxpayer (pursuant to the Treasury regulations applicable to foreign currency transactions), such U.S. Holder may have foreign currency gain or loss for U.S. federal income tax purposes because of differences between the U.S. dollar value of the currency received prevailing on the trade date and the settlement date. Any such currency gain or loss would be treated as ordinary income or loss from sources within the United States for U.S. foreign tax credit purposes. However, if foreign currency is converted into U.S. dollars on the date received by the U.S. Holder, a cash-basis or electing accrual-basis U.S. Holder should not recognize any gain or loss on such conversion.

Passive Foreign Investment Companies

There is a risk that we may be a passive foreign investment company ("PFIC"), for U.S. federal income tax purposes. Our treatment as a PFIC could result in a reduction in the after-tax return to the U.S. Holders of our ADSs and may cause a reduction in the value of such securities.

For U.S. federal income tax purposes, we will be classified as a PFIC for any taxable year in which (i) 75% or more of our gross income is passive income, or (ii) at least 50% of the average value of all of our assets for the taxable year produce or are held for the production of passive income. For this purpose, cash is considered to be an asset which produces passive income. Passive income generally includes dividends, interest, royalties, rents, annuities and the excess of gains over losses from the disposition of assets which produce passive income. In making a PFIC determination, we will be treated as owning our proportionate share of the assets and earning our proportionate share of the income of any other corporation in which we own, directly or indirectly, 25% or more (by value) of the stock. Based on the composition of our assets and income, we believe that we should not be treated as a PFIC for U.S. federal income tax purposes with respect to fiscal year 2021. However, the determination of PFIC status is a factual determination that must be made annually at the close of each taxable year and therefore, there can be no certainty as to our status in this regard until the close of the current or any future taxable year. Changes in the nature of our income or assets or a decrease in the trading price of our ADSs may cause us to be considered a PFIC in the current or any subsequent year. If we were a PFIC in any year during a U.S. Holder's holding period for our ADSs, we would ordinarily continue to be treated as a PFIC for each subsequent year during which the U.S. Holder owned the ADSs.

Under the default PFIC "excess distribution" regime, if we are a PFIC in any taxable year during which a U.S. Holder owns ADSs, such U.S. Holder could be liable for additional taxes and interest charges upon (i) certain distributions by us (generally any distribution paid during a taxable year that is greater than 125 percent of the average annual distributions paid in the three preceding taxable years, or, if shorter, the U.S. Holder's holding period for the ADSs), and (ii) any gain realized on a sale, exchange or other disposition, including a pledge, of the ADSs, whether or not we continue to be a PFIC for the year of the disposition. In these circumstances, the tax will generally be determined by allocating such distributions or gain ratably over the U.S. Holder's holding period for the ADSs. The amount allocated to the current taxable year and any year prior to the first taxable year in which we are a PFIC will be taxed as ordinary income (rather than capital gain) earned in the current taxable year. The amount allocated to other taxable years will be taxed at the highest applicable marginal rates for the year and an interest charge at the rate applicable to underpayments of tax will also be imposed on the amount of taxes allocated to such other taxable years.

An indirect shareholder may be taxed on a distribution paid to the direct owner of a PFIC and on a disposition of the stock indirectly owned. Indirect shareholders are strongly urged to consult their tax advisors regarding the application of these rules.

If we are a PFIC and subsequently cease to be a PFIC in a future year, a U.S. Holder may avoid the continued application of the tax treatment described above by electing to be treated as if it sold its ADSs on the last day of the last taxable year in which we were a PFIC. Any gain would generally be recognized and subject to tax under the excess distribution regime described above. Loss would not be recognized. A U.S. Holder's basis in its ADSs would be increased by the amount of gain, if any, recognized on the deemed sale. A U.S. Holder would be required to treat its holding period for its ADSs as beginning on the day following the last day of the last taxable year in which we were a PFIC.



If the ADSs are considered “marketable stock” and if a U.S. Holder properly elects to “mark-to-market” its ADSs in a timely fashion, the U.S. Holder would not be subject to tax under the excess distribution regime described above. Instead, the U.S. Holder would generally include in income any excess of the fair market value of the ADSs at the close of each tax year over the adjusted tax basis of the ADSs. If the fair market value of the ADSs had depreciated below the adjusted basis at the close of the tax year, the U.S. Holder would be entitled to deduct the excess of the adjusted basis of the ADSs over their fair market value at that time. However, such deductions generally would be limited to the net mark-to-market gains, if any, the U.S. Holder included in income with respect to such ADSs in prior years. Income recognized and deductions allowed under the mark-to-market provisions, as well as any gain or loss on the disposition of ADSs with respect to which the mark-to-market election is made, is treated as ordinary income or loss (except that loss is treated as capital loss to the extent the loss exceeds the net mark-to-market gains, if any, that a U.S. Holder included in income with respect to such ordinary shares in prior years). However, gain or loss from the disposition of ADSs (as to which a “mark-to-market” election was properly made) in a year in which we are no longer a PFIC, will be capital gain or loss. Our ordinary shares or ADSs will be “marketable” stock as long as they remain regularly traded on a national securities exchange, such as the Nasdaq, or a foreign securities exchange regulated by a governmental authority of the country in which the market is located and which meets certain requirements, including that the rules of the exchange effectively promote active trading of listed stocks. If such stock is traded on such a qualified exchange or other market, such stock generally will be “regularly traded” for any calendar year during which such stock is traded, other than in de minimis quantities, on at least 15 days during each calendar quarter, but no assurances can be given in this regard. Our ordinary shares are traded on the ASX, which may qualify as an eligible foreign securities exchange for this purpose. Because a mark-to-market election cannot be made for any lower-tier PFICs that we may own, a U.S. Holder may continue to be subject to the PFIC rules with respect to such holder’s indirect interest in any investments held by us that are treated as an equity interest in a PFIC for U.S. federal income tax purposes, including shares in any of our subsidiaries that are treated as PFICs.

A U.S. Holder of ADSs will not be able to avoid the tax consequences described above by electing to treat us as a qualified electing fund. In general, a qualified electing fund is, with respect to a U.S. person, a PFIC if the U.S. person has elected to include its proportionate share of a company’s ordinary earnings and net capital gains in U.S. income on an annual basis. A qualified electing fund election can only be made with respect to us if we provide U.S. Holders with certain information on an annual basis and we do not intend to prepare the information that U.S. Holders would need to make the qualified electing fund election.

Backup Withholding and Information Reporting

Payments in respect of ADSs may be subject to information reporting to the IRS and to U.S. backup withholding tax (at a rate of 24% under current law). Backup withholding will not apply, however, if a U.S. Holder (i) is a corporation, (ii) satisfies an applicable exemption, or (iii) furnishes correct taxpayer identification.

Backup withholding is not an additional tax. Amounts withheld under the backup withholding rules may be credited against a U.S. Holder’s U.S. tax liability, and a U.S. Holder may obtain a refund of any excess amounts withheld under the backup withholding rules by filing the appropriate claim for refund with the IRS.

F. Dividends and Paying Agents

Not applicable.

G. Statement by Experts

Not applicable.

H. Documents on Display

We are subject to the reporting requirements of the U.S. Securities Exchange Act of 1934, as amended, or the Exchange Act, as applicable to “foreign private issuers” as defined in Rule 3b-4 under the Exchange Act. As a foreign private issuer, we are exempt from certain provisions of the Exchange Act. Accordingly, our proxy solicitations are not subject to the disclosure and procedural requirements of regulation 14A under the Exchange Act, transactions in our equity securities by our officers and directors are exempt from reporting and the “short-swing” profit recovery provisions contained in Section 16 of the Exchange Act. In addition, we are not required under the Exchange Act to file periodic reports and financial statements as frequently or as promptly as U.S. companies whose securities are registered under the Exchange Act. However, we file with the U.S. Securities and Exchange Commission an Annual Report on Form 20-F containing financial statements that have been examined and reported on, with and opinion expressed by an independent registered public accounting firm, and we submit reports to the U.S. Securities and Exchange Commission on Form 6-K containing (among other things) press releases and unaudited financial information for the first six months of each fiscal year. We post our Annual Report on Form 20-F on our website promptly following the filing of our Annual Report with the U.S. Securities and Exchange Commission. The information on our website is not incorporated by reference into this Annual Report.



This document and the exhibits thereto and any other document we file pursuant to the Exchange Act may be inspected without charge and copied at prescribed rates at the U.S. Securities and Exchange Commission public reference room at 100 F Street, N.E., Room 1580, Washington D.C. 20549. You may obtain information on the operation of the Securities and Exchange Commission’s public reference room in Washington, D.C. by calling the U.S. Securities and Exchange Commission at 1-800-SEC-0330.

The U.S. Securities and Exchange Commission maintains a website at www.sec.gov that contains reports, proxy and information statements and other information regarding registrants that make electronic filings with the U.S. Securities and Exchange Commission using its EDGAR (Electronic Data Gathering, Analysis, and Retrieval) system.

The documents concerning our company which are referred to in this document may also be inspected at our office located at Level 12, 95 Pitt Street, Sydney New South Wales 2000, Australia.

I. Subsidiary Information

We currently have the following significant subsidiaries:

- Immutep USA Inc, a 100% owned subsidiary of Immutep Limited, incorporated in the State of Delaware in the United States.
- Immutep GmbH, a 100% owned subsidiary of Immutep Limited, incorporated in Germany.
- Immutep Australia Pty Ltd, a 100% owned subsidiary of Immutep Limited, incorporated in Australia.
- Immutep S.A.S., a 100% owned subsidiary of Immutep Limited, incorporated in France

These subsidiaries were established to allow us to conduct commercial and clinical operations in Europe and the United States.

ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our cash and cash equivalents consist primarily of cash and money market funds. We invest our excess cash and cash equivalents in interest-bearing accounts and term deposits with banks in Australia. Our primary exposure to market risk is interest income sensitivity, which is affected by changes in the general level of Australian interest rates. However, because of the short-term nature of the instruments in our portfolio, a sudden change in market interest rates would not be expected to have a material impact on our financial condition and/or results of operation.

We conduct our activities predominantly in Australia. However, we are exposed to foreign currency risk via trade and other payables we hold. We are required to make certain payments in U.S. dollars, European Euro and other currencies. See “Note 2. Financial Risk Management—(a) Market Risk” to our notes to the financial statements for a further discussion of market risk and sensitivity analysis.

Our exposure to foreign currency risk at the end of the reporting period, expressed in Australian dollar, was as follows:

| | June 30, 2021 | | June 30, 2020 | |
|-----------------------------|---------------|------------|---------------|-----------|
| | USD | EUR | USD | EUR |
| Cash in bank | 14,016,277 | 14,320,386 | 7,444,611 | 9,243,299 |
| Trade and other receivables | 49,880 | 4,312,691 | — | 1,966,803 |
| Trade and other payables | (690,847) | (663,196) | (589,428) | (951,654) |

ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES

A. Debt Securities

Not applicable.

B. Warrants and Rights

Not applicable.

C. Other Securities

Not applicable.

**D. American Depositary Shares**

On December 28, 2016, we changed the ordinary share-to-ADS ratio from 30:1 to 100:1. ADS sale prices for dates prior to such change are adjusted to give effect to such change. After the completion of 10 to 1 share consolidation in November 2019, we changed the ADS ratio from 100:1 to 10:1. Each ADS now represents 10 ordinary shares.

The following are fees and charges that a holder of our ADSs may have to pay to the Bank of New York Mellon, as depositary:

Persons depositing or withdrawing ordinary shares or ADS holders must pay:

US\$5.00 (or less) per 100 ADSs (or portion of 100 ADSs)

US\$0.05 (or less) per ADS

A fee equivalent to the fee that would be payable if securities distributed to an ADS holder had been ordinary shares and the ordinary shares had been deposited for issuance of ADSs, i.e., US\$5.00 or less per 100 ADSs (or portion of 100 ADSs)

US\$0.05 (or less) per ADSs per calendar year

Registration or transfer fees

Expenses of the depositary

Taxes and other governmental charges the depositary or the custodian have to pay on any ADS or ordinary share underlying an ADS, for example, stock transfer taxes, stamp duty or withholding taxes

Any charges incurred by the depositary or its agents for servicing the deposited securities

- Issuance of ADSs, including issuances resulting from a distribution of ordinary shares or rights or other property
- Cancellation of ADSs for the purpose of withdrawal, including if the deposit agreement terminates
- Any cash distribution to ADS holders
- Distribution of securities distributed to holders of deposited securities which are distributed by the depositary to ADS holders
- Depositary services
- Transfer and registration of ordinary shares on our ordinary share register to or from the name of the depositary or its agent when an ADS holder deposits or withdraws ordinary shares
- Cable, telex and facsimile transmissions (when expressly provided in the deposit agreement)
- converting foreign currency to U.S. dollars
- As necessary
- As necessary

The depositary collects its fees for delivery and surrender of ADSs directly from investors depositing shares or surrendering ADSs for the purpose of withdrawal or from intermediaries acting for them. The depositary collects fees for making distributions to investors by deducting those fees from the amounts distributed or by selling a portion of distributable property to pay the fees. The depositary may collect its annual fee for depositary services by deduction from cash distributions or by directly billing investors or by charging the book-entry system accounts of participants acting for them. The depositary may collect any of its fees by deduction from any cash distribution payable to ADS holders that are obligated to pay those fees. The depositary may generally refuse to provide fee-attracting services until its fees for those services are paid.

From time to time, the depositary may make payments to us to reimburse and/or share revenue from the fees collected from ADS holders, or waive fees and expenses for services provided, generally relating to costs and expenses arising out of establishment and maintenance of the ADS program. In performing its duties under the deposit agreement, the depositary may use brokers, dealers or other service providers that are affiliates of the depositary and that may earn or share fees or commissions.

The depositary may convert currency itself or through any of its affiliates and, in those cases, acts as principal for its own account and not as agent, advisor, broker or fiduciary on behalf of any other person and earns revenue, including transaction spreads, that it will retain for its own account. The revenue is based on, among other things, the difference between the exchange rate assigned to the currency conversion made under the deposit agreement and the rate that the depositary or its affiliate receives when buying or selling foreign currency for its own account. The depositary makes no representation that the exchange rate used or obtained in any currency conversion under the deposit agreement will be the most favorable rate that could be obtained at that time or that the method by which that rate will be determined will be the most favorable to ADS holders, subject to the depositary's obligations under the deposit agreement. The methodology used to determine exchange rates used in currency conversions is available upon request to the depositary.



ADS holders are responsible for any taxes or other governmental charges payable on its ADSs or on the deposited securities represented by any of its ADSs. The depository may refuse to register any transfer ADSs or allow an ADS holder to withdraw the deposited securities represented by its ADSs until such taxes or other charges are paid. It may apply payments owed to an ADS holder or sell deposited securities represented by an ADS holder's ADSs to pay any taxes owed and such ADS holder will remain liable for any deficiency. If the depository sells deposited securities, it will, if appropriate, reduce the number of ADSs to reflect the sale and pay to the holders of ADSs holder any proceeds, or send to the holders of ADSs any property, remaining after it has paid the taxes.

For personal use only



PART II

ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES

Not applicable.

ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS

Not applicable.

ITEM 15. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, has performed an evaluation of the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act) as of June 30, 2021, as required by Rule 13a-15(b) under the Exchange Act. Based on that evaluation, our management has concluded that, as of June 30, 2021, our disclosure controls and procedures were effective.

Management’s Annual Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rule 13a-15(f). Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting as of June 30, 2021 based on the criteria set forth in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO 2013). Based on our evaluation under the criteria set forth in *Internal Control — Integrated Framework*, our management concluded that our internal control over financial reporting was effective as of June 30, 2021.

This Annual Report does not include an attestation report of the Company’s registered public accounting firm as we are an emerging growth company.

Inherent Limitations on Effectiveness of Controls

In designing and evaluating our disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that management is required to apply judgment in evaluating the benefits of possible controls and procedures relative to their costs.

Changes in Internal Control Over Financial Reporting

There has been no change in our internal control over financial reporting (as defined in Rule 13a-15(f) of the Exchange Act) for the fiscal year ended June 30, 2021 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

ITEM 16. RESERVED

Not applicable.

ITEM 16A. AUDIT COMMITTEE FINANCIAL EXPERT

Pete Meyers is a member of our board of directors and serves on our audit committee. Our board has determined that Pete Meyers is an audit committee financial expert and satisfies the “independence” requirements of the U.S. Securities and Exchange Commission, the NASDAQ Marketplace Rules and ASX Rules.

ITEM 16B. CODE OF ETHICS

We have adopted a code of conduct that applies to our directors, chief executive officer and all senior financial officers of our company, including the chief financial officer, chief accounting officer or controller, or persons performing similar functions. The code of conduct is publicly available as attachment C to our Board Charter on our website at www.immutep.com.



Written copies are available upon request. If we make any substantive amendment to the code of conduct or grant any waivers, including any implicit waiver, from a provision of the code of conduct, we will disclose the nature of such amendment or waiver on our website.

ITEM 16C. PRINCIPAL ACCOUNTANT FEES AND SERVICES

We retained PricewaterhouseCoopers as our independent registered public accounting firm. Set forth below is a summary of the fees paid to PricewaterhouseCoopers for services provided in fiscal years 2021 and 2020.

PricewaterhouseCoopers

| | Fiscal 2021 A\$ | Fiscal 2020 A\$ |
|---|--------------------|--------------------|
| Audit fees | 289,202 | 282,580 |
| Other audit-related services in relation to US regulatory filings | — | — |
| Total remuneration of PricewaterhouseCoopers Australia | <u>289,202</u> | <u>282,580</u> |

Pre-Approval Policies and Procedures

Our Audit Committee has adopted policies and procedures for the pre-approval of audit and non-audit services rendered by our independent registered public accounting firm. Pre-approval of an audit or non-audit service may be given as a general pre-approval, as part of the audit committee’s approval of the scope of the engagement of our independent registered public accounting firm, or on an individual basis. Any proposed services exceeding general pre-approved levels also requires specific pre-approval by our audit committee. The policy prohibits retention of the independent registered public accounting firm to perform the prohibited non-audit functions defined in Section 201 of the Sarbanes-Oxley Act or the rules of the Securities and Exchange Commission, and also requires the audit committee to consider whether proposed services are compatible with the independence of the registered public accounting firm.

ITEM 16D. EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES

Not applicable.

ITEM 16E. PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS

Not applicable

ITEM 16F. CHANGE IN REGISTRANT’S CERTIFYING ACCOUNTANT

Not applicable.

ITEM 16G. CORPORATE GOVERNANCE

Under NASDAQ Stock Market Rule 5615(a)(3), foreign private issuers, such as our company, are permitted to follow certain home country corporate governance practices instead of certain provisions of the NASDAQ Stock Market Rules. A foreign private issuer that elects to follow a home country practice instead of any such NASDAQ rules must submit to NASDAQ, in advance, a written statement from an independent counsel in such issuer’s home country certifying that the issuer’s practices are not prohibited by the home country’s laws. We submitted such a written statement to NASDAQ. See “Item 6. Directors, Senior Management and Employees—C. Board Practices—Corporate Governance Requirements— Nasdaq Global Market Marketplace Rules” for a summary of such differences.

ITEM 16H. MINE SAFETY DISCLOSURE

Not applicable.



PART III

ITEM 17. FINANCIAL STATEMENTS

We have elected to furnish financial statements and related information specified in Item 18.

ITEM 18. FINANCIAL STATEMENTS

The following financial statements are filed as part of this annual report on Form 20-F.

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Immutep Limited

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**Report of Independent Registered Public Accounting Firm**

To the Board of Directors and Shareholders of Immutep Limited

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Immutep Limited and its subsidiaries (the “Company”) as of June 30, 2021 and June 30, 2020, and the related consolidated statements of comprehensive income, changes in equity and cash flows for each of the three years in the period ended June 30, 2021, including the related notes (collectively referred to as the “consolidated financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of June 30, 2021 and June 30, 2020, and the results of its operations and its cash flows for each of the three years in the period ended June 30, 2021 in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board and in conformity with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these consolidated financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ PricewaterhouseCoopers

PricewaterhouseCoopers
Sydney, Australia
October 25, 2021

We have served as the Company’s auditor since 2011.

PricewaterhouseCoopers, ABN 52 780 433 757

One International Towers Sydney, Watermans Quay, Barangaroo, GPO BOX 2650, SYDNEY NSW 2001
T: +61 2 8266 0000, F: +61 2 8266 9999, www.pwc.com.au



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IMMUTEP LIMITED

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IMMUTEP LIMITED
CONSOLIDATED BALANCE SHEETS
(in Australian dollars, except number of shares)

| | Note | June 30, | |
|--|------|-------------------|-------------------|
| | | 2021 AS | 2020 AS |
| ASSETS | | | |
| <i>Current Assets</i> | | | |
| Cash and cash equivalents | 7 | 60,593,191 | 26,322,047 |
| Current receivables | 8 | 6,124,231 | 3,293,692 |
| Other current assets | 9 | 1,701,969 | 1,536,135 |
| Total Current Assets | | 68,419,391 | 31,151,874 |
| <i>Non-Current Assets</i> | | | |
| Plant and equipment | 11 | 40,891 | 49,356 |
| Intangibles | 12 | 12,847,248 | 15,194,807 |
| Right of use assets | 19 | 268,813 | 201,215 |
| Other non-current assets | 10 | 454,190 | — |
| Total Non-Current Assets | | 13,611,142 | 15,445,378 |
| TOTAL ASSETS | | 82,030,533 | 46,597,252 |
| <i>Current Liabilities</i> | | | |
| Trade and other payables | 14 | 4,781,729 | 2,934,367 |
| Employee benefits | 17 | 350,135 | 300,466 |
| Lease liability | 19 | 208,194 | 129,412 |
| Total Current Liabilities | | 5,340,058 | 3,364,245 |
| <i>Non-Current Liabilities</i> | | | |
| Convertible note liability | 16 | 2,526,870 | 8,789,113 |
| Warrant liability | 15 | 722,966 | 949,600 |
| Employee benefits | 18 | 88,915 | 61,978 |
| Lease liability | 19 | 80,113 | 132,971 |
| Deferred tax liability | 13 | — | — |
| Total Non-Current Liabilities | | 3,418,864 | 9,933,662 |
| TOTAL LIABILITIES | | 8,758,922 | 13,297,907 |
| NET ASSETS | | 73,271,611 | 33,299,345 |
| EQUITY | | | |
| Contributed equity | 20 | 313,422,305 | 242,990,507 |
| Reserves | 21 | 34,491,526 | 66,014,899 |
| Accumulated losses | 21 | (274,642,220) | (275,706,061) |
| Equity attributable to the owners of Immutep Limited | | 73,271,611 | 33,299,345 |
| TOTAL EQUITY | | 73,271,611 | 33,299,345 |

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

FOR



IMMUTEP LIMITED
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
 (in Australian dollars, except number of shares)

| | Note | Years ended June 30, | | |
|--|------|----------------------|---------------------|---------------------|
| | | 2021 AS | 2020 AS | 2019 AS |
| Revenue | | | | |
| License revenue | | — | 7,486,444 | 139,782 |
| Other income | | | | |
| Research material sales | | 312,841 | 279,805 | 1,155,065 |
| Grant income | | 3,549,965 | 5,973,034 | 4,342,364 |
| Net gain on foreign exchange | | — | 346,331 | 493,736 |
| Net gain on fair value movement of warrants | 15 | — | 2,214,813 | 961,176 |
| Interest income | | 105,327 | 199,541 | 397,281 |
| Total revenue and other income | | 3,968,133 | 16,499,968 | 7,489,404 |
| Expenses | | | | |
| Research & development and intellectual property | 5 | (17,236,780) | (22,472,648) | (18,466,852) |
| Corporate administrative expenses | 5 | (6,282,105) | (6,338,652) | (6,369,661) |
| Net loss on fair value movement of warrants | 15 | (8,663,013) | — | — |
| Net loss on foreign exchange | | (507,042) | — | — |
| Finance costs | | (9,825) | (10,457) | — |
| Changes in fair value of convertible note liability | 16 | (1,171,959) | (1,146,406) | (996,875) |
| Loss before income tax expense | | (29,902,591) | (13,468,195) | (18,343,984) |
| Income tax (expense)/ benefit | 6 | (33) | (37) | — |
| Loss after income tax expense for the year | | (29,902,624) | (13,468,232) | (18,343,984) |
| Other Comprehensive Income/(Loss) | | | | |
| <i>Items that may be reclassified to profit or loss</i> | | | | |
| Exchange differences on the translation of foreign operations | | (580,408) | 99,957 | 558,415 |
| Other comprehensive income/(loss) for the year net of tax | | (580,408) | 99,957 | 558,415 |
| Total comprehensive loss for the year | | (30,483,032) | (13,368,275) | (17,785,569) |
| Loss for the year is attributable to: | | | | |
| Owners of Immutep Limited | | (29,902,624) | (13,468,232) | (18,343,984) |
| | | (29,902,624) | (13,468,232) | (18,343,984) |
| Total comprehensive loss for the year is attributable to: | | | | |
| Owners of Immutep Limited | | (30,483,032) | (13,368,275) | (17,785,569) |
| | | (30,483,032) | (13,368,275) | (17,785,569) |
| | | | Cents (Restated) | Cents (Restated) |
| Basic loss per share | 31 | (5.03) | (3.26) | (5.29) |
| Diluted loss per share | 31 | (5.03) | (3.26) | (5.29) |

The above consolidated statements of comprehensive income should be read in conjunction with the accompanying notes.



IMMUTEP LIMITED
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in Australian dollars, except number of shares)

| | Note | Years Ended June 30, | | |
|--|------|----------------------|---------------------|---------------------|
| | | 2021 AS | 2020 AS | 2019 AS |
| Cash flows related to operating activities | | | | |
| Payments to suppliers and employees (inclusive of GST) | | (19,514,293) | (26,579,450) | (19,553,135) |
| Cash receipts from grant income and government incentives | | 1,313,997 | 7,702,775 | 2,669,806 |
| Cash receipts from license revenue | | — | 7,486,444 | 139,782 |
| Cash receipts from research material sales | | 322,586 | 327,876 | 1,064,840 |
| Interest received | | 112,243 | 229,348 | 410,630 |
| Advance from customers | | 138,312 | — | — |
| Income Tax paid | | (33) | (37) | — |
| Payment for security deposit | | — | — | (18,321) |
| Payment for interest on leases | | (13,154) | (6,295) | — |
| Net cash flows used in operating activities | 30 | (17,640,342) | (10,839,339) | (15,286,398) |
| Cash flows related to investing activities | | | | |
| Payments for plant and equipment | | (15,601) | (19,348) | (41,434) |
| Net cash flows used in investing activities | 11 | (15,601) | (19,348) | (41,434) |
| Cash flows related to financing activities* | | | | |
| Proceeds from issue of shares | 20 | 43,307,232 | 22,030,556 | 4,871,250 |
| Proceeds from issue of warrants | | — | — | 2,457,259 |
| Proceeds from exercising of warrants | 15 | 11,266,430 | — | 1,457,318 |
| Share issue transaction costs | 20 | (2,144,359) | (1,474,934) | (536,225) |
| Principal elements of lease payments | 19 | (214,378) | (77,541) | — |
| Advance payment from shareholders for SPP | | 465,000 | — | — |
| Transaction costs of warrant issues | | — | — | (236,887) |
| Net cash flows provided by (used in) financing activities | | 52,679,925 | 20,478,081 | 8,012,715 |
| Net increase/(decrease) in cash and cash equivalents | | 35,023,982 | 9,619,394 | (7,315,117) |
| Effect of exchange rate on cash and cash equivalents | | (752,838) | 134,671 | 407,578 |
| Cash and cash equivalents at the beginning of the year | | 26,322,047 | 16,567,982 | 23,475,521 |
| Cash and cash equivalents at the end of the year | 7 | 60,593,191 | 26,322,047 | 16,567,982 |

* Non-cash investing and financing activities relate mainly to the following:

- Fair value movement of convertible notes disclosed in Note 16 to the financial statements.
- Fair value movement of warrant liability disclosed in Note 15 to the financial statements.
- Exercise of vested performance rights for no cash consideration disclosed in Note 21 to the financial statements.

The above consolidated statements of cash flows should be read in conjunction with the accompanying notes.



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IMMUTEP LIMITED
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(in Australian dollars, except number of shares)

| <u>Consolidated</u> | Issued Equity AS\$ | Reserves AS\$ | Accumulated losses AS\$ | Total equity AS\$ |
|---|-----------------------|-------------------|----------------------------|----------------------|
| Balance at July 1, 2018 | 213,232,719 | 64,874,040 | (244,584,832) | 33,521,927 |
| Other comprehensive income for the year, net of tax | — | 558,415 | — | 558,415 |
| Loss after income tax expense for the year | — | — | (18,343,984) | (18,343,984) |
| Total comprehensive income/(loss) for the year | — | 558,415 | (18,343,984) | (17,785,569) |
| Transactions with owners in their capacity as owners: | | | | |
| Contributions of equity, net of transaction costs | 4,335,025 | — | — | 4,335,025 |
| Exercise of warrants | 2,043,359 | — | 690,987 | 2,734,346 |
| Employee share based payment | — | 1,581,987 | — | 1,581,987 |
| Exercise of vested performance rights | 1,480,488 | (1,480,488) | — | — |
| Balance at June 30, 2019 | 221,091,591 | 65,533,954 | (262,237,829) | 24,387,716 |
| <u>Consolidated</u> | <u>AS\$</u> | <u>AS\$</u> | <u>AS\$</u> | <u>AS\$</u> |
| Balance at July 1, 2019 | 221,091,591 | 65,533,954 | (262,237,829) | 24,387,716 |
| Other comprehensive income for the year, net of tax | — | 99,957 | — | 99,957 |
| Loss after income tax expense for the year | — | — | (13,468,232) | (13,468,232) |
| Total comprehensive income/(loss) for the year | — | 99,957 | (13,468,232) | (13,368,275) |
| Transactions with owners in their capacity as owners: | | | | |
| Contributions of equity, net of transaction costs | 20,555,622 | — | — | 20,555,622 |
| Employee share based payment | — | 1,724,282 | — | 1,724,282 |
| Exercise of vested performance rights | 1,343,294 | (1,343,294) | — | — |
| Balance at June 30, 2020 | 242,990,507 | 66,014,899 | (275,706,061) | 33,299,345 |
| <u>Consolidated</u> | <u>AS\$</u> | <u>AS\$</u> | <u>AS\$</u> | <u>AS\$</u> |
| Balance at July 1, 2020 | 242,990,507 | 66,014,899 | (275,706,061) | 33,299,345 |
| Other comprehensive income for the year, net of tax | — | (580,408) | — | (580,408) |
| Loss after income tax expense for the year | — | — | (29,902,624) | (29,902,624) |
| Total comprehensive income/(loss) for the year | — | (580,408) | (29,902,624) | (30,483,032) |
| Transactions with owners in their capacity as owners: | | | | |
| Contributions of equity, net of transaction costs | 41,172,232 | — | — | 41,172,232 |
| Conversion of Convertible Notes | 12,092,937 | (31,073,830) | 26,415,084 | 7,434,191 |
| Exercise of Warrants net of transaction costs | 15,595,335 | — | 4,551,381 | 20,146,716 |
| Employee share based payment | — | 1,702,159 | — | 1,702,159 |
| Exercise of vested performance rights | 1,571,294 | (1,571,294) | — | — |
| Balance at June 30, 2021 | 313,422,305 | 34,491,526 | (274,642,220) | 73,271,611 |

The above consolidated statements of changes in equity should be read in conjunction with the accompanying notes.



IMMUTEP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
(in Australian dollars, unless otherwise noted)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Immutep is a globally active biotechnology company that is a leader in the development of LAG-3 immunotherapeutic products for cancer and autoimmune disease. It is dedicated to leveraging its technology and expertise to discover and develop novel immunotherapies, and to partner with leading organisations to bring innovative treatment options to market for patients.

Immutep has four product candidates based on the LAG-3 immune control mechanism in development, all with different mechanisms of action. Its lead in-house product candidate is efilagimod alpha (“efli” or “IMP321”), a soluble LAG-3Ig fusion protein, which is in later-stage clinical development for the treatment of cancer.

Immutep has a second in-house product candidate (IMP761) which is in pre-clinical development for the treatment of autoimmune disease, and two clinical programs that are fully licensed to major pharmaceutical partners.

Immutep is listed on the Australian Securities Exchange (IMM), and on the NASDAQ (IMMP) in the United States.

These financial statements are the consolidated financial statements of the consolidated entity consisting of Immutep Limited and its subsidiaries. The financial statements are presented in the Australian currency.

Immutep Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 12
95 Pitt Street
Sydney NSW 2000

The financial statements were authorised for issue by the directors on October 25, 2021. The directors have the power to amend and reissue the financial statements.

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated. The financial statements are for the consolidated entity consisting of the Company and its subsidiaries.

Whilst COVID-19 pandemic has continued to result in significant disruptions to the global economy during the fiscal year ended June 30, 2021, there still remains substantial uncertainty over the ultimate duration and the extent of the pandemic as well as the corresponding economic impacts. These uncertainties have been incorporated into the judgements and estimates used by management in the preparation of this report, including the carrying values of the assets and liabilities, contracts and potential liabilities have been made, with no material impact to the consolidated financial statements. For the Group, the ongoing COVID-19 pandemic has not significantly increased the estimation of uncertainty in the preparation of the consolidated financial statements.

The Group has business continuity procedures in place and is addressing health and safety risks whilst continuing to carry out ongoing clinical trials. The Group’s operations have been maintained with minimal disruption and have undertaken extensive additional measures to ensure the safety and wellbeing of its people, patients, suppliers, and stakeholders.

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (‘AASB’) and the Corporations Act 2001. Immutep Limited is a for-profit entity for the purpose of preparing the financial statements.

(i) Compliance with IFRS

The consolidated financial statements of the Immutep Limited group also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

(ii) New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for June 30, 2021 reporting periods and have not been early adopted by the Group. The Group’s assessment of the impact of these new standards and interpretations is set out below.

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(continued)***AASB 101(IAS 1) Presentation of Financial Statements**

The AASB issued a narrow-scope amendment to AASB 101(IAS 1) Presentation of Financial Statements to clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant). The amendment also clarifies what AASB 101(IAS 1) means when it refers to the 'settlement' of a liability.

Entities should reconsider their existing classification in light of the amendment and determine whether any changes are required. The amendment should be applied for annual periods beginning on or after January 1, 2022. Management are still assessing the impact on adopting the amendment to AASB 101(IAS 1).

There are no other standards that are not yet effective and that would be expected to have a material impact on the Group in the current or future reporting years and on foreseeable future transactions.

(iii) New and amended standards adopted by the Group

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing July 1, 2020;

- AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material [AASB 101(IAS 1) and AASB 108](IAS 8)
- AASB 2019-5 Amendments to Australian Accounting Standards – Disclosure of the Effect of the New IFRS Standards Not Yet Issued in Australia [AASB 1054]
- Conceptual Framework for Financial Reporting and AASB 2019-1 Amendments to Australian Accounting Standards – References to the Conceptual Framework (Amendments to References to the Conceptual Framework in IFRS Standards in March 2018)

The Group also elected to adopt the following standards and amendments early:

AASB 2020-2 Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments {AASB 1 (IFRS 1), AASB 3 (IFRS 3), AASB 9 (IFRS 9), AASB 116 (IFRS 16), AASB137 (IAS 37) and AASB 141 (IAS 41)}.

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(iv) Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, financial assets and liabilities (including derivative financial instruments), which are subsequently remeasured to fair value with changes in fair value recognized in profit or loss.

(v) Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

(b) Principles of consolidation

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealized gains on transactions between Group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.



NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker (CODM), who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

(d) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is the Immutep Limited's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss, except when they are deferred in equity as qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the income statement, within finance costs. All other foreign exchange gains and losses are presented separately in the income statement on a net basis.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognized in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as available-for-sale financial assets are recognized in other comprehensive income.

(iii) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each income statement and statement of comprehensive loss are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognized in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognized in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.



NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Revenue recognition

Revenue is recognized when (or as) the Group satisfies a performance obligation by transferring a promised good or service to a customer. Revenue is presented net of GST, rebates and discounts. Performance obligations are completed at a point in time and over time. Revenue is recognized for the major business activities of the Group as follows:

(i) License revenue

A license may provide another party the right to use the Group's intellectual property as it exists at the point in time the license is granted. For these licenses, revenue is recognized at a point in time when control transfers to the licensee and the license period begins. At present, the Group is in the research and development phase of operations and license revenue earned is through milestone payments from on-going clinical trials and research.

Milestone payments generally represent a form of variable consideration as the payments are likely to be contingent on the occurrence of future events. Milestone payments are estimated and included in the transaction price based on either the expected value (probability weighted estimate) or most likely amount approach. The most likely amount is likely to be most predictive for milestone payments with a binary outcome (i.e., the company receives all or none of the milestone payment).

The transaction price is allocated to separate performance obligations based on relative standalone selling prices. If the transaction price includes consideration that arise based on a future event or circumstance (e.g., the completion of a clinical trial phase), the Group would allocate that variable consideration (and any subsequent changes to it) entirely to one performance obligation if both of the following criteria are met:

- The payment terms of the variable consideration relate specifically to the Group's efforts to satisfy that performance obligation or transfer the distinct good or service (or to a specific outcome from satisfying that separate performance obligation).
- Allocating the variable amount entirely to the separate performance obligation or the distinct good or service reflects the amount of consideration to which the Group expects to be entitled in exchange for satisfying that particular performance obligation when considering all of the performance obligations and payment terms in the contract.

Variable consideration is only recognized as revenue when the related performance obligation is satisfied, and the Group determines that it is probable that there will not be a significant reversal of cumulative revenue recognized in future periods.

Other income

(i) Grant income

Grants from the governments, including Australian Research and Development Rebates, France's Crédit d'Impôt Recherche are recognized at their fair value when there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions. Government grants relating to operating costs are recognized in the Statements of Comprehensive Income as grant income. Government grants were received by the Group under various government stimulus packages (both Australian and overseas) in relation to the impacts of COVID-19.

(ii) Research material sales

Revenue from the sale of materials supplied to other researchers in order to conduct further studies on LAG-3 technologies is recognized at a point in time when the materials are delivered, the legal title has passed and the other party has accepted the materials.

(iii) Research collaboration income



NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Revenue recognition (continued)

Revenue from services provided in relation to undertaking research collaborations with third parties are recognized over time in the accounting period in which the services are rendered. Revenue is measured based on the consideration specified in the agreement or contract with a third party.

(f) Income tax

The income tax expense or benefit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill.

Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses. Deferred tax liabilities and assets are not recognized for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Immutep Limited and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation. As a consequence, these entities are taxed as a single entity and the deferred tax assets and liabilities of these entities are set off in the consolidated financial statements. Foreign subsidiaries are taxed individually by the respective local jurisdictions. For the purposes of preparation of the financial statements, the tax position of each entity is calculated individually and consolidated as consolidated tax entity.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

(g) Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.



NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Impairment of assets (continued)

The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(h) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

(i) Current receivables

Current receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment. Amount receivable in relation to Goods and Services Tax (GST) and Value Added Tax (VAT) are due from the local taxation authorities and recorded based on the amount of GST and VAT paid on purchases. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date.

Collectability of current receivables is reviewed on an ongoing basis. Receivables which are known to be uncollectible are written off by reducing the carrying amount. An allowance account is used when there is objective evidence that the Group will not be able to collect all amounts due.

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)**(j) Financial Instruments***Recognition and derecognition*

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below. Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognized when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

All financial assets are initially measured at fair value adjusted for transaction costs (where applicable), except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15 (IFRS 15).

Subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets are classified into the following categories upon initial recognition:

- financial assets at amortized cost
- financial assets at fair value through profit or loss
- financial assets at fair value through other comprehensive income

Classifications are determined by both:

- The entity's business model for managing the financial asset
- The contractual cash flow characteristics of the financial assets

All income and expenses relating to financial assets that are recognized in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Financial assets at amortized cost

Financial assets are measured at amortized cost if the assets meet the following conditions (and are not designated as FVPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows.
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortized cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Financial assets at fair value through profit or loss (FVPL) and financial assets at fair value through other comprehensive income (FVOCI)

The Group does not hold any financial assets at fair value through profit or loss or fair value through comprehensive income.

Impairment of financial assets

AASB 9 (IFRS 9) requires more forward-looking information to recognize expected credit losses—the 'expected credit losses (ECL) model'. Accordingly, the impairment of financial assets including trade receivables is being assessed using an expected credit loss model.

Classification and measurement of financial liabilities

The Group's financial liabilities comprise trade and other payables, convertible notes and US warrant liabilities. Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss. Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for convertible note and US warrants liabilities.

All interest-related charges and, if applicable, changes in an instruments' fair value that are reported in profit or loss are included.



NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of fiscal year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(l) Compound instruments

Convertible notes, including the attached options and warrants, issued to Ridgeback Capital Investments are accounted for as share based payments when the fair value of the instruments are higher than the consideration received, representing intangible benefits received from the strategic investor. The difference between the fair value and consideration received at issuance of the convertible notes and attached options and warrants is recognised immediately in profit and loss as a share-based payment charge.

If options or warrants contain a settlement choice between cash or shares, this settlement choice constitutes a compound feature of the convertible notes, which triggers the separation of debt and equity components to be accounted for separately. The liability component is measured at fair value at initial recognition and subsequent changes in fair value are recognised in profit and loss. The difference between the fair value of the convertible notes and the liability component at inception is accounted as an equity element and not remeasured subsequently.

(m) US warrant liability

The US warrant liabilities which are viewed as debt instruments, are measured at fair value through profit or loss. these warrants exercise price are in a currency other than functional currency of the Company, therefore it does not meet the “fixed-for-fixed” condition for recognising as equity component under IAS 32. They are classified as liabilities.

The liability has been designated as at fair value through profit or loss on initial recognition and subsequent changes in fair value are recognised in the profit or loss. This liability is considered a derivative financial liability.

Finance costs

Finance costs are expensed in the period in which they are incurred.

(n) Plant and equipment

Plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation on other assets is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as follows:

- Computers – 3 years
- Plant and equipment – 3-5 years
- Furniture – 3-5 years

The assets’ residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset’s carrying amount is written down immediately to its recoverable amount if the asset’s carrying amount is greater than its estimated recoverable amount (note 1(g)).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

(o) Intangible assets

(i) Intellectual property

Costs incurred in acquiring intellectual property are capitalized and amortized on a straight line basis over a period not exceeding the life of the patents, which averages 14 years. Where a patent has not been formally granted, the company estimates the life of the granted patent in accordance with the provisional application.



NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Intangible assets (continued)

Costs include only those costs directly attributable to the acquisition of the intellectual property. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 1(g)).

(ii) Research and development

Research expenditure on internal projects is recognized as an expense as incurred. Costs incurred on development projects (relating to the design and testing of new or improved products) are recognized as intangible assets when it is probable that the project will, after considering its commercial and technical feasibility, be completed and generate future economic benefits and its costs can be measured reliably. The expenditure that could be recognized comprises all directly attributable costs, including costs of materials, services, direct labor and an appropriate proportion of overheads. Other expenditures that do not meet these criteria are recognized as an expense as incurred.

As the Company has not met the requirement under the standard to capitalize costs in relation to development, these amounts have been expensed.

Development costs previously recognized as an expense are not recognized as an asset in a subsequent period. Capitalized development costs are recorded as intangible assets and amortized from the point at which the asset is ready for use on a straight line basis over its useful life.

(iii) Goodwill

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The excess of the consideration transferred and the amount of any non-controlling interests in the acquiree over the fair value of the Group's share of the net identifiable assets acquired is recorded as goodwill. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised, but it is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(p) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulating annual leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognized when the leave is taken and measured at the rates paid or payable.

(ii) Other long-term employee benefit obligations

The liabilities for long service leave and annual leave that are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are measured at the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of corporate bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognized in profit or loss. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Retirement benefit obligations

The Group does not maintain a Group superannuation plan. The Group makes fixed percentage contributions for all Australian resident employees to complying third party superannuation funds. The Group has no statutory obligation and does not make contributions on behalf of its resident employees in the USA and Germany. The Group's legal or constructive obligation is limited to these contributions. Contributions to complying third party superannuation funds are recognized as an expense as they become payable.



NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(p) Employee benefits *(continued)*

(iv) Share-based payments

Share-based compensation benefits are provided to employees via the Executive Incentive Plan (EIP). Information relating to these schemes is set out in note 32.

The fair value of performance rights and options granted under the EIP are recognized as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted, which includes any market performance conditions and the impact of any non-vesting conditions but excludes the impact of any service and non-market performance vesting conditions.

Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-marketing vesting conditions. It recognizes the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

(v) Termination benefits

Termination benefits are payable when employment is terminated before the normal employment contract expiry date. The Group recognizes termination benefits when it is demonstrably committed to terminating the employment of current employees.

(vi) Bonus plan

The Group recognizes a liability and an expense for bonuses. The Group recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

(q) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(r) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit or loss attributable to owners of the Company
- by the weighted average number of ordinary shares outstanding during the fiscal year, adjusted for bonus elements in ordinary shares issued during the year. Bonus elements have been included in the calculation of the weighted average number of ordinary shares and has been retrospectively applied to the prior fiscal year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)**(s) Goods and Services Tax and other similar taxes ("GST")**

Revenues, expenses and assets are recognized net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognized as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

(t) Leases

The Group leases various offices and printer equipment. Rental contracts are typically made for fixed periods of 1 to 3 years and typically have extension options of 3 months to 1 year minimum at the discretion of either the Lessor or the Lessee. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices, wherever practicable. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Operating leases with a term of less than 12 months are considered as short-term leases and leases below threshold of A\$12,000 are considered as low value leases. Payments associated with short-term leases and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. During the fiscal year ended June 30, 2021, the expense recognised for short term leases was A\$20,188 and the expense recognised for low value leases was A\$13,196.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Group under residual value guarantees
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using an incremental borrowing rate as calculated by management at the commencement date and taking into consideration feedback from surveyed financial institutions on incremental borrowing rates available for the Group as a lessee and nature of each lease portfolio. Incremental borrowing rates are re-assessed on a half yearly basis and is deemed equivalent for the Group's specific circumstances to a rate that an individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period.



NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(t) Leases (continued)

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset. Extension and termination options are included in a number of property and equipment leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations.

The Group does not provide residual value guarantees in relation to leases.

(u) Parent entity financial information

The financial information for the parent entity, Immutep Limited, disclosed in note 33 has been prepared on the same basis as the consolidated financial statements, except as set out below.

(i) Investments in subsidiaries, associates and joint venture entities

As disclosed in note 33, non-current assets represent solely the investments of Immutep Limited, investments in its wholly owned subsidiaries. Investments in subsidiaries held by Immutep Limited are accounted for at cost in the separate financial statements of the parent entity.

(ii) Tax consolidation legislation

Immutep Limited and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation. The head entity, Immutep Limited, and the controlled entities in the tax consolidated group account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a stand-alone taxpayer in its own right.

The entities have also entered into a tax funding agreement under which the wholly-owned entities fully compensate for any current tax payable assumed and are compensated by the head entity for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to the head entity under the tax consolidation legislation. The funding amounts are determined by reference to the amounts recognized in the wholly-owned entities' financial statements.

The amounts receivable/payable under the tax funding agreement are due upon receipt of the funding advice from the head entity, which is issued as soon as practicable after the end of each fiscal year. The head entity may also require payment of interim funding amounts to assist with its obligations to pay tax instalments. Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognized as current amounts receivable from or payable to other entities in the Group. Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognized as a contribution to (or distribution from) wholly-owned tax consolidated entities.

(iii) Share-based payments

The grant by the company of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution to that subsidiary undertaking. The fair value of employee services received, measured by reference to the grant date fair value, is recognized over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity.

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)**(v) Reclassifications**

Certain prior year amounts have been reclassified for consistency with the current year presentation. These reclassifications had no effect on the reported results of operations.

NOTE 2. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including currency risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Group.

The Group hedges its foreign exchange risk exposure arising from future commercial transactions and recognised assets and liabilities using natural hedging by holding currency that matches forecast expenditure in each of the major foreign currencies used (AUD, EUR, USD). The Group may use derivative financial instruments such as foreign exchange contracts to hedge certain risk exposures when the Group expects a major transaction in the currency other than the major foreign currencies used by the Group. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis and cash flow forecasting in the case of foreign exchange and aging analysis for credit risk.

Risk management is carried out by senior management under policies approved by the board of directors. Management identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The board provides the principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

(a) Market risk*Foreign exchange risk*

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar and Euro.

Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

Management has set up a policy to manage the company's exchange risk within the Group companies. The Group hedges its foreign exchange risk exposure arising from future commercial transactions and recognized assets and liabilities using forward contracts or natural hedging.

The Group considers using forward exchange contracts to cover anticipated cash flow in USD and Euro periodically. This policy is reviewed regularly by directors from time to time. There were no outstanding foreign exchange contracts as at June 30, 2021 and June 30, 2020.

The Group's exposure to foreign currency risk at the end of the reporting period, expressed in Australian dollar, was as follows:

| | June 30, 2021 | | June 30, 2020 | |
|-----------------------------|---------------|------------|---------------|-----------|
| | USD | EUR | USD | EUR |
| Cash in bank | 14,016,277 | 14,320,386 | 7,444,611 | 9,243,299 |
| Trade and other receivables | 49,880 | 4,312,691 | — | 1,966,803 |
| Trade and other payables | (690,847) | (663,196) | (589,428) | (951,654) |

Sensitivity

Based on the financial assets and liabilities held at June 30, 2021, had the Australian dollar weakened/ strengthened by 10% against the US dollar with all other variables held constant, the Group's post-tax loss for the year would have been \$1,337,531 lower/\$1,337,531 higher (2020 – \$685,518 lower/\$685,518 higher).

Based on the financial instruments held at June 30, 2021, had the Australian dollar weakened/ strengthened by 10% against the Euro with all other variables held constant, the Group's post-tax loss for the year would have been \$1,796,988 lower/\$1,796,988 higher (2020 – \$1,025,845 lower/\$1,025,845 higher), mainly as a result of foreign exchange gains/losses on translation of Euro denominated financial instruments. Any changes in post-tax loss will have an equivalent change to equity.

**NOTE 2. FINANCIAL RISK MANAGEMENT (continued)**

The US warrants financial liability will be equity-based settled upon exercise of the US warrants. However, as the exercise will be done with an exercise price in US dollars, there is a foreign exchange risk due to the subsequent translation to Australian dollars.

Currently the Group's exposure to other foreign exchange movements is not material.

(b) Credit risk

Credit risk is managed on a Group basis. Credit risk arises from cash and cash equivalents and receivables. Cash and cash equivalents consist primarily of deposits with banks for only independently rated parties with a minimum rating of 'A' according to ratings agencies are accepted. Receivables consist primarily of amounts recoverable from governments, where risk of non-recoverability is minimal.

The credit quality of cash and cash equivalents and receivables are neither past due nor impaired can be assessed by reference to external credit ratings:

| | <u>June 30, 2021</u> | <u>June 30, 2020</u> |
|--|----------------------|----------------------|
| | \$ | \$ |
| Cash at bank and short-term bank deposits excluding restricted cash | | |
| Minimum rating of A | 60,127,906 | 26,321,627 |

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash to meet obligations when due. At the end of the reporting period the Group held deposits at call of \$60,127,906 (2020 – \$26,321,627) that are expected to readily generate cash inflows for managing liquidity risk. Management monitors rolling forecasts of the Group's liquidity reserve cash and cash equivalents (note 7) on the basis of expected cash flows. In addition, the Group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these.

As outlined in Note 3, the company's monitoring of its cash requirements extends to the consideration of potential capital raising strategies and an active involvement with its institutional and retail investor base.

Maturities of financial liabilities

The tables below analyze the Group's financial liabilities into relevant maturity groupings based on their contractual maturities for:

- (a) all non-derivative financial liabilities, and
- (b) net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

| Contractual maturities of financial liabilities At June 30, 2021 | Less than 12 months \$ | Between 1 and 5 years \$ | More than 5 years \$ | Total contractual cash flows \$ | Carrying Amount (assets) / liabilities \$ |
|---|------------------------------|-----------------------------------|----------------------------|--|---|
| Non-Derivatives | | | | | |
| Trade and other payables | 4,781,729 | — | — | 4,781,729 | 4,781,729 |
| Convertible note liability (refer note 16) | — | 4,469,019 | — | 4,469,019 | 2,526,870 |
| Lease liability | 215,005 | 78,455 | — | 293,460 | 288,307 |
| | <u>4,996,734</u> | <u>4,547,474</u> | <u>—</u> | <u>9,544,208</u> | <u>7,596,906</u> |

**NOTE 2. FINANCIAL RISK MANAGEMENT (continued)****c) Liquidity risk (continued)**

| Contractual maturities of financial liabilities At June 30, 2020 | Less than 12 months \$ | Between 1 and 5 years \$ | More than 5 years \$ | Total contractual cash flows \$ | Carrying Amount (assets) / liabilities \$ |
|---|------------------------------|-----------------------------------|----------------------------|--|---|
| Non-Derivatives | | | | | |
| Trade and other payables | 2,934,371 | — | — | 2,934,371 | 2,934,371 |
| Convertible note liability (refer note 16) | — | — | 17,876,076 | 17,876,076 | 8,789,113 |
| Lease liability | 137,025 | 136,154 | — | 273,179 | 262,383 |
| | <u>3,071,396</u> | <u>136,154</u> | <u>17,876,076</u> | <u>21,083,626</u> | <u>11,985,867</u> |

(d) Fair value measurements

The following table presents the Group's financial assets and financial liabilities measured and recognized at fair value at June 30, 2021 and June 30, 2020 on a recurring basis:

| At June 30, 2021 | Level 1 \$ | Level 2 \$ | Level 3 \$ | Total \$ |
|----------------------------|-----------------------|-----------------------|-----------------------|---------------------|
| Liabilities | | | | |
| Convertible note liability | — | — | 2,526,870 | 2,526,870 |
| Warrant liability | — | 722,966 | — | 722,966 |
| Total liabilities | <u>—</u> | <u>722,966</u> | <u>2,526,870</u> | <u>3,249,836</u> |
| At June 30, 2020 | Level 1 \$ | Level 2 \$ | Level 3 \$ | Total \$ |
| Liabilities | | | | |
| Convertible note liability | — | — | 8,789,113 | 8,789,113 |
| Warrant liability | — | 949,600 | — | 949,600 |
| Total liabilities | <u>—</u> | <u>949,600</u> | <u>8,789,113</u> | <u>9,738,713</u> |

(i) Valuation techniques used to determine fair values

Level 1: The fair value of financial instruments trade in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted (unadjusted) market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example over-the-counter derivatives) is determined using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

Specific valuation techniques used to value financial instruments include:

- The use of quoted market prices or dealer quotes for similar instruments
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date
- The fair value of the remaining financial instruments is determined using discounted cash flow analysis.

**NOTE 2. FINANCIAL RISK MANAGEMENT (continued)****(d) Fair value measurements (continued)***(ii) Fair value measurements using value techniques*

- There are no financial instruments as at June 30, 2021 under Level 1.
- Level 2 financial instruments consist of warrant liabilities. Refer to Note 15 for details of fair value measurement.
- Level 3 financial instruments consist of convertible notes. Refer to Note 16 for details of fair value measurement.

(iii) Valuation inputs and relationships to fair value

For US warrant valuation inputs under Level 2, please refer to Note 15.

The following table summarizes the quantitative information about the significant inputs used in level 3 fair value measurements:

| <u>Description</u> | <u>Fair value at</u> | <u>Unobservable inputs</u> | <u>Range of inputs</u> |
|--------------------|----------------------|-----------------------------|------------------------|
| | <u>June 30, 2021</u> | | |
| | <u>\$</u> | | |
| Convertible note | 2,526,870 | Face value | 3,437,707 |
| | | Interest rate of note | 3% |
| | | Risk adjusted interest rate | 15% |

(iv) Valuation process

The convertible note was valued using a discounted cash flow model.

NOTE 3. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next fiscal year are discussed below.

(a) Accounting estimate for R&D tax incentive

Research and development grant income is estimated based on an assessment of qualifying research and development expenditure in each tax jurisdiction. There is some judgement required in assessing the quantum of grant income to recognize due to the complexity of the legislation in each tax jurisdiction.

(b) Development expenditure

The consolidated entity has expensed all internal development expenditure incurred during the fiscal year as the costs relate to the initial expenditure for development of biopharmaceutical products and the generation of future economic benefits is not considered probable given the current stage of development. It was considered appropriate to expense the development costs as they did not meet the criteria to be capitalized under AASB 138 (IAS 38) *Intangible Assets*.

(c) Liquidity

The Group has experienced significant recurring operating losses and negative cash flows from operating activities since its inception. As at June 30, 2021, the Group holds cash and cash equivalents of \$60,593,191 (2020: \$26,322,047).

In line with the Company's financial risk management, the directors have carefully assessed the financial and operating implications of the above matters, including the expected cash outflows of ongoing research and development activities of the Group over the next 12 months.

**NOTE 3. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS** (continued)*(c) Liquidity (continued)*

Based on this consideration, the directors are of the view that the Group will be able to pay its debts as and when they fall due for at least 12 months following the date of these financial statements and that it is appropriate for the financial statements to be prepared on a going concern basis. Monitoring and addressing the ongoing cash requirements of the Group is a key focus of the directors. This involves consideration of future capital raising initiatives, and the control of variable spending on research and development activities of the Group.

(d) Assessment on the carrying value of intellectual property

Costs incurred in acquiring intellectual property are capitalised and amortised on a straight-line basis over a period not exceeding the life of the patents. Where a patent has not been formally granted, the company estimates the life of the granted patent in accordance with the provisional application. Costs include only those costs directly attributable to the acquisition of the intellectual property.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Intellectual property represents the largest asset of the Group as at June 30, 2021 and the most significant asset given the current research and development phase of operations. Accordingly, as commercial production has not yet commenced there is some judgment required in assessing the continued viability on the use of the intellectual property. Refer to note 1(g).

In March 2020, the novel coronavirus (COVID-19), was declared a world-wide pandemic by the World Health Organisation. This has spread rapidly throughout the world, including Australia, causing significant disruption to business and economic activity. The Group implemented business continuity procedures in place and implemented measures and safeguards to address health and safety risks whilst continuing to carry out ongoing clinical trials. To date, the Group's operations have been maintained with limited disruption and the Group has undertaken additional measures to protect the health of its employees and patients.

However, the ongoing pandemic has increased the estimation uncertainty in the preparation of the consolidated financial statements. The estimation uncertainty associated with the magnitude and duration of COVID-19 is as follows:

- The continued pandemic has led to volatility in the global capital markets, which could adversely affect the company's ability to access the capital markets.
- It is possible that the continued spread of COVID-19 could delay the future recruitment of clinical trials and therefore could lead to an indication of impairment in the intangible assets.
- The continued pandemic could cause the delay of clinical trials conducted by our partners, which could potentially have an adverse impact on the future license income.

The consolidated entity has applied accounting estimates in the consolidated financial statements based on forecasts of economic conditions which reflect expectations and assumptions as at June 30, 2021 about future events, including COVID-19 that management believe are reasonable in the circumstances. While there was not a material impact to our consolidated financial statements as of and for the period ended June 30, 2021, resulting from our assessments, our future assessment of our current expectations at that time of the magnitude and duration of COVID-19, as well as other factors, could result in material impacts to our consolidated financial statements in future reporting periods.

(e) Investment in subsidiaries

Investments in subsidiaries held by Immutep Limited are accounted for at cost in the separate financial statements of the parent entity.

Given the current phase of operations, management has recognised these assets to the extent of the value of tangible assets and liabilities consisting of the following adjusting for any impairment loss:

- Cash held with bank
- Intellectual property

Accounts receivables and payables with external parties

Fair value estimates of convertible note and warrant liability

Fair value estimation of convertible note and warrant liability is included in the notes to the financial statements.

**NOTE 4. SEGMENT REPORTING***Identification of reportable operating segments*

Operating segments are reported in a manner consistent with internal reports which are reviewed and used by Management and the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')). The Group operates in one operating segment, being Cancer Immunotherapy.

| Operating segment information June 30, 2021 | Immunotherapy AS | Unallocated AS | Consolidated AS |
|--|-----------------------------|---------------------------|----------------------------|
| Revenue | | | |
| License revenue* | — | — | — |
| Other income | | | |
| Research material sales | 312,841 | — | 312,841 |
| Grant income | 3,549,965 | — | 3,549,965 |
| Net gain on fair value movement of warrants | — | — | — |
| Net gain on foreign exchange | — | — | — |
| Interest income | — | 105,327 | 105,327 |
| Total revenue and other income | 3,862,806 | 105,327 | 3,968,133 |
| Segment Result | (19,665,904) | (10,236,687) | (29,902,591) |
| Profit/(loss) before income tax expense | (19,665,904) | (10,236,687) | (29,902,591) |
| Income tax expense | | | (33) |
| Loss after income tax expense | | | (29,902,624) |
| Total segment assets | 82,030,533 | — | 82,030,533 |
| Total segment liabilities | 8,758,922 | — | 8,758,922 |
| Operating segment information June 30, 2020 | | | |
| Revenue | | | |
| License revenue* | 7,486,444 | — | 7,486,444 |
| Other income | | | |
| Research material sales | 279,805 | — | 279,805 |
| Grant income | 5,973,034 | — | 5,973,034 |
| Net gain on fair value movement of warrants | — | 2,214,813 | 2,214,813 |
| Net gain on foreign exchange | — | 346,331 | 346,331 |
| Interest income | — | 199,541 | 199,541 |
| Total revenue and other income | 13,739,283 | 2,760,685 | 16,499,968 |
| Segment Result | (15,082,474) | 1,614,279 | (13,468,195) |
| Profit/(loss) before income tax expense | (15,082,474) | 1,614,279 | (13,468,195) |
| Income tax benefit | | | (37) |
| Loss after income tax expense | | | (13,468,232) |
| Total segment assets | 46,597,252 | — | 46,597,252 |
| Total segment liabilities | 13,297,907 | — | 13,297,907 |

* Licensing revenue relates mainly of GSK milestone payment of GBP 4 million (A\$7.49 million) received in fiscal year 2020 related to the first patient being dosed in GSK's Phase II clinical trial evaluating GSK2831781 in ulcerative colitis.

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NOTE 4. SEGMENT REPORTING (continued)

| June 30, 2019 | Immunotherapy AS | Unallocated AS | Consolidated AS |
|--|---------------------|-------------------|---------------------|
| Revenue | | | |
| License revenue | 139,782 | — | 139,782 |
| Other income | | | |
| Research material sales | 1,155,065 | — | 1,155,065 |
| Grant income | 4,342,364 | — | 4,342,364 |
| Net gain on fair value movement of warrants | — | 961,176 | 961,176 |
| Net gain on foreign exchange | — | 493,736 | 493,736 |
| Interest income | — | 397,281 | 397,281 |
| Total revenue and other income | 5,637,211 | 1,852,193 | 7,489,404 |
| Segment Result | (19,199,302) | 855,318 | (18,343,984) |
| Profit/(loss) before income tax expense | (19,199,302) | 855,318 | (18,343,984) |
| Income tax benefit | | | — |
| Loss after income tax expense | | | (18,343,984) |
| Total segment assets | 40,541,499 | — | 40,541,499 |
| Total segment liabilities | 16,153,783 | — | 16,153,783 |

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**NOTE 5. EXPENSES**

| | June 30, 2021 \$ | Consolidated June 30, 2020 \$ | June 30, 2019 \$ |
|---|---------------------|-------------------------------------|---------------------|
| Breakdown of expenses by nature | | | |
| Research and development* | 12,020,714 | 15,572,040 | 13,770,953 |
| Employee benefits expenses | 3,856,038 | 3,903,194 | 3,832,590 |
| Amortisation of Intellectual property | 1,866,067 | 1,930,376 | 1,863,652 |
| Employee share-based payment expenses | 1,702,159 | 1,724,282 | 1,581,987 |
| Intellectual property management | 759,041 | 2,386,424 | 699,741 |
| Auditor's remuneration | 289,202 | 282,580 | 297,028 |
| Depreciation | 204,049 | 149,263 | 15,499 |
| Other administrative expenses | 2,821,615 | 2,863,141 | 2,775,063 |
| Total Research & Development and Corporate & administrative expenses | 23,518,885 | 28,811,300 | 24,836,513 |

* Research and development expense consists of expenditure incurred with third party vendors mainly related to contract research and contract manufacturing activities.

NOTE 6. INCOME TAX EXPENSE

| | June 30, 2021 AS | Consolidated June 30, 2020 AS | June 30, 2019 AS |
|---|---------------------|-------------------------------------|---------------------|
| Current tax | | | |
| Current tax on profits for the fiscal year | 33 | 37 | — |
| Total current tax expense | 33 | 37 | — |
| Deferred income tax | | | |
| Increase in deferred tax assets | 358,825 | 567,473 | 342,349 |
| Decrease in deferred tax liabilities | (358,825) | (567,473) | (342,349) |
| Total deferred tax (benefit)/expense | — | — | — |
| Income tax expense | 33 | 37 | — |

| | June 30, 2021 AS | Consolidated June 30, 2020 AS | June 30, 2019 AS |
|---|---------------------|-------------------------------------|---------------------|
| Numerical reconciliation of income tax expense to prima facie tax expense | | | |
| Loss before income tax expense | (29,902,591) | (13,468,195) | (18,343,984) |
| Tax at the Australian tax rate of 26% (2020 and 2019: 27.5%) | (7,774,674) | (3,703,754) | (5,044,596) |
| Tax effect amounts which are not deductible/(taxable) in calculating taxable income: | | | |
| Non-deductible share based payments | 464,324 | 443,956 | 435,046 |
| Other non-deductible expenses | 1,239,756 | 436,396 | 3,771,771 |
| Non-assessable income | (541,122) | (442,580) | (1,445,111) |
| Capital listing fee | (259,458) | (192,741) | (99,976) |
| Difference in overseas tax rates* | 2,132,187 | 1,817,387 | 2,040,517 |
| | (4,738,987) | (1,641,336) | (342,349) |
| Net adjustment to deferred tax assets and liabilities for tax losses and temporary differences not recognized | 4,738,954 | 1,641,299 | 342,349 |
| Income tax expense** | (33) | (37) | — |

* Difference in overseas tax rate is largely as a result of the corporate income tax rate of 10% applicable to the Immutep subsidiary in France for fiscal year 2021.

** Income tax expense relates to tax payable for the Immutep subsidiary in the United States.

**NOTE 6. INCOME TAX EXPENSE (continued)**

| | Consolidated | | |
|---|----------------------|----------------------|----------------------|
| | June 30, 2021 A\$ | June 30, 2020 A\$ | June 30, 2019 A\$ |
| Deferred tax assets for tax losses not recognised comprises: | | | |
| Carried forward tax losses benefit | 195,098,009 | 176,871,263 | 142,688,221 |
| Total deferred tax assets for tax losses not recognized | 43,593,823 | 38,171,321 | 35,493,421 |

The above potential tax benefit for tax losses has not been recognised in the consolidated balance sheet as the recovery of this benefit is not probable. There is no expiration date for the tax losses carried forward. The estimated amount of cumulative tax losses at June 30, 2021 was \$195,098,009 (2020: \$176,871,263). Utilisation of these tax losses is dependent on the parent entity and its subsidiaries satisfying certain tests at the time the losses are recouped and in generating future taxable profits against which to utilize the losses.

NOTE 7. CASH AND CASH EQUIVALENTS

| | Consolidated | |
|-----------------|----------------------|----------------------|
| | June 30, 2021 A\$ | June 30, 2020 A\$ |
| Cash on hand | 285 | 420 |
| Cash at bank | 51,845,320 | 12,793,272 |
| Restricted cash | 465,000 | — |
| Cash on deposit | 8,282,586 | 13,528,355 |
| | 60,593,191 | 26,322,047 |

The above cash and cash equivalent are held in AUD, USD, and Euro. The interest rates on these deposits range from 0% to 0.4% in 2021 (0% to 1.03% in 2020).

Restricted cash

The cash and cash equivalents disclosed above and in the statement of cash flows include \$465,000 which is advance payment from shareholder for Share Purchase Plan (SPP). These deposits are held by Boardroom Pty Ltd in trust for Immutep Limited, which will be transferred to Immutep bank account when SPP is completed in July 2021. The deposit is therefore not available for general use by any entity within the Group.

NOTE 8. CURRENT RECEIVABLES

| | Consolidated | |
|-----------------------------|----------------------|----------------------|
| | June 30, 2021 A\$ | June 30, 2020 A\$ |
| GST and VAT receivables | 775,400 | 171,834 |
| Receivable for grant income | 5,297,521 | 3,118,727 |
| Accounts receivable | 51,310 | 3,131 |
| | 6,124,231 | 3,293,692 |

Due to the short-term nature of these receivables, the carrying value is assumed to be their fair value at June 30, 2021. No receivables were impaired or past due.



NOTE 9. OTHER CURRENT ASSETS

| | Consolidated | |
|------------------|---------------------|---------------------|
| | June 30, 2021 AS | June 30, 2020 AS |
| Prepayments* | 1,663,213 | 1,403,277 |
| Security deposit | 38,577 | 34,822 |
| Accrued interest | 179 | 98,036 |
| | 1,701,969 | 1,536,135 |

* Prepayments are largely in relation to the prepaid insurance and deposits paid to organizations involved in the clinical trials.

NOTE 10. OTHER NON-Current ASSETS

| | Consolidated | |
|-------------|--------------------|--------------------|
| | June 30, 2021 S | June 30, 2020 S |
| Prepayments | 454,190 | — |
| | 454,190 | — |

Prepayments are largely in relation to prepaid insurance and deposits paid to organizations involved in the clinical trials.

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NOTE 11. NON-CURRENT ASSETS – PLANT AND EQUIPMENT

| | Plant and Equipment AS | Computers AS | Furniture and fittings AS | Total AS |
|--|------------------------------|-----------------|------------------------------------|---------------|
| At June 30, 2019 | | | | |
| Cost or fair value | 548,380 | 73,966 | 22,049 | 644,395 |
| Accumulated depreciation | (523,751) | (58,062) | (9,632) | (591,445) |
| Net book amount | <u>24,629</u> | <u>15,904</u> | <u>12,417</u> | <u>52,950</u> |
| Fiscal Year ended June 30, 2020 | | | | |
| Opening net book amount | 24,629 | 15,904 | 12,417 | 52,950 |
| Exchange differences | (431) | 338 | 152 | 59 |
| Additions | 7,705 | 11,643 | — | 19,348 |
| Disposals | — | (450) | — | (450) |
| Depreciation charge | (7,434) | (10,318) | (4,799) | (22,551) |
| Closing net book amount | <u>24,469</u> | <u>17,117</u> | <u>7,770</u> | <u>49,356</u> |
| At June 30, 2020 | | | | |
| Cost or fair value | 557,872 | 85,738 | 22,258 | 665,868 |
| Accumulated depreciation | (533,403) | (68,621) | (14,488) | (616,512) |
| Net book amount | <u>24,469</u> | <u>17,117</u> | <u>7,770</u> | <u>49,356</u> |
| Fiscal Year ended June 30, 2021 | | | | |
| Opening net book amount | 24,469 | 17,117 | 7,770 | 49,356 |
| Exchange differences | (737) | (207) | (447) | (1,391) |
| Additions | 552 | 15,049 | — | 15,601 |
| Disposals | — | — | — | — |
| Depreciation charge | (8,363) | (9,799) | (4,513) | (22,675) |
| Closing net book amount | <u>15,921</u> | <u>22,160</u> | <u>2,810</u> | <u>40,891</u> |
| At June 30, 2021 | | | | |
| Cost or fair value | 549,961 | 98,985 | 21,552 | 670,498 |
| Accumulated depreciation | (534,040) | (76,825) | (18,742) | (629,607) |
| Net book amount | <u>15,921</u> | <u>22,160</u> | <u>2,810</u> | <u>40,891</u> |



NOTE 12. NON-CURRENT ASSETS – INTANGIBLES

| | Patents A\$ | Intellectual Property Assets A\$ | Goodwill A\$ | Total A\$ |
|--|----------------|---|-----------------|-------------------|
| At June 30, 2019 | | | | |
| Cost or fair value | 1,915,671 | 25,480,543 | 109,962 | 27,506,176 |
| Accumulated amortization | (1,915,671) | (8,643,780) | — | (10,559,451) |
| Net book amount | — | 16,836,763 | 109,962 | 16,946,725 |
| Fiscal Year ended June 30, 2020 | | | | |
| Opening net book amount | — | 16,836,763 | 109,962 | 16,946,725 |
| Exchange difference | — | 178,458 | — | 178,458 |
| Amortization charge | — | (1,930,376) | — | (1,930,376) |
| Closing net book amount | — | 15,084,845 | 109,962 | 15,194,807 |
| At June 30, 2020 | | | | |
| Cost or fair value | 1,915,671 | 25,730,602 | 109,962 | 27,756,235 |
| Accumulated amortization | (1,915,671) | (10,645,757) | — | (12,561,428) |
| Net book amount | — | 15,084,845 | 109,962 | 15,194,807 |
| Fiscal Year ended June 30, 2021 | | | | |
| Opening net book amount | — | 15,084,845 | 109,962 | 15,194,807 |
| Exchange difference | — | (481,492) | — | (481,492) |
| Amortization charge | — | (1,866,067) | — | (1,866,067) |
| Closing net book amount | — | 12,737,286 | 109,962 | 12,847,248 |
| At June 30, 2021 | | | | |
| Cost or fair value | 1,915,671 | 24,880,102 | 109,962 | 26,905,735 |
| Accumulated amortization | (1,915,671) | (12,142,816) | — | (14,058,487) |
| Net book amount | — | 12,737,286 | 109,962 | 12,847,248 |

(i) Amortization methods and useful lives

The Group amortizes intangible assets with a limited useful life using the straight-line method over the following periods:

- Patents, trademark and licenses – 13 – 21 years
- Intellectual property assets – 13 – 14 years

NOTE 13. DEFERRED TAX BALANCES

(i) Deferred tax assets

The balance comprises temporary differences attributable to:

| | Consolidated | |
|--|---------------|---------------|
| | June 30, 2021 | June 30, 2020 |
| | \$ | \$ |
| Employee benefits | 63,507 | 43,227 |
| Accruals | 125,814 | 124,755 |
| Unrealized exchange loss | 321,363 | 17,979 |
| Unused tax loss | 777,882 | 1,461,430 |
| Set-off of deferred tax liabilities pursuant to set-off provisions | (1,288,566) | (1,647,391) |
| Net Deferred tax assets | — | — |



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NOTE 13. DEFERRED TAX BALANCES (continued)*(ii) Deferred tax liabilities*

The amount of deferred tax liability represents the temporary difference that arose on the recognition of Intangibles recorded in the subsidiary Company in France. This has been set-off against deferred taxes in the Subsidiary Company, accordingly, hence reducing the unrecognized tax losses for both the France subsidiary and the consolidated Group. The balance comprises temporary differences attributable to:

| | Consolidated | |
|--|---------------|---------------|
| | June 30, 2021 | June 30, 2020 |
| | \$ | \$ |
| Intangible assets | 1,273,729 | 1,508,478 |
| Unrealized exchange gain | 14,790 | 129,141 |
| Accrued income | 47 | 9,772 |
| Total deferred tax liabilities | 1,288,566 | 1,647,391 |
| Set-off of deferred tax liabilities pursuant to set-off provisions | (1,288,566) | (1,647,391) |
| Net deferred tax liabilities | — | — |

(iii) Movements in deferred tax balances

| | Deferred Tax Asset | Deferred Tax Liability | Total |
|--------------------------------------|--------------------|------------------------|-------|
| | \$ | \$ | \$ |
| Movements | | | |
| At June 30, 2020 | 1,647,391 | (1,647,391) | — |
| (Charged)/credited to profit or loss | (358,825) | 358,825 | — |
| At June 30, 2021 | 1,288,566 | (1,288,566) | — |

NOTE 14. CURRENT LIABILITIES – TRADE AND OTHER PAYABLES

| | Consolidated | |
|-----------------------------|------------------|------------------|
| | June 30, 2021 | June 30, 2020 |
| | AS | AS |
| Trade payables | 1,824,901 | 1,639,661 |
| Other payables and accruals | 2,956,828 | 1,294,706 |
| | 4,781,729 | 2,934,367 |

NOTE 15. NON-CURRENT LIABILITIES – US WARRANT LIABILITY

| | Consolidated | |
|-------------------------|----------------|----------------|
| | June 30, 2021 | June 30, 2020 |
| | AS | AS |
| Opening balance | 949,600 | 3,164,413 |
| Fair value movements | 8,663,013 | (2,214,813) |
| Exercising of warrants* | (8,889,647) | — |
| Closing Balance | 722,966 | 949,600 |

* During the year, US investors exercised 3,427,211 warrants at an exercise price of US\$ 2.49 each. Immutep received US\$8.53 million (A\$11.3 million) cash payment in total. In total, 206,507 warrants from the warrant issuance in July 2017 remain unexercised at the reporting date. All of the warrants which were issued in December 2018 were exercised during the fiscal year 2021.

In July 2017, the Group completed its first US capital raise after it entered into a securities purchase agreement with certain accredited investors for the Group to issue American Depositary Shares (ADSs) and Warrants of Immutep for cash consideration totaling A\$6,561,765. In this private placement, the Company agreed to issue unregistered warrants to purchase up to 1,973,451 of its ADSs. The warrants were issued with an exercise price of US\$2.50 per ADS, are exercisable immediately and will expire on January 5, 2023. The warrants do not confer any rights to dividends or a right to participate in a new issue without exercising the warrant. During the fiscal year 2021, 1,347,211 of these warrants were exercised at US\$2.49 each and 206,507 of these warrants remain as at June 30, 2021.

In December 2018, the Group completed its second US capital raise after it entered into a securities purchase agreement with certain accredited investors to purchase American Depositary Shares (ADSs) and Warrants of Immutep for cash consideration totaling A\$7,328,509. In this private placement, the Group agreed to issue unregistered warrants to purchase up to 2,080,000 of its ADSs.

**NOTE 15. NON-CURRENT LIABILITIES – US WARRANT LIABILITY** (continued)

The warrants were issued with an exercise price of US\$2.50 per ADS. The Warrants were able to be exercised in whole or in part at any time or times up until the Warrant Expiry Date of February 12, 2022. The warrants did not confer any rights to dividends or a right to participate in a new issue without exercising the warrant. In December 2020, 2,080,000 of these warrants were exercised at US\$2.49 each, hence none of these warrants remain as at June 30, 2021.

Both US warrant issues represent a written option to exchange a fixed number of the Group’s own equity instruments for a fixed amount of cash that is denominated in a foreign currency (US dollars) and is thus classified as a derivative financial liability in accordance with AASB 132 (IAS 32). The US warrants liability is initially recorded at fair value at issue date and subsequently measured at fair value through profit and loss at each reporting date. Capital raising costs have been allocated proportionately between issued capital and the US warrant issues in accordance with their relative fair values.

The 10 to 1 share consolidation in November 2019 did not change the number of US warrants nor the exercise price of those warrants as the American Depository Receipt (ADR) ratio was also changed from 1 ADS representing 100 shares to 1 ADS representing 10 shares. The effective date of the change was November 5, 2019.

However, under the anti-dilution clause of share purchase agreements, the exercise price was adjusted due to the entitlement offer the Group conducted in August 2019. As a result, the exercise price is now US\$2.49.

Fair value of warrants

The warrants granted are not traded in an active market and the fair value has thus been estimated by using the Black-Scholes pricing model based on the following assumptions. Key terms of the warrants are included above.

The following assumptions were based on observable market conditions that existed at the issue date and at June 30, 2021:

July 2017 warrants

| Assumption | At issue date | At June 30, 2021 | Rationale |
|-------------------------|---------------|------------------|---|
| Historic volatility | 58.0% | 134.8% | Based on 12-month historical volatility data for the Company |
| Exercise price | US\$2.50 | US\$2.49 | As per subscription agreement |
| Share price | US\$2.17 | US\$3.87 | Closing share price on valuation date from external market source |
| Risk-free interest rate | 1.93% | 0.25% | Based on the US Government securities yields which match the term of the warrant |
| Dividend yield | 0.0% | 0.0% | Based on the Company’s nil dividend history |
| Fair value per warrant | US\$1.0716 | US\$2.6320 | |
| | A\$1.3962 | A\$3.5009 | Determined using Black-Scholes models with the inputs above |
| Fair value | A\$2,755,375 | A\$722,966 | Fair value of 1,973,451 warrants as at issue date and fair value of 206,507 warrants at June 30, 2021 |

* Exercising price has been adjusted as per anti-dilution clause in the share purchase agreement.

NOTE 16. NON CURRENT LIABILITIES – CONVERTIBLE NOTE

| | Consolidated | |
|---|------------------|------------------|
| | June 30, 2021 | June 30, 2020 |
| | AS | AS |
| Convertible note at fair value at beginning of reporting period | 8,789,113 | 7,642,707 |
| Net change in fair value | 1,171,959 | 1,146,406 |
| Transfer to contributed equity on conversion of Convertible Notes | (5,094,465) | — |
| Transfer to accumulated losses on conversion of Convertible Notes | (2,339,737) | — |
| Convertible note at fair value at end of reporting period | 2,526,870 | 8,789,113 |

On May 11, 2015, the Company entered into a subscription agreement with Ridgeback Capital Investments (Ridgeback) to invest in Convertible Notes and Warrants of the Company for cash consideration totaling \$13,750,828, which was subject to shareholder approval at an Extraordinary General Meeting. Shareholder approval was received on July 31, 2015.

During the fiscal year, 75% of the Convertible Notes have been converted to ordinary shares. These have been done in three issuances of 25% each between March 2021 and June 2021. At the reporting date, 25% of the original Convertible Note balance remains outstanding. All Notes have been converted to ordinary shares at \$nil consideration per the original subscription agreement.



NOTE 16. NON CURRENT LIABILITIES – CONVERTIBLE NOTE (continued)

The 13,750,828 Convertible Notes issued have a face value of \$1.00 per note which are exercisable at a price of approximately \$0.18 per share (adjusted for post share consolidation and anti-dilution clause), mature on August 4, 2025 and accrue interest at a rate of 3% per annum which may also be converted into shares. Conversions may occur during the period (i) at least 3 months after the Issue Date and (ii) at least 15 business days prior to the maturity date into 50 ordinary shares of the Company per note (subject to customary adjustments for rights or bonus issues, off market buybacks, issues at less than current market price, share purchase plan, dividend reinvestment plan at a discount, return of capital or dividend or other adjustment). If a change of control event, delisting event or event of default has occurred, Ridgeback may elect to convert the notes into shares or repayment of principal and interest. The Convertible Notes rank at least equal with all present and future unsubordinated and unsecured debt obligations of the Company and contain customary negative pledges regarding financial indebtedness, dividend payments, related party transaction and others.

Details of the warrants granted together with the convertible note at initial recognition date are as follows:

- 8,475,995 warrants were granted which are exercisable at a price of A\$0.025 per share on or before August 4, 2025
- 371,445,231 warrants were granted which are exercisable at a price of A\$0.0237 per share on or before August 4, 2020

All warrants may be settled on a gross or net basis and the number of warrants or exercise price may be adjusted for a pro rata issue of shares, a bonus issue or capital re-organisation. The Warrants do not confer any rights to dividends or a right to participate in a new issue without exercising the warrant.

As a result of the 10 to 1 share consolidation in November 2019, the above cited warrants have been restated in accordance with the subscription agreement. The exercise prices have been adjusted for the capital raising during the year under the anti-dilution clause of share purchase agreements.

The warrant expiry dates remain unchanged. The restated terms are as follows:

- 847,600 warrants with an exercise price of A\$0.248 per share
- 37,144,524 warrants with an exercise price of A\$0.235 per share

37,144,524 warrants with an exercise price of A\$0.235 per share lapsed unexercised on August 4, 2020. None of the other warrants specified above have been exercised since initial recognition up to June 30, 2021.

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**NOTE 16. NON CURRENT LIABILITIES – CONVERTIBLE NOTE (continued)***(i) Fair value of convertible notes*

The following assumptions were used to determine the initial fair value of the debt component of the convertible note which were based on market conditions that existed at the grant date:

| Assumption | Convertible notes | Rationale |
|-----------------------------|--------------------------|---|
| Historic volatility | 85.0% | Based on the Company's historical volatility data |
| Share price | \$0.051 | Closing market share price on July 31, 2015 |
| Risk free interest rate | 2.734% | Based on Australian Government securities yields which match the term of the convertible note |
| Risk adjusted interest rate | 15.0% | An estimate of the expected interest rate of a similar non-convertible note issued by the company |
| Dividend yield | 0.0% | Based on the Company's nil dividend history |

The fair value of the convertible note is allocated between a financial liability for the traditional note component of the convertible note and into equity which represents the conversion feature. The traditional note component of the convertible note was initially recorded at fair value of \$4.4m, based on the present value of the contractual cash flows of the note discounted at 15%. After initial recognition, the liability component of the convertible note has been measured at fair value as required by AASB 2 (IFRS 2). The remaining value of the convertible note was allocated to the conversion feature and recognized as equity.

| | Note – Liability | Conversion feature – Equity |
|-------------------------------|-------------------------|------------------------------------|
| Fair value at issuance | 4,419,531 | 41,431,774 |
| Fair value movements | 5,541,541 | — |
| Conversion to ordinary shares | (7,434,202) | (31,073,830) |
| Balance at June 30, 2021 | 2,526,870 | 10,357,944 |

NOTE 17. CURRENT LIABILITIES – EMPLOYEE BENEFITS

| | Consolidated | |
|--------------|----------------------|----------------------|
| | June 30, 2021 | June 30, 2020 |
| | AS | AS |
| Annual leave | 350,135 | 300,466 |

The current provision for employee benefits is in relation to accrued annual leave and covers all unconditional entitlements where employees have completed the required period of service. The entire amount of the provision is presented as current, since the Group does not have an unconditional right to defer settlement for any of these obligations.

NOTE 18. NON CURRENT LIABILITIES – EMPLOYEE BENEFITS

| | Consolidated | |
|----------------------------------|----------------------|----------------------|
| | June 30, 2021 | June 30, 2020 |
| | AS | AS |
| Long service leave | 85,448 | 61,978 |
| Provision for retirement payment | 3,467 | — |
| | 88,915 | 61,978 |



NOTE 19. LEASES

The consolidated balance sheet shows the following amounts relating to leases:

| | Consolidated June 30, 2021 \$ | Consolidated June 30, 2020 \$ |
|----------------------------|-------------------------------------|-------------------------------------|
| Right-of-use Assets | | |
| Buildings | 268,813 | 201,215 |
| | <u>268,813</u> | <u>201,215</u> |
| | | |
| | Consolidated June 30, 2021 \$ | Consolidated June 30, 2020 \$ |
| Lease Liabilities | | |
| Current | 208,194 | 129,412 |
| Non-current | 80,113 | 132,971 |
| Balance at June 30, 2021 | <u>288,307</u> | <u>262,383</u> |

The recognised ROU assets are comprised solely of property leases in Germany and France. Movements during the fiscal years June 30, 2021 and June 30, 2020 are as follows:

| | A\$ |
|--|----------------|
| ROU asset | |
| Initial value of ROU asset recognised as at July 1, 2019 | 336,090 |
| Less: lease incentives | (12,215) |
| Net ROU asset recognised under AASB 16 (IFRS 16) as at July 1, 2019 | <u>323,875</u> |
| Depreciation for the fiscal year ended June 30, 2020 | (126,712) |
| Foreign exchange differences | 4,052 |
| Closing balance of ROU asset as at June 30, 2020 | <u>201,215</u> |
| Closing balance of ROU asset as at July 1, 2020 | 201,215 |
| Lease addition and modification for the fiscal year ended June 30, 2021 | 254,461 |
| Depreciation for the fiscal year ended June 30, 2021 | (181,374) |
| Foreign exchange differences | (5,489) |
| Closing balance of ROU asset as at June 30, 2021 | <u>268,813</u> |

For the fiscal years June 30, 2021 and June 30, 2020, movement of lease liabilities and aging presentation are as follows:

| | Consolidated June 30, 2021 \$ | Consolidated June 30, 2020 \$ |
|---|-------------------------------------|-------------------------------------|
| Lease Liabilities Reconciliation | | |
| Opening Balance | <u>262,383</u> | <u>336,090</u> |
| Lease additions and modifications | 248,063 | — |
| Interest charged for the year | 13,382 | 10,457 |
| Disposals | — | — |
| Principal paid for the year | (214,378) | (77,541) |
| Interest expense paid for the year | (13,154) | (6,295) |
| Foreign exchange adjustments | (7,989) | (328) |
| Closing Balance | <u>288,307</u> | <u>262,383</u> |

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NOTE 19. LEASES (continued)

Maturities of Lease Liabilities

The table below shows the Group's lease liabilities in relevant maturity groupings based on their contractual maturities. The amounts disclosed in the table are the contractual undiscounted cashflows.

| Lease Liabilities | Less than 1 year \$ | Between 1 and 2 years \$ | Between 2 and 5 years \$ | Over 5 years \$ | Total contractual cashflows | Carrying amount \$ |
|-------------------|------------------------|-----------------------------|-----------------------------|--------------------|-----------------------------|-----------------------|
| 2021 | 215,005 | 78,455 | — | — | 293,460 | 288,307 |
| 2020 | 137,025 | 136,154 | — | — | 273,179 | 262,383 |

NOTE 20. CONTRIBUTED EQUITY

| | Note | Consolidated | |
|---------------------------------------|-------|----------------------|----------------------|
| | | June 30, 2021 A\$ | June 30, 2020 A\$ |
| Fully paid ordinary shares | 20(a) | 303,760,351 | 233,328,553 |
| Options over ordinary shares – listed | | 9,661,954 | 9,661,954 |
| | | 313,422,305 | 242,990,507 |

In November 2019, the shareholders approved a 10 to 1 share consolidation during the 2019 Annual General Meeting. Refer to notes 15 and 16 for impact of the 10 to 1 share consolidation to US warrants and convertible notes, respectively.

(a) Ordinary Shares

| | Note | June 30, 2021 | | June 30, 2020 | |
|---|-------|--------------------|--------------------|--------------------|--------------------|
| | | No. | A\$ | No. | A\$ |
| At the beginning of reporting period | | 487,630,938 | 233,328,553 | 3,388,598,296 | 211,429,637 |
| Shares issued during the year (pre-share consolidation) | 20(b) | — | — | 477,645,539 | 10,030,556 |
| Transaction costs relating to share issues | | — | (2,135,000) | — | (1,474,934) |
| Exercise of performance rights (pre-share consolidation) | 20(b) | — | — | 10,878,476 | 385,794 |
| Share consolidation | | — | — | (3,489,408,041) | — |
| Exercise of performance rights (post share consolidation) | 20(b) | 5,487,851 | 1,571,294 | 3,916,668 | 957,500 |
| Shares issued during the year (post share consolidation) | 20(b) | 149,630,586 | 43,307,232 | 96,000,000 | 12,000,000 |
| Conversion of Convertible Notes (shares issued during the period) | 20(b) | 71,131,450 | 12,092,937 | — | — |
| Exercise of warrants (shares issued during the period) | 20(b) | 34,272,110 | 15,604,694 | — | — |
| Transaction costs relating to exercise of warrants | | — | (9,359) | — | — |
| At reporting date | | 748,152,935 | 303,760,351 | 487,630,938 | 233,328,553 |

**NOTE 20. CONTRIBUTED EQUITY** (continued)**(b) Shares issued**

| 2021 Details | Number | Issue Price AS | Total AS |
|--|--------------------|---------------------------|---------------------|
| Share placement November 2020 | 123,216,687 | 0.24 | 29,572,005 |
| Share placement June 2021 | 26,413,899 | 0.52 | 13,735,227 |
| Performance rights exercised pre share consolidation (transfer from share-based payment reserve) * | 5,487,851 | 0.29 | 1,571,294 |
| Convertible Notes exercised | 71,131,450 | 0.17 | 12,092,937 |
| Exercise of warrants | 34,272,110 | 0.46 | 15,604,694 |
| | 260,521,997 | | 72,576,157 |

| 2020 Details | Number | Issue Price AS | Total AS |
|--|--------------------|---------------------------|---------------------|
| Share placement July 2019* | 19,047,619 | 0.210 | 4,000,000 |
| Shares issued under Entitlement Offer August 2019* | 28,716,935 | 0.210 | 6,030,556 |
| Performance rights exercised pre share consolidation (transfer from share-based payment reserve) * | 1,087,848 | 0.355 | 385,794 |
| Performance rights exercised post share consolidation (transfer from share-based payment reserve) | 3,916,668 | 0.244 | 957,500 |
| Share placement May 2020 post share consolidation | 96,000,000 | 0.125 | 12,000,000 |
| Exercise of warrants | — | — | — |
| | 148,769,070 | | 23,373,850 |

*All number of shares have been adjusted for the 10 to 1 share consolidation.

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held.

The fully paid ordinary shares have no par value and the company does not have a limited amount of authorized capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Options

Information relating to the Company's Global Employee Share Option Plan, including details of options issued, exercised and lapsed during the year and options outstanding at the end of the reporting period, is set out in note 32.

*Unlisted Options***

| Expiration Date | Exercise Price | Number |
|------------------------|-----------------------|------------------|
| August 4, 2025 | \$ 0.248 | 847,600 |
| January 5, 2023 | US\$ 0.249* | 2,065,070* |
| Total | | 2,912,670 |

** 1 American Depository Shares (ADS) listed on NASDAQ equals 10 ordinary shares listed on ASX thus the number of warrants on issue have been grossed up and their exercise prices have been adjusted accordingly in the above table to be comparable.

Share buy-back

There is no current on-market share buy-back.

Capital risk management

The consolidated entity's objectives when managing capital are to safeguard its ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

**NOTE 20. CONTRIBUTED EQUITY** (continued)

In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The consolidated entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current parent entity's share price at the time of the investment. The consolidated entity is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximize synergies.

NOTE 21. EQUITY – RESERVES AND RETAINED EARNINGS

| | Consolidated | |
|---|----------------------|----------------------|
| | June 30, 2021 AS | June 30, 2020 AS |
| (a) Reserves | | |
| Options issued reserve | 19,116,205 | 19,116,205 |
| Conversion feature of convertible note reserve | 10,357,944 | 41,431,774 |
| Foreign currency translation reserve | 1,174,332 | 1,754,740 |
| Share-based payment reserve | 3,843,045 | 3,712,180 |
| | 34,491,526 | 66,014,899 |
| Movement in options issued reserve were as follows: | | |
| Opening balance and closing balance | 19,116,205 | 19,116,205 |
| Movements in conversion feature of convertible note reserve: | | |
| Opening balance | 41,431,774 | 41,431,774 |
| Transfer to accumulated losses on conversion of Convertible Notes | (24,075,358) | — |
| Transfer to contributed equity on conversion of Convertible Notes | (6,998,472) | — |
| Ending balance | 10,357,944 | 41,431,774 |
| Movement in foreign currency translation reserve were as follows: | | |
| Opening balance | 1,754,740 | 1,654,783 |
| Currency translation differences arising during the year | (580,408) | 99,957 |
| Ending balance | 1,174,332 | 1,754,740 |
| Movement in share-based payment reserve were as follows: | | |
| Opening balance | 3,712,180 | 3,331,192 |
| Option and Performance rights expensed during the year | 1,702,159 | 1,724,282 |
| Exercise of vested performance rights transferred to contributed equity | (1,571,294) | (1,343,294) |
| Ending balance | 3,843,045 | 3,712,180 |
| (b) Accumulated losses | | |
| Movement in accumulated losses were as follows: | | |
| Opening balance | (275,706,061) | (262,237,829) |
| Net loss for the year | (29,902,624) | (13,468,232) |
| Conversion of Convertible Notes | 26,415,084 | — |
| Exercise of warrants | 4,551,381 | — |
| Balance | (274,642,220) | (275,706,061) |

(c) Nature and purpose of reserves*(i) Conversion feature of convertible note reserve*

This amount relates to the conversion feature of the convertible note issued to Ridgeback Capital Investments which has been measured at fair value as required by AASB 2 (IFRS 2). For further information, refer to note 16.

(ii) Foreign currency translation reserve

Exchange differences arising on translation of the foreign controlled entity a recognized in other comprehensive loss as described in note 1(d) and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

(iii) Share-based payments reserve

The share-based payments reserve is used to recognize the grant date fair value of options and performance rights issued to employees but not exercised. For a reconciliation of movements in the share-based payment reserves refer to note 32.

**NOTE 22. DIVIDENDS**

There were no dividends paid or declared during the current or previous fiscal year.

NOTE 23. KEY MANAGEMENT PERSONNEL DISCLOSURES**(a) Directors and key management personnel compensation**

| | Consolidated | | |
|--------------------------------|----------------------|----------------------|----------------------|
| | June 30, 2021 A\$ | June 30, 2020 A\$ | June 30, 2019 A\$ |
| Short-term employee benefits*# | 1,399,536 | 1,204,840 | 1,285,647 |
| Long-term employee benefits | 9,059 | 6,367 | 11,115 |
| Post-employment benefits | 157,001 | 31,558 | 33,458 |
| Share-based payments# | 1,278,490 | 1,307,509 | 1,243,385 |
| | 2,844,086 | 2,550,274 | 2,573,605 |

* Current year short-term employee benefits shown also include compulsory employer funded social security contributions amounting to A\$187,787, which are paid directly by the Company to Government authorities in line with French and German regulations. Prior year amounts have been adjusted in the current year to include compulsory employer funded social security contributions amounting to A\$137,107 for fiscal year 2020 and A\$150,500 for fiscal year 2019 which have been deemed to be Employee benefits under accounting standards.

For fiscal year ended June 30, 2021, Non-Executive Director's share-based payments of A\$331,908 are classified as "Share-Based Payments". In the prior fiscal year these amounts were included within Short-term employee benefits, accordingly the comparative figures of A\$292,821 in total for fiscal year 2020 and A\$453,752 in total for fiscal year 2019 have been reclassified to Share-based payments.

Further remuneration disclosures are set out in the audited Remuneration Report within the Directors' Report.

(b) Equity instrument disclosures relating to key management personnel**(i) Options provided as remuneration and shares issued on exercise of such options**

There were no options provided as remuneration during the fiscal years June 30, 2021, June 30, 2020 and June 30, 2019.

(ii) Shareholding

The numbers of shares in the company held during the year by each director of and other key management personnel of the Group, including their personally related parties, are set out below. There were no shares granted during the reporting period as compensation. On November 5, 2019, there was a 10 to 1 share consolidation. The number of shares in the fiscal years 2021, 2020 and 2019 tables below are prepared on post share consolidation basis.

| June 30, 2021 | Balance at start of the fiscal year | Received during the fiscal year on exercise of performance rights | Received during the fiscal year on the exercise of options | Other changes during the fiscal year * | Balance at end of the fiscal year |
|------------------------------|-------------------------------------|---|--|--|-----------------------------------|
| Ordinary shares | | | | | |
| Dr Russell Howard | 500,000 | 250,000 | — | — | 750,000 |
| Mr Pete Meyers | 1,500,758 | 273,637 | — | — | 1,774,395 |
| Mr Marc Voigt | 7,647,445 | 1,200,000 | — | — | 8,847,445 |
| Mr Grant Chamberlain | 1,301,369 | 426,654 | — | — | 1,728,023 |
| Ms Deanne Miller | 3,003,892 | 600,000 | — | (640,000) | 2,963,892 |
| Dr Frédéric Triebel | 5,953,764 | 900,000 | — | — | 6,853,764 |
| Total ordinary shares | 19,907,228 | 3,650,291 | — | (640,000) | 22,917,519 |
| ADSS | | | | | |
| Mr Marc Voigt | 45 | | | | 45 |
| Total ADSS | 45 | | | | 45 |



NOTE 23. KEY MANAGEMENT PERSONNEL DISCLOSURES (continued)

| June 30, 2020 | Balance at start of the fiscal year | Received during the fiscal year on exercise of performance rights | Received during the fiscal year on the exercise of options | Other changes during the fiscal year * | Balance at end of the fiscal year |
|------------------------------|-------------------------------------|---|--|--|-----------------------------------|
| Ordinary shares | | | | | |
| Dr Russell Howard | 250,000 | 250,000 | — | — | 500,000 |
| Mr Pete Meyers | 1,227,121 | 273,637 | — | — | 1,500,758 |
| Mr Marc Voigt | 5,827,196 | 1,666,667 | — | 153,582 | 7,647,445 |
| Mr Grant Chamberlain | 473,931 | 426,653 | — | 400,785 | 1,301,369 |
| Ms Deanne Miller | 2,314,421 | 833,334 | — | (143,863) | 3,003,892 |
| Dr Frédéric Triebel | 4,413,106 | 1,166,667 | — | 373,991 | 5,953,764 |
| Total ordinary shares | 14,505,775 | 4,616,958 | — | 784,495 | 19,907,228 |
| ADSS | | | | | |
| Mr Marc Voigt | 45 | — | — | — | 45 |
| Total ADSS | 45 | — | — | — | 45 |

*Other changes during the year include the shares acquired via the Entitlements Offer, on market acquisition and disposals.

| June 30, 2019 | Balance at start of the fiscal year | Received during the fiscal year on the exercise of performance rights | Received during the fiscal year on the exercise of options | Other changes during the fiscal year | Balance at end of the fiscal year |
|------------------------------|-------------------------------------|---|--|--------------------------------------|-----------------------------------|
| Ordinary shares | | | | | |
| Dr. Russell Howard | — | 250,000 | — | — | 250,000 |
| Mr. Pete Meyers | 953,484 | 273,637 | — | — | 1,227,121 |
| Mr Marc Voigt | 4,160,529 | 1,666,667 | — | — | 5,827,196 |
| Mr Grant Chamberlain | — | 473,931 | — | — | 473,931 |
| Ms. Deanne Miller | 1,976,842 | 833,334 | — | (495,755) | 2,314,421 |
| Dr. Frédéric Triebel | 3,246,438 | 1,166,668 | — | — | 4,413,106 |
| Total ordinary shares | 10,337,293 | 4,664,237 | — | — | 14,505,775 |
| ADSS | | | | | |
| Mr Marc Voigt | 45 | — | — | — | 45 |
| Total ADSS | 45 | — | — | — | 45 |

For persons

**NOTE 23. KEY MANAGEMENT PERSONNEL DISCLOSURES** (continued)**(b) Equity instrument disclosures relating to key management personnel (continued)***(iii) Option holdings*

There were no options holdings held and no movements during the fiscal years 2021 and 2020. Please refer to the table below for the option holdings movement during fiscal year 2019.

| <u>June 30, 2019</u> | <u>Balance at start of the fiscal year</u> | <u>Granted</u> | <u>Exercised</u> | <u>Other Changes</u> | <u>Balance at end of the fiscal year</u> | <u>Vested and exercisable</u> | <u>Unvested</u> |
|-------------------------------------|--|----------------|------------------|----------------------|--|-------------------------------|-----------------|
| Options over ordinary shares | | | | | | | |
| Dr. Russell Howard | — | — | — | — | — | — | — |
| Mr. Pete Meyers | — | — | — | — | — | — | — |
| Mr. Marc Voigt | — | — | — | — | — | — | — |
| Mr. Grant Chamberlain | — | — | — | — | — | — | — |
| Ms. Deanne Miller | — | — | — | — | — | — | — |
| Dr. Frédéric Triebel ¹ | 2,400,060 | — | — | (2,400,060) | — | — | — |
| | <u>2,400,060</u> | <u>—</u> | <u>—</u> | <u>(2,400,060)</u> | <u>—</u> | <u>—</u> | <u>—</u> |

¹ This amount represents warrants which were issued to Dr. Frédéric Triebel upon the acquisition of Immuteq. The above options lapsed during the fiscal year ended June 30, 2019. Number of options in the tables above are prepared on post share consolidation basis.

(iv) Performance rights holdings

The number of performance rights over ordinary shares in the parent entity held during the year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below. On November 5, 2019, there was a 10 to 1 share consolidation. The number of performance rights in the fiscal years 2021, 2020 and 2019 tables below are prepared on post share consolidation basis.

| <u>June 30, 2021</u> | <u>Balance at start of the fiscal year</u> | <u>Granted</u> | <u>Exercised</u> | <u>Other Changes</u> | <u>Balance at end of the fiscal year</u> | <u>Vested and exercisable</u> | <u>Unvested</u> |
|------------------------------------|--|------------------|--------------------|----------------------|--|-------------------------------|------------------|
| Rights over ordinary shares | | | | | | | |
| Dr. Russell Howard | 500,000 | — | (250,000) | — | 250,000 | — | 250,000 |
| Mr. Pete Meyers | 1,773,637 | — | (273,637) | — | 1,500,000 | — | 1,500,000 |
| Mr. Marc Voigt | 3,600,000 | — | (1,200,000) | — | 2,400,000 | — | 2,400,000 |
| Mr. Grant Chamberlain | 426,654 | 1,350,000 | (426,654) | — | 1,350,000 | — | 1,350,000 |
| Ms. Deanne Miller | 1,800,000 | — | (600,000) | — | 1,200,000 | — | 1,200,000 |
| Dr. Frédéric Triebel | 2,700,000 | — | (900,000) | — | 1,800,000 | — | 1,800,000 |
| | <u>10,800,291</u> | <u>1,350,000</u> | <u>(3,650,291)</u> | <u>—</u> | <u>8,500,000</u> | <u>—</u> | <u>8,500,000</u> |

| <u>June 30, 2020</u> | <u>Balance at start of the fiscal year</u> | <u>Granted</u> | <u>Exercised</u> | <u>Other Changes</u> | <u>Balance at end of the fiscal year</u> | <u>Vested and exercisable</u> | <u>Unvested</u> |
|------------------------------------|--|------------------|--------------------|----------------------|--|-------------------------------|-------------------|
| Rights over ordinary shares | | | | | | | |
| Dr. Russell Howard | 750,000 | — | (250,000) | — | 500,000 | — | 500,000 |
| Mr. Pete Meyers | 547,274 | 1,500,000 | (273,637) | — | 1,773,637 | — | 1,773,637 |
| Mr. Marc Voigt | 1,666,667 | 3,600,000 | (1,666,667) | — | 3,600,000 | — | 3,600,000 |
| Mr. Grant Chamberlain | 853,307 | — | (426,653) | — | 426,654 | — | 426,654 |
| Ms. Deanne Miller | 833,334 | 1,800,000 | (833,334) | — | 1,800,000 | — | 1,800,000 |
| Dr. Frédéric Triebel | 1,166,667 | 2,700,000 | (1,166,667) | — | 2,700,000 | — | 2,700,000 |
| | <u>5,817,249</u> | <u>9,600,000</u> | <u>(4,616,958)</u> | <u>—</u> | <u>10,800,291</u> | <u>—</u> | <u>10,800,291</u> |

**NOTE 23. KEY MANAGEMENT PERSONNEL DISCLOSURES (continued)**

| June 30, 2019 | Balance at start of the fiscal year | Granted | Exercised | Other Changes | Balance at end of the fiscal year | Vested and exercisable | Unvested |
|------------------------------------|-------------------------------------|------------------|--------------------|--------------------|-----------------------------------|------------------------|------------------|
| Rights over ordinary shares | | | | | | | |
| Dr. Russell Howard | — | 1,000,000 | (250,000) | — | 750,000 | — | 750,000 |
| Mr. Pete Meyers | 820,911 | — | (273,637) | — | 547,274 | — | 547,274 |
| Mr. Marc Voigt | 4,558,824 | — | (1,666,667) | (1,225,490) | 1,666,667 | — | 1,666,667 |
| Mr Grant Chamberlain | 1,327,238 | — | (473,931) | — | 853,307 | — | 853,307 |
| Ms. Deanne Miller | 2,034,315 | — | (833,334) | (367,647) | 833,334 | — | 833,334 |
| Dr. Frédéric Triebel | 2,333,335 | — | (1,166,668) | — | 1,166,667 | — | 1,166,667 |
| | 11,074,623 | 1,000,000 | (4,664,237) | (1,593,137) | 5,817,249 | — | 5,817,249 |

NOTE 24. REMUNERATION OF AUDITORS

During the year the following fees were paid or payable for services provided by the auditor of the parent entity, its related practices and non-related audit firms

| | June 30, 2021 AS | Consolidated June 30, 2020 AS | June 30, 2019 AS |
|---|---------------------|-------------------------------------|---------------------|
| Audit fees | | | |
| PricewaterhouseCoopers Australia | | | |
| Audit or review of the financial report | 289,202 | 282,580 | 274,078 |
| Other audit and assurance services in relation to regulatory filings overseas | — | — | 22,950 |
| Total remuneration of PricewaterhouseCoopers Australia | 289,202 | 282,580 | 297,028 |

NOTE 25. CONTINGENT LIABILITIES

There were no material contingent liabilities in existence at June 30, 2021 and June 30, 2020.

NOTE 26. COMMITMENTS FOR EXPENDITURE

There were no material commitments for expenditure in existence at June 30, 2021 and June 30, 2020.

NOTE 27. RELATED PARTY TRANSACTIONS*Parent entity*

Immutep Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 28.

Key management personnel

Disclosures relating to key management personnel are set out in note 23.



NOTE 27. RELATED PARTY TRANSACTIONS (continued)

Transactions with related parties

There is no transaction occurred with related parties for fiscal year ended June 30, 2021 and fiscal year ended June 30, 2020.

Receivable from and payable to related parties

There were no trade receivables from or trade payables due to related parties at the reporting date.

Loans to/from related parties

There were no loans to or from related parties at the reporting date.

NOTE 28. SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1:

| Name of entity | Country of incorporation | Equity holding | |
|---------------------------|--------------------------|-----------------|-----------------|
| | | June 30, 2021 % | June 30, 2020 % |
| Immutep U.S., Inc | United States | 100.00 | 100.00 |
| PRR Middle East FZ LLC | United Arab Emirates | 100.00 | 100.00 |
| Immutep GmbH | Germany | 100.00 | 100.00 |
| Immutep Australia Pty Ltd | Australia | 100.00 | 100.00 |
| Immutep IP Pty Ltd | Australia | 100.00 | 100.00 |
| Immutep S.A.S. | France | 100.00 | 100.00 |

NOTE 29. EVENTS OCCURRING AFTER THE REPORTING DATE

The capital raising conducted in June 2021 (Two-Tranche Placement) included:

- Tranche 1 placement of 26.4m shares
- Tranche 2 placement of 89.0m shares
- Share Purchase Plan (SPP) offer to eligible shareholders

At the Annual General Meeting (AGM) on July 26, 2021, the Shareholders of the Company:

- ratified Tranche 1 Shares (26.4m shares) which were issued on 28 June 2021.
- approved the issue of Tranche 2 shares (89.0m shares) which were issued to Shareholders on July 30, 2021.

The SPP shares (13.8m shares) were issued on July 23, 2021.

On September 29, 2021 the company announced it has received a €2,126,617 (~ A\$3,431,000) research and development (R&D) tax incentive payment in cash from the French Government under its Crédit d'Impôt Recherche scheme (CIR). The cash payment is provided in respect of expenditure incurred on eligible R&D activities conducted in European Union in the 2020 calendar year.

No other matter or circumstance has arisen since June 30, 2021, that has significantly affected the Group's operations, results, or state of affairs, or may do so in future years.

**NOTE 30. RECONCILIATION OF LOSS AFTER INCOME TAX TO NET CASH USED IN OPERATING ACTIVITIES**

| | Consolidated | | |
|---|----------------------------|----------------------------|----------------------------|
| | June 30, 2021 | June 30, 2020 | June 30, 2019 |
| | A\$ | A\$ | A\$ |
| Loss after income tax expense for the year | (29,902,624) | (13,468,232) | (18,343,984) |
| Adjustments for: | | | |
| Depreciation and amortization | 2,070,116 | 2,079,639 | 1,879,151 |
| Share based payments | 1,702,159 | 1,724,282 | 1,581,987 |
| Changes in fair value of US investor warrants | 8,663,013 | (2,214,813) | (961,176) |
| US warrants transaction costs | — | — | 236,887 |
| Unrealized gain on exchange through the profit and loss | 646,630 | (200,784) | (330,951) |
| Net change in fair value of convertible note liability | 1,171,959 | 1,146,406 | 996,875 |
| Change in operating assets and liabilities: | | | |
| Decrease/(Increase) in current receivables | (2,830,539) | 1,900,434 | (1,762,132) |
| Decrease/(Increase) in other operating assets | (620,024) | 243,581 | (44,052) |
| Increase/(Decrease) in trade and other payables | 1,382,362 | (2,126,001) | 1,396,519 |
| Increase in employee benefits | 76,606 | 76,149 | 64,478 |
| Net cash used in operating activities | <u>(17,640,342)</u> | <u>(10,839,339)</u> | <u>(15,286,398)</u> |

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**NOTE 31. EARNINGS PER SHARE**

| | Consolidated | | |
|---|----------------------|---------------------------|---------------------------|
| | June 30, 2021 A\$ | June 30, 2020 A\$ | June 30, 2019 A\$ |
| Loss after income tax attributable to the owners of Immutep Limited | (29,902,624) | (13,468,232) | (18,343,984) |
| | Number | Number (Restated)* | Number (Restated)* |
| Weighted average number of ordinary shares used in calculating basic earnings per share | 594,927,440 | 412,855,961 | 346,805,822 |
| Weighted average number of ordinary shares used in calculating diluted earnings per share | 594,927,440 | 412,855,961 | 346,805,822 |
| | Cents | Cents (Restated)* | Cents (Restated)* |
| Basic earnings per share | (5.03) | (3.26) | (5.29) |
| Diluted earnings per share | (5.03) | (3.26) | (5.29) |

* The Group updated the 2020 and 2019 EPS figure impact of both the share consolidation of 10 to 1 on November 5, 2019 and the bonus shares issue arising from the capital raising in the fiscal year 2021.

Information concerning other notes and options issued:

The following table summarizes the convertible notes, performance rights, listed options and unlisted options that were not included in the calculation of weighted average number of ordinary shares because they are anti-dilutive for the periods presented.

| | Consolidated | | |
|-------------------------------|----------------------|----------------------|----------------------|
| | June 30, 2021 A\$ | June 30, 2020 A\$ | June 30, 2019 A\$ |
| Unlisted options | 847,600 | 38,174,063 | 38,174,063 |
| Convertible notes | 23,806,883 | 90,109,406 | 82,626,981 |
| Performance rights | 7,563,502 | 11,837,560 | 4,941,786 |
| Non-executive director rights | 3,100,000 | 2,700,291 | 2,150,581 |
| US warrants* | 2,065,070 | 36,337,180 | 36,337,180 |

* 1 American Depository Shares (ADS) listed on NASDAQ equals 10 ordinary shares listed on ASX thus the number of warrants on issue have been grossed up.

On November 5, 2019, there was a 10 to 1 share consolidation. The consolidated comparative balance has therefore been adjusted accordingly.

NOTE 32. SHARE-BASED PAYMENTS**a) Executive Incentive Plan (EIP)**

Equity incentives are granted under the Executive Incentive Plan (EIP) which was approved by shareholders at the 2018 Annual General Meeting. In light of our increasing operations globally the Board reviewed the Company's incentive arrangements to ensure that it continued to retain and motivate key executives in a manner that is aligned with members' interests.

As a result of that review, an 'umbrella' EIP was adopted to which eligible executives are invited to apply for the grant of performance rights and/or options. Equity incentives granted in accordance with the EIP Rules are designed to provide meaningful remuneration opportunities and will reflect the importance of retaining a world-class management team. The Company endeavors to achieve simplicity and transparency in remuneration design, whilst also balancing competitive market practices in France, Germany, and Australia. The company grants Short Term Incentives (STIs) and Long-Term Incentives (LTIs) under the EIP. The weighted average remaining contractual life of performance rights outstanding at the end of the period was less than 1.7 years.



NOTE 32. SHARE-BASED PAYMENTS (continued)

(a) Executive Incentive Plan (EIP) (continued)

Set out below are summaries of all STI and LTI performance rights granted under the EIP excluding the performance rights issued to non-executive directors:

Fiscal year ended June 30, 2021

| Grant date | Fair value | Balance at start of the fiscal year Number | Granted during the fiscal year Number | Exercised during the fiscal year Number | Lapsed during the fiscal year Number | Balance at end of the fiscal year Number | Vested and exercisable at end of the fiscal year Number |
|-------------------|------------|--|---------------------------------------|---|--------------------------------------|--|---|
| November 28, 2017 | 0.230 | 500,000 | — | (500,000) | — | — | — |
| October 2, 2018 | 0.470 | 387,560 | — | (387,560) | — | — | — |
| October 3, 2019 | 0.260 | 4,500,000 | — | (1,500,000) | — | 3,000,000 | — |
| November 1, 2019 | 0.280 | 3,600,000 | — | (1,200,000) | — | 2,400,000 | — |
| January 2, 2020 | 0.260 | 2,850,000 | — | (950,000) | — | 1,900,000 | — |
| October 2, 2020 | 0.235 | — | 263,502 | — | — | 263,502 | — |
| Total | | 11,837,560 | 263,502 | (4,537,560) | — | 7,563,502 | — |

The weighted average share price on the exercising date during the fiscal year 2021 is \$0.235.

Fiscal year ended June 30, 2020

| Grant date | Fair value | Balance at start of the fiscal year Number | Granted during the fiscal year Number | Exercised during the fiscal year Number | Lapsed during the fiscal year Number | Balance at end of the fiscal year Number | Vested and exercisable at end of the fiscal year Number |
|-------------------|------------|--|---------------------------------------|---|--------------------------------------|--|---|
| November 17, 2017 | 0.240 | 1,666,667 | — | (1,666,667) | — | — | — |
| November 28, 2017 | 0.230 | 500,000 | — | — | — | 500,000 | — |
| November 29, 2017 | 0.230 | 2,000,001 | — | (2,000,001) | — | — | — |
| October 2, 2018 | 0.470 | 775,118 | — | (387,558) | — | 387,560 | — |
| October 3, 2019 | 0.260 | — | 4,500,000 | — | — | 4,500,000 | — |
| November 1, 2019 | 0.280 | — | 3,600,000 | — | — | 3,600,000 | — |
| January 2, 2020 | 0.260 | — | 2,850,000 | — | — | 2,850,000 | — |
| Total | | 4,941,786 | 10,950,000 | (4,054,226) | — | 11,837,560 | — |

The weighted average share price on the exercising date during the fiscal year 2020 is \$0.258 adjusted for November 2019 share consolidation.

On November 5, 2019, there was a 10 to 1 share consolidation. The number of performance rights and fair value in fiscal year 2020 movement table have therefore been adjusted retrospectively for the share consolidation. The number of performance rights and fair value in fiscal years 2019 and 2018 movement table are prepared on pre share consolidation basis.

Fiscal year ended June 30, 2019

| Grant date | Fair value | Balance at start of the fiscal year Number | Granted during the fiscal year Number | Exercised during the fiscal year Number | Lapsed during the fiscal year Number | Balance at end of the fiscal year Number | Vested and exercisable at end of the fiscal year Number |
|--------------------|------------|--|---------------------------------------|---|--------------------------------------|--|---|
| September 19, 2014 | 0.044 | 2,757,353 | — | — | (2,757,353) | — | — |
| September 19, 2014 | 0.044 | 919,118 | — | — | (919,118) | — | — |
| November 14, 2014 | 0.038 | 9,191,177 | — | — | (9,191,177) | — | — |
| November 14, 2014 | 0.040 | 3,063,725 | — | — | (3,063,725) | — | — |
| October 1, 2015 | 0.060 | 600,000 | — | — | (600,000) | — | — |
| October 1, 2015 | 0.061 | 200,000 | — | — | (200,000) | — | — |
| August 2, 2017 | 0.020 | 3,900,000 | — | (3,900,000) | — | — | — |
| November 17, 2017 | 0.024 | 33,333,333 | — | (16,666,667) | — | 16,666,666 | — |
| November 28, 2017 | 0.023 | 15,000,000 | — | (10,000,000) | — | 5,000,000 | — |
| November 29, 2017 | 0.023 | 40,000,000 | — | (20,000,000) | — | 20,000,000 | — |
| October 2, 2018 | 0.047 | — | 7,751,152 | — | — | 7,751,152 | — |
| Total | | 108,964,706 | 7,751,152 | (50,566,667) | (16,731,373) | 49,417,818 | — |



NOTE 32. SHARE-BASED PAYMENTS *(continued)*

The weighted average share price on the exercising date during the fiscal year 2019 is \$0.031 before adjustment for November 2019 share consolidation.

The fair value at grant date for short term incentive (STI) and long-term incentives (LTI) performance rights are determined using a Black-Scholes option pricing model that takes into account the exercise price, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

The model inputs for STI performance rights granted during the fiscal year ended June 30, 2021 included:

| <u>Grant date</u> | <u>October 2, 2020</u> |
|---|------------------------|
| Share price at grant date | \$ 0.235 |
| Expected price volatility of the Company's shares | 88% |
| Expected dividend yield | Nil |
| Risk-free interest rate | 0.12% |

The model inputs for STI performance rights granted during the fiscal year ended June 30, 2020 included:

| <u>Grant date</u> | <u>October 3, 2019</u> | <u>November 1, 2019</u> | <u>January 2, 2020</u> |
|---|------------------------|-------------------------|------------------------|
| Share price at grant date | \$ 0.260 | \$ 0.280 | \$ 0.260 |
| Expected price volatility of the Company's shares | 61% | 63% | 59% |
| Expected dividend yield | Nil | Nil | Nil |
| Risk-free interest rate | 0.61% | 0.78% | 0.88% |

The model inputs for STI performance rights granted during the fiscal year ended June 30, 2019 included:

| <u>Grant date</u> | <u>September 28, 2018</u> |
|---|---------------------------|
| Share price at grant date | \$ 0.047 |
| Expected price volatility of the Company's shares | 78% |
| Expected dividend yield | Nil |
| Risk-free interest rate | 2.02% |

Set out below are summaries of options granted under the EIP:

There are no outstanding options under EIP at the beginning of the fiscal year 2021, 2020 and 2019. No option was granted during the fiscal years ended June 30, 2021, 2020 and 2019.

Fair value of options granted

No options were granted during the fiscal years ended June 30, 2021, June 30, 2020 and June 30, 2019.

(b) Performance rights issued to non-executive directors with shareholders' approval

At the 2020 annual general meeting, shareholders approved the issue of 1,350,000 performance rights to Grant Chamberlain in lieu of cash for his services as a non-executive director. When exercisable, each performance right is convertible into one ordinary share. All the performance rights issued to non-executive directors are exercisable into ordinary shares with nil exercising price. The weighted average remaining contractual life of performance rights outstanding at the end of the period was less than 2.2 years.



NOTE 32. SHARE-BASED PAYMENTS (continued)

(b) Performance rights issued to non-executive directors with shareholders' approval

| 2021 Grant date | Type of performance right granted | Fair value | Balance at start of the fiscal year Number | Granted during the fiscal year Number | Exercised during the fiscal year Number | Lapsed during the fiscal year Number | Balance at end of the fiscal year Number | Vested and exercisable at end of the fiscal year Number |
|--------------------|-----------------------------------|------------|---|--|--|---|---|--|
| November 25, 2016 | Director rights | 0.380 | 273,637 | — | (273,637) | — | — | — |
| November 17, 2017 | Director rights | 0.210 | 426,654 | — | (426,654) | — | — | — |
| November 16, 2018 | Director rights | 0.390 | 500,000 | — | (250,000) | — | 250,000 | — |
| November 1, 2019 | Director rights | 0.280 | 1,500,000 | — | — | — | 1,500,000 | — |
| October 27, 2020 | Director rights | 0.255 | — | 1,350,000 | — | — | 1,350,000 | — |
| Total | | | 2,700,291 | 1,350,000 | (950,291) | — | 3,100,000 | — |

The weighted average share price on the exercising date during the fiscal year 2021 is \$0.276.

| 2020 Grant date | Type of performance right granted | Fair value | Balance at start of the fiscal year Number | Granted during the fiscal year Number | Exercised during the fiscal year Number | Lapsed during the fiscal year Number | Balance at end of the fiscal year Number | Vested and exercisable at end of the fiscal year Number |
|--------------------|-----------------------------------|------------|---|--|--|---|---|--|
| November 25, 2016 | Director rights | 0.380 | 547,274 | — | (273,637) | — | 273,637 | — |
| November 17, 2017 | Director rights | 0.210 | 853,307 | — | (426,653) | — | 426,654 | — |
| November 16, 2018 | Director rights | 0.390 | 750,000 | — | (250,000) | — | 500,000 | — |
| November 1, 2019 | Director rights | 0.280 | — | 1,500,000 | — | — | 1,500,000 | — |
| Total | | | 2,150,581 | 1,500,000 | (950,290) | — | 2,700,291 | — |

The weighted average share price on the exercising date during the fiscal year 2020 is \$0.257 adjusted for November 2019 share consolidation.

On 5 November 2019, there was a 10 to 1 share consolidation. The number of performance rights and fair value in fiscal year 2020 movement table have therefore been adjusted retrospectively for the share consolidation.

| 2019 Grant date | Type of performance right granted | Fair value | Balance at start of the fiscal year Number | Granted during the fiscal year Number | Exercised during the fiscal year Number | Lapsed during the fiscal year Number | Balance at end of the fiscal year Number | Vested and exercisable at end of the fiscal year Number |
|--------------------|-----------------------------------|------------|---|--|--|---|---|--|
| November 25, 2016 | Director rights | 0.038 | 8,209,101 | — | (2,736,367) | — | 5,472,734 | — |
| November 17, 2017 | Director rights | 0.021 | 13,272,356 | — | (4,739,293) | — | 8,533,063 | — |
| November 21, 2018 | Director rights | 0.039 | — | 10,000,000 | (2,500,000) | — | 7,500,000 | — |
| Total | | | 21,481,457 | 10,000,000 | (9,975,660) | — | 21,505,797 | — |

The number of performance rights and fair value in fiscal year 2019 movement table are prepared on pre share consolidation basis. The weighted average share price on the exercising date during the fiscal year 2019 is \$0.048 on pre share consolidation basis.

Fair value of performance rights granted

The fair value at grant date for the performance rights issued to non-executive directors with shareholders' approval are determined using a Black-Scholes option pricing model that takes into account the exercise price, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The model inputs for STI performance rights granted during the fiscal year ended June 30, 2021 included:

| | |
|---|------------------|
| Grant date | October 27, 2020 |
| Share price at grant date | \$ 0.255 |
| Expected price volatility of the Company's shares | 92% |
| Expected dividend yield | Nil |
| Risk-free interest rate | 0.14% |

**NOTE 32. SHARE-BASED PAYMENTS** (continued)

The model inputs for STI performance rights granted during the fiscal year ended June 30, 2020 included:

| | |
|---|------------------|
| Grant date | November 1, 2019 |
| Share price at grant date | \$ 0.280 |
| Expected price volatility of the Company's shares | 63% |
| Expected dividend yield | Nil |
| Risk-free interest rate | 0.78% |

The model inputs for STI performance rights granted during the fiscal year ended June 30, 2019 included:

| | |
|---|-------------------|
| Grant date | November 16, 2018 |
| Share price at grant date | \$ 0.039 |
| Expected price volatility of the Company's shares | 76% |
| Expected dividend yield | Nil |
| Risk-free interest rate | 1.96% |

(c) Options issued to other parties

During the fiscal year ended June 30, 2016, options were issued to Ridgeback Capital Investments and Trout Group LLC and eligible to be exercised. The weighted average remaining contractual life of performance rights outstanding at the end of the period was less than 4.1 years.

Set out below is a summary of the options granted to both parties:

| 2021 Grant date | Expiry date | Exercise price | Balance at start of the fiscal year Number | Granted during the fiscal year Number | Exercised during the fiscal year Number | Forfeited during the fiscal year Number | Balance at end of the fiscal year Number | Vested and exercisable at end of the fiscal year Number |
|--------------------|------------------|----------------|---|--|--|--|---|--|
| July 31, 2015 | August 5, 2020 | 0.235 | 37,144,524 | — | — | (37,144,524) | — | — |
| July 31, 2015 | August 5, 2025 | 0.248 | 847,600 | — | — | — | 847,600 | — |
| October 30, 2015 | October 30, 2020 | 0.568 | 79,311 | — | — | (79,311) | — | — |
| March 7, 2016 | March 7, 2021 | 0.398 | 102,628 | — | — | (102,628) | — | — |
| Total | | | 38,174,063 | — | — | (37,326,463) | 847,600 | — |

Fair value of options granted

No options granted during the fiscal year ended June 30, 2021 (2020 – nil). The fair value at grant date is determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.



NOTE 32. SHARE-BASED PAYMENTS (continued)

(d) Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognized during the period as part of employee benefit expense were as follows:

| | Consolidated | |
|--------------------------------------|-------------------------|-------------------------|
| | June 30, 2021 | June 30, 2020 |
| | AS | AS |
| Employee share-based payment expense | 1,702,159 | 1,724,282 |
| | <u>1,702,159</u> | <u>1,724,282</u> |

Share-based payment transactions with employees are recognized during the period as a part of corporate and administrative expenses.

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**NOTE 33. PARENT ENTITY INFORMATION**

Set out below is the supplementary information about the parent entity.

Statement of comprehensive loss

| | Parent | | |
|---------------------------------|----------------------|----------------------|----------------------|
| | June 30, 2021 A\$ | June 30, 2020 A\$ | June 30, 2019 A\$ |
| Loss after income tax | (29,227,163) | (13,482,664) | (17,872,089) |
| Total comprehensive loss | (29,227,163) | (13,482,664) | (17,872,089) |

Statement of financial position

| | Parent | |
|-------------------------------|----------------------|----------------------|
| | June 30, 2021 A\$ | June 30, 2020 A\$ |
| Total current assets | 51,560,979 | 21,659,619 |
| Total non current assets | 25,908,877 | 20,539,720 |
| Total assets | 77,469,856 | 42,199,339 |
| Total current liabilities | 1,309,609 | 634,177 |
| Total non current liabilities | 4,314,029 | 10,970,720 |
| Total liabilities | 5,623,638 | 11,604,897 |
| Equity | | |
| — Contributed equity | 313,422,305 | 242,990,507 |
| — Reserves | 34,845,815 | 65,765,139 |
| — Accumulated losses | (276,421,902) | (278,161,204) |
| Total equity | 71,846,218 | 30,594,442 |

Parent company financial information is presented in order to meet the disclosure requirements of Australian Accounting Standards, which permits investments in subsidiaries to be measured at cost.

Guarantees of financial support

There are no guarantees entered into by the parent entity.

Contingent liabilities of the parent entity

Refer to note 25 for details in relation to contingent liabilities as at June 30, 2021 and June 30, 2020.

Capital commitments – Property, plant and equipment

The parent entity did not have any capital commitments for property, plant and equipment at as June 30, 2021 and June 30, 2020.

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**ITEM 19. EXHIBITS**

The following exhibits are filed as part of this Annual Report on Form 20-F:

EXHIBIT INDEX

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| Exhibit | Description | Schedule/ Form | Incorporated by Reference | | |
|---------|--|-------------------|---------------------------|---------|--------------|
| | | | File Number | Exhibit | File Date |
| 1.1 | Constitution of Registrant | 20-F | 001-35428 | 1.1 | 2/13/12 |
| 2.1 | Form of Deposit Agreement between Prima BioMed, The Bank of New York Mellon, as Depositary, and owners and holders from time to time of ADSs issued thereunder, including the Form of American Depositary Shares | 20-F | 001-35428 | 2.1 | 4/2/12 |
| 2.2 | Subscription Agreement between Prima BioMed Ltd and Ridgeback Capital Investments L.P., dated May 14, 2015, as amended (including form warrants and notes) | 20-F | 001-35428 | 2.2 | 10/30/15 |
| 2.3 | Form of American Depositary Share Purchase Warrant | 6-K | 001-35428 | 99.3 | 6/29/17 |
| 2.4 | Form of American Depositary Share Purchase Warrant | 6-K | 001-35428 | 99.3 | 12/19/18 |
| 4.1 | Immutep Executive Incentive Plan | 20-F | 001-35428 | 4.1 | 2019-09-23 |
| 4.2+ | Employment Agreement between Prima BioMed and Marc Voigt, effective July 1, 2012 | 20-F | 001-35428 | 4.15 | 10/3/12 |
| 4.3+ | Chief Executive Officer Employment Agreement between Prima BioMed and Marc Voigt, effective July 9, 2014 | 20-F | 001-35428 | 4.15.1 | 9/24/14 |
| 4.4+ | Executive and Business Manager Employment Contract between Prima Biomed GmbH and Marc Voigt, effective July 9, 2014 | 20-F | 001-35428 | 4.15.2 | 9/24/14 |
| 4.5+ | Variation to Executive Employment Agreement between Prima BioMed and Marc Voigt, effective June 1, 2015 | 20-F | 001-35428 | 4.15.3 | 10/30/15 |
| 4.6+ | Variation to the Amendment to the Indefinite Term Employment Contract, by and between Immutep S.A. and Frédéric Triebel, effective March 1, 2016 | 20-F | 001-35428 | 4.17 | 10/3/16 |
| 4.7+ | Employment Agreement between Prima BioMed and Deanne Miller, dated October 13, 2012 | 20-F | 001-35428 | 4.16 | 10/30/13 |
| 4.8+ | Variation to Executive Employment Agreement between Prima BioMed and Deanne Miller, effective February 1, 2013 | 20-F | 001-35428 | 4.16.1 | 10/30/13 |
| 4.9+ | Variation to Executive Employment Agreement between Prima BioMed and Deanne Miller, effective June 1, 2015 | 20-F | 001-35428 | 4.16.2 | 9/24/14 |



| Exhibit | Description | Incorporated by Reference | | | |
|---------|---|---------------------------|----------------|---------|--------------|
| | | Schedule/ Form | File Number | Exhibit | File Date |
| 4.10* | Share Sale Agreement, dated October 2, 2014, by and between Prima BioMed and Immutep S.A. | 20-F | 001-35428 | 4.21 | 10/30/15 |
| 4.11+ | Amendment to the Indefinite Term Employment Contract Entered Into Effect On May 1st 2004, dated October 1, 2014, by and between Immutep S.A. and Frédéric Triebel | 20-F | 001-35428 | 4.22 | 10/30/15 |
| 4.12* | Clinical Trial Collaboration and Supply Agreement, dated March 12, 2018, between Merck Sharp & Dohme B.V. and Immutep Limited | 20-F | 001-35428 | 4.14 | 10/22/18 |
| 4.13✓ | License & Research Collaboration Agreement, dated 13 December 2010, between Glaxo Group Limited and Immutep S.A. | 20-F | 001-35428 | 4.13 | 09/23/19 |
| 4.14#† | Clinical Trial Collaboration and Supply Agreement between Immutep Limited and MSD International GmbH and MSD International Business GmbH | | | | |
| 8.1# | List of Significant Subsidiaries of Immutep Limited | | | | |
| 12.1# | Certification of Chief Executive Officer and Chief Financial Officer as required by Rule 13a-14(a) of the Securities Exchange Act of 1934 | | | | |
| 13.1# | Certification of Chief Executive Officer and Chief Financial Officer as required by Rule 13a-14(b) of the Securities Exchange Act of 1934 | | | | |
| 15.1# | Consent of PricewaterhouseCoopers | | | | |
| 101.INS | Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because XBRL tags are embedded within the Inline XBRL document. | | | | |
| 101.SCH | Inline XBRL Taxonomy Extension Schema Document | | | | |
| 101.CAL | Inline XBRL Taxonomy Extension Calculation Linkbase Document | | | | |
| 101.DEF | Inline XBRL Taxonomy Extension Definition Linkbase Document | | | | |
| 101.LAB | Inline XBRL Taxonomy Extension Label Linkbase Document | | | | |
| 101.PRE | Inline XBRL Taxonomy Extension Presentation Linkbase Document | | | | |
| 104 | Cover Page Interactive Data File (embedded within the Inline XBRL document) | | | | |

* Confidential treatment has been granted with respect to certain portions of this exhibit. Omitted portions have been submitted separately with the Securities and Exchange Commission.

+ Indicates management contract or compensatory plan.

Filed herewith.

✓ Certain confidential portions of this exhibit were omitted by means of marking such portions with brackets (“[***]”) because the identified confidential portions are not material and would be competitively harmful if publicly disclosed.

† Certain confidential information in this exhibit was omitted by means of marking such information with brackets (“[***]”) because the identified confidential information is not material and is the type that the registrant treats as private or confidential.

In accordance with SEC Release Nos. 33-8238 and 34-47986, Final Rule: Management’s Reports on Internal Control Over Financial Reporting and Certification of Disclosure in Exchange Act Periodic Reports, and the instruction to Form 20-F, the certifications furnished in Exhibit 13.1 hereto is deemed to accompany this Annual Report on Form 20-F and will not be deemed “filed” for purpose of Section 18 of the Exchange Act. Such certification will not be deemed to be incorporated by reference into any filing under the U.S. Securities Act of 1933, as amended, or the U.S. Securities Exchange Act of 1934, as amended, except to the extent that we specifically incorporate it by reference.

FOR PROS



SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

Immutep Limited

/s/ Marc Voigt

By: Marc Voigt
 Title: Chief Executive Officer and Chief Financial Officer

Date: October 25, 2021

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CERTAIN CONFIDENTIAL INFORMATION IN THIS EXHIBIT WAS OMITTED BY MEANS OF MARKING SUCH INFORMATION WITH BRACKETS (“[*]”) BECAUSE THE IDENTIFIED CONFIDENTIAL INFORMATION IS NOT MATERIAL AND IS THE TYPE THAT THE REGISTRANT TREATS AS PRIVATE OR CONFIDENTIAL.**

CLINICAL TRIAL COLLABORATION AND SUPPLY AGREEMENT

by and among

MSD International GmbH

MSD International Business GmbH,

and

Immutep Limited

Dated: March 15, 2021

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CLINICAL TRIAL COLLABORATION AND SUPPLY AGREEMENT

This CLINICAL TRIAL COLLABORATION AND SUPPLY AGREEMENT (this “**Agreement**”), is entered into as of March 15, 2021 (the “**Effective Date**”), by and among MSD International GmbH (“**MSDIG**”), MSD International Business GmbH (“**MSDIB**”, and together with MSDIG, “**MSD**”), [***], and Immutep Limited, having a place of business at Level 12, 95 Pitt Street, Sydney, NSW, Australia 2000 (“**Company**”). MSD and Company are each referred to herein individually as “**Party**” and collectively as “**Parties**”.

RECITALS

- A. MSD holds intellectual property rights with respect to the MSD Compound (as defined below) and is developing the MSD Compound for the treatment of certain tumor types.
- B. Company holds intellectual property rights with respect to the Company Compound (as defined below) and is developing the Company Compound for the treatment of certain tumor types.
- C. Company desires to sponsor the Study (as defined below) in which the MSD Compound would be dosed alone and concurrently or in combination with the Company Compound.
- D. MSD and Company, consistent with the terms of this Agreement, desire to collaborate as more fully described herein, including by MSD providing the MSD Compound and Company providing the Company Compound for the Study.

NOW, THEREFORE, in consideration of the premises and of the following mutual promises, covenants and conditions, the Parties, intending to be legally bound, mutually agree as follows:

1. Definitions.

For all purposes of this Agreement, the capitalized terms defined in this Article 1 and throughout this Agreement shall have the meanings herein specified.

- 1.1. “**Affiliate**” means, with respect to either Party, a firm, corporation or other entity that, now or hereafter, directly or indirectly owns or controls said Party, or, now or hereafter, is owned or controlled by said Party, or is under common ownership or control with said Party. The word “**control**” as used in this definition means (a) the direct or indirect ownership of fifty percent (50%) or more of the outstanding voting securities of a legal entity or (b) possession, directly or indirectly, of the power to direct the management or policies of a legal entity, whether through the ownership of voting securities, contract rights, voting rights, corporate governance or otherwise.
- 1.2. “**Agreement**” has the meaning set forth in the preamble.
- 1.3. “**Alliance Manager**” has the meaning set forth in Section 3.10.3.



1.4. “**Applicable Law**” means all federal, state, local, national and regional statutes, laws, rules, regulations and directives applicable to a particular activity hereunder, including performance of clinical trials, medical treatment and the processing and protection of personal and medical data, that may be in effect from time to time, including: (i) those promulgated by the United States Food and Drug Administration (“**FDA**”), national regulatory authorities, the European Medicines Agency (“**EMA**”) and any successor agency to the FDA or EMA or any agency or authority performing some or all of the functions of the FDA or EMA in any jurisdiction outside the United States or the European Union (each a “**Regulatory Authority**” and collectively, “**Regulatory Authorities**”), (ii) Data Protection Law (as defined below), (iii) cGMP and GCP, (iv) export control and economic sanctions regulations which prohibit the shipment of United States-origin products and technology to certain restricted countries, entities and individuals, (v) anti-bribery and anti-corruption laws pertaining to interactions with government agents, officials and representatives, (vi) laws and regulations governing payments to healthcare providers, (vii) health, safety and environmental protections and (viii) any United States or other country’s or jurisdiction’s successor or replacement statutes, laws, rules, regulations and directives relating to the foregoing.

1.5. “**Business Day**” means any day other than a Saturday, Sunday, or a day on which commercial banks located in the country where the applicable obligations are to be performed are authorized or required by law to be closed.

1.6. “**cGMP**” means the current Good Manufacturing Practices officially published and interpreted by EMA, FDA and other applicable Regulatory Authorities that may be in effect from time to time and are applicable to the Manufacture of the Compounds.

1.7. “**Clinical Data**” means all Joint Clinical Data and MSD Clinical Data.

1.8. “**Clinical Quality Agreement**” means that Clinical Quality Agreement executed by and between Company and Merck Sharp & Dohme Corp., an Affiliate of MSD, dated [***], as may be amended by the parties thereto from time to time.

1.9. “**CMC**” means “**Chemistry Manufacturing and Controls**” as such term of art is used in the pharmaceutical industry.

1.10. “**Combination**” means the use or method of using the Company Compound and the MSD Compound in concomitant or sequential administration.

1.11. “**Combination Arm**” means the portion of the Study where patients are intended to receive the Company Compound and the MSD Compound in Combination.

1.12. “**Company**” has the meaning set forth in the preamble.

1.13. “**Company Background Patents**” has the meaning set forth in Section 10.4.1.

1.14. “**Company Class Compound**” means [***].

1.15. “**Company Compound**” means efitlagimod alpha (IMP321), [***].

1.16. “**Company Inventions**” has the meaning set forth in Section 10.2.

For personal use



1.17. “**Compounds**” means the Company Compound and the MSD Compound. A “**Compound**” means, as applicable, either the Company Compound or the MSD Compound.

1.18. “**Confidential Information**” means any information, Know-How or other proprietary information or materials furnished to one Party (“**Receiving Party**”) by or on behalf of the other Party (“**Disclosing Party**”) in connection with this Agreement, except to the extent that such information or materials: (a) was already known to the Receiving Party, other than under an obligation of confidentiality, at the time of disclosure by the Disclosing Party, as demonstrated by competent evidence; (b) was generally available to the public or otherwise part of the public domain at the time of its disclosure to the Receiving Party; (c) became generally available to the public or otherwise part of the public domain after its disclosure and other than through any act or omission of the Receiving Party in breach of this Agreement; (d) was disclosed to the Receiving Party by a Third Party who had no obligation to the Disclosing Party not to disclose such information to others; or (e) was subsequently developed by the Receiving Party without use of the Disclosing Party Confidential Information, as demonstrated by competent evidence. MSD Clinical Data is deemed the Confidential Information of MSD. [***].

1.19. “**Continuing Party**” has the meaning set forth in Section 10.1.3.

1.20. “**Control**” or “**Controlled**” means, with respect to particular information or intellectual property, that the applicable Party owns or has a license to such information or intellectual property and has the ability to grant a right, license or sublicense to the other Party as provided for herein without violating the terms of any agreement or other arrangement with any Third Party.

1.21. “**CTA**” means an application to a Regulatory Authority for purposes of requesting the ability to start or continue a clinical trial.

1.22. “**Data Protection Agreement**” has the meaning set forth in Section 3.6.

1.23. “**Data Protection Law**” means any applicable data protection or privacy laws to which a Party is subject to in connection with this Agreement.

1.24. “**Data Sharing Schedule**” means the schedule attached hereto as Schedule I.

1.25. “**Defending Party**” has the meaning set forth in Section 14.2.3.

1.26. “**Delivery**” with respect to the MSD Compound has the meaning set forth in Section 8.4.1, and with respect to the Company Compound, has the meaning set forth in Section 8.4.2.

1.27. “**Disclosing Party**” has the meaning set forth in Section 1.18.

1.28. “**Disposition Package**” has the meaning set forth in Section 8.8.1.

1.29. “**Effective Date**” has the meaning set forth in the preamble.

1.30. “**EMA**” has the meaning set forth in Section 1.4.

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- 1.31. “**Exclusions List**” has the meaning set forth in [Section 1.90](#).
- 1.32. “**FDA**” has the meaning set forth in [Section 1.4](#).
- 1.33. “**Filing Party**” has the meaning set forth in [Section 10.1.3](#).
- 1.34. “**Final Study Report**” has the meaning set forth in [Section 3.11](#).
- 1.35. “**Force Majeure**” has the meaning set forth [Article 16](#).
- 1.36. “**GCP**” means the Good Clinical Practices officially published by EMA, FDA and the International Conference on Harmonisation of Technical Requirements for Registration of Pharmaceuticals for Human Use (ICH) that may be in effect from time to time and are applicable to the testing of the Compounds.
- 1.37. “**Government Official**” means: (a) any officer or employee of a government or any department, agency or instrument of a government; (b) any Person acting in an official capacity for or on behalf of a government or any department, agency, or instrument of a government; (c) any officer or employee of a company or business owned in whole or part by a government; (d) any officer or employee of a public international organization such as the World Bank or United Nations; (e) any officer or employee of a political party or any Person acting in an official capacity on behalf of a political party; or (f) any candidate for political office; who, in each of the foregoing cases (a) – (f), when such Government Official is acting in an official capacity, or in an official decision-making role, has responsibility for performing regulatory inspections, government authorizations or licenses, or otherwise has the capacity to make decisions with the potential to affect the business of either Party.
- 1.38. “**IND**” means any Investigational New Drug Application filed or to be filed with the FDA as described in Title 21 of the U.S. Code of Federal Regulations, Part 312, and the equivalent application in the jurisdictions outside the United States, including an “Investigational Medicinal Product Dossier” filed or to be filed with Regulatory Authorities in the European Union.
- 1.39. “**Inventions**” means all inventions and discoveries, whether or not patentable, that are made, conceived, or first actually reduced to practice by or on behalf of a Party, or by or on behalf of the Parties together [***].
- 1.40. “**Joint Clinical Data**” means all data (including raw data) and results generated by or on behalf of either Party or at either Party’s direction, or by or on behalf of the Parties together or at their direction, in the course of the Combination Arm; provided, however, that Joint Clinical Data does not include Sample Testing Results or MSD Clinical Data.
- 1.41. “**Joint Development Committee**” or “**JDC**” has the meaning set forth in [Section 3.10.1](#).
- 1.42. “**Joint Patent Application**” has the meaning set forth in [Section 10.1.3](#).
- 1.43. “**Joint Patent**” means a Patent that issues from a Joint Patent Application.

For persons



1.44. “**Jointly Owned Invention**” has the meaning set forth in Section 10.1.1.

1.45. “**Kit**” means a [***] for which MSD is entitled to reimbursement pursuant to Sections 6.11 or Section 8.8.2.

1.46. “**Know-How**” means any proprietary invention, innovation, improvement, development, discovery, computer program, device, trade secret, method, know-how, process, technique or the like, including manufacturing, use, process, structural, operational and other data and information, whether or not written or otherwise fixed in any form or medium, regardless of the media on which contained and whether or not patentable or copyrightable, that is not generally known or otherwise in the public domain.

1.47. “**Liability**” has the meaning set forth in Section 14.2.1.

1.48. “**Manufacture**,” “**Manufactured**,” or “**Manufacturing**” means all activities related to the manufacture of a Compound, including planning, purchasing, manufacture, processing, compounding, storage, filling, packaging, waste disposal, labeling, leafleting, testing, quality assurance, sample retention, stability testing, release, dispatch and supply, as applicable.

1.49. “**Manufacturer’s Release**” or “**Release**” has the meaning ascribed to release of the MSD Compound in the Clinical Quality Agreement.

1.50. “**Manufacturing Site**” means the facilities where a Compound is Manufactured by or on behalf of a Party, as such Manufacturing Site may change from time to time in accordance with Section 8.7.

1.51. “**MSD**” has the meaning set forth in the preamble.

1.52. “**MSD Background Patents**” has the meaning set forth in Section 10.4.2.

1.53. “**MSD Clinical Data**” means all data (including raw data) and results generated by or on behalf of either Party or at either Party’s direction, or by or on behalf of the Parties together or at their direction, in the course of the MSD Compound Arm [***].

1.54. “**MSD Compound**” means pembrolizumab, a humanized anti-human PD-1 monoclonal antibody, [***].

1.55. “**MSD Compound Arm(s)**” means any portion of the Study where patients are intended to receive the MSD Compound alone but not in the Combination with the Company Compound.

1.56. “**MSD Inventions**” has the meaning set forth in Section 10.3.

1.57. “**NDA**” means a New Drug Application, Biologics License Application, Marketing Authorization Application, filing pursuant to Section 510(k) of the United States Federal Food, Drug and Cosmetic Act, any supplemental application to any of the foregoing, or similar application or submission for a marketing authorization of a product filed with a Regulatory Authority to obtain marketing approval for a biological, pharmaceutical or diagnostic product in a country or group of countries.

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1.58. “**Non-Conformance**” means, with respect to a given unit of Compound, (a) an event that deviates from an approved cGMP requirement with respect to the applicable Compound, such as a procedure, Specification, or operating parameter, or that requires an investigation to assess impact to the quality of the applicable Compound or (b) that such Compound failed to meet the applicable representations and warranties set forth in Section 2.3.

1.59. “**Non-Filing Party**” has the meaning set forth in Section 10.1.3.

1.60. “**Other Party**” has the meaning set forth in Section 14.2.3.

1.61. “**Opting-out Party**” has the meaning set forth in Section 10.1.3.

1.62. “**Party**” has the meaning set forth in the preamble.

1.63. “**Patent**” means a patent, extension, registration, supplementary protection certificate or the like that issues from a given Patent Application.

1.64. “**Patent Application**” means a patent application (including any provisional, substitution, divisional, continuation, continuation in part, reissue, renewal, reexamination, extension, supplementary protection certificate and the like) in respect of a given Invention.

1.65. “**PD-1 Antagonist**” means any [***].

1.66. “**Person**” means any entity, including any individual, sole proprietorship, partnership, corporation, business trust, joint stock company, trust, unincorporated organization, association, limited liability company, institution, public benefit corporation, joint venture or governmental entity.

1.67. “**Pharmacovigilance Agreement**” means that Pharmacovigilance Agreement executed by and between Company and Merck Sharp & Dohme Corp., an Affiliate of MSD, dated [***], as may be amended by the parties thereto from time to time.

1.68. “**Project Manager**” has the meaning set forth in Section 3.10.1.

1.69. “**Protocol**” means the written documentation that describes the Study and sets forth specific activities to be performed as part of the conduct of the Study, as may be amended by the Parties from time to time.

1.70. “**Receiving Party**” has the meaning set forth in Section 1.18.

1.71. “**Regulatory Approvals**” means, with respect to a Compound, any and all permissions (other than the Manufacturing approvals) required to be obtained from Regulatory Authorities and any other competent authority for the development, registration, importation and distribution of such Compound in the United States, Europe or any other applicable jurisdiction for use in the Study.

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1.72. “**Regulatory Authority(ies)**” has the meaning set forth in Section 1.4.

1.73. “**Regulatory Documentation**” means, with respect to the Compounds, all submissions to Regulatory Authorities in connection with the development of such Compounds, including all INDs and amendments thereto, NDAs and amendments thereto, drug master files, correspondence with regulatory agencies, periodic safety update reports, Adverse Event files, complaint files, inspection reports and manufacturing records, in each case together with all supporting documents (including documents that include Clinical Data).

1.74. “**Related Agreements**” means the Data Protection Agreement, the Pharmacovigilance Agreement and the Clinical Quality Agreement.

1.75. “**Right of Reference**” means the “right of reference” defined in 21 CFR 314.3(b), including with regard to a Party, allowing the applicable Regulatory Authority in a country to have access to relevant information (by cross-reference, incorporation by reference or otherwise) contained in Regulatory Documentation (and any data contained therein) filed with such Regulatory Authority with respect to a Party’s Compound, only to the extent necessary for the conduct of the Study in such country or as otherwise expressly permitted or required under this Agreement to enable a Party to exercise its rights or perform its obligations hereunder.

1.76. “**SAEs**” has the meaning set forth in Section 5.2.

1.77. “**Samples**” means biological specimens collected from subjects participating in the Study, including urine, blood and tissue samples.

1.78. “**Sample Testing**” means the analyses to be performed by each Party using the applicable Samples, as described in the Sample Testing Schedule.

1.79. “**Sample Testing Results**” means those data and results arising from the Sample Testing performed by a Party.

1.80. “**Sample Testing Schedule**” means the schedule attached hereto as Schedule II.

1.81. “**Specifications**” means, with respect to a given Compound, the set of requirements to which such Compound must conform, and in the case of the MSD Compound, such requirements are set forth in the Clinical Quality Agreement.

1.82. “**Study**” means the Phase II clinical trial described in the Protocol to evaluate the safety, pharmacokinetics, pharmacodynamics, and preliminary efficacy of the MSD Compound Arm and the Combination Arm in patients with unresectable recurrent or metastatic squamous cell cancer of the head and neck.

1.83. “**Study Completion**” means (i) the date when the last patient enrolled in the Study has completed their last Study related assessment for evaluation excluding survival follow-up, or (ii) an alternative date as agreed to by the JDC.

1.84. “**Subcontractors**” has the meaning set forth in Section 2.4.

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- 1.85. “**Subsequent Study**” has the meaning set forth in Section 3.14.1.
- 1.86. “**Term**” has the meaning set forth in Section 6.1.
- 1.87. “**Third Party**” means any Person or entity other than Company, MSD or their respective Affiliates.
- 1.88. “**Toxicity and Safety Data**” means all clinical Adverse Event information or patient-related safety data included in the Clinical Data, as more fully described in the Pharmacovigilance Agreement.

1.89. “**VAT**” has the meaning set forth in Section 8.16.

1.90. “**Violation**” means that a Party or any of its officers or directors or any other personnel (or other permitted agents of a Party performing activities hereunder) has been: (a) convicted of any of the felonies identified among the exclusion authorities listed on the U.S. Department of Health and Human Services, Office of Inspector General (OIG) website, including 42 U.S.C. 1320a-7(a) (<http://oig.hhs.gov/exclusions/authorities.asp>); (b) identified in the OIG List of Excluded Individuals/Entities (LEIE) database (<http://exclusions.oig.hhs.gov/>) or listed as having an active exclusion in the System for Award Management (<http://www.sam.gov>); or (c) listed by any US Federal agency as being suspended, proposed for debarment, debarred, excluded or otherwise ineligible to participate in Federal procurement or non-procurement programs, including under 21 U.S.C. 335a (http://www.fda.gov/ora/compliance_ref/debar/) ((a), (b) and (c) collectively the “**Exclusions Lists**”).

2. Scope of the Agreement.

2.1. Generally. Each Party shall: (a) contribute to the Study such resources as are necessary to fulfill its obligations set forth in this Agreement; and (b) act in good faith in performing its obligations under this Agreement and each Related Agreement to which it is a Party.

2.2. Manufacturing Delay. Each Party shall notify the other Party as promptly as possible in the event of any Manufacturing delay that is likely to adversely affect supply of its Compound as contemplated by this Agreement.

2.3. Compound Commitments.

2.3.1. Company agrees to Manufacture and supply the Company Compound for purposes of the Study in accordance with Article 8, and Company hereby represents and warrants to MSD that, at the time of Delivery of the Company Compound, such Company Compound shall have been Manufactured and supplied in compliance with: (a) the Specifications for the Company Compound; and (b) all Applicable Law.

2.3.2. MSD agrees to Manufacture and supply the MSD Compound for purposes of the Study in accordance with Article 8, and MSD hereby represents and warrants to Company that, at the time of Delivery of the MSD Compound, such MSD Compound shall have been Manufactured and supplied in compliance with: (a) the Specifications for the MSD Compound; (b) the Clinical Quality Agreement; and (c) all Applicable Law.

For persons



2.3.3. Without limiting the foregoing, each Party is responsible for obtaining all regulatory approvals (including facility licenses) that are required to Manufacture its Compound in accordance with Applicable Law (provided that, for clarity, Company shall be responsible for obtaining Regulatory Approvals for the Study as set forth in Section 3.4).

2.4. Delegation of Obligations. Each Party shall have the right to delegate any portion of its obligations hereunder as follows: (a) to such Party's Affiliates; (b) to Third Parties that are set forth on Schedule III or are set forth in the Protocol as performing Study activities or as conducting Sample Testing for such Party; (c) [***]; and (d) upon the other Party's prior written consent. Any and all Third Parties to whom a Party delegates any of its obligations hereunder are referred to as "**Subcontractors**". Notwithstanding any delegation of its obligations hereunder, each Party shall remain solely and fully liable for the performance of its Affiliates and Subcontractors to which such Party delegates the performance of its obligations under this Agreement. Each Party shall ensure that each of its Affiliates and Subcontractors performs such Party's obligations pursuant to the terms of this Agreement, including the Appendices and Schedules attached hereto. Each Party shall use reasonable efforts to obtain and maintain copies of documents relating to the obligations performed by such Affiliates and Subcontractors that are required to be provided to the other Party under this Agreement.

2.5. Compounds. This Agreement does not create any obligation on the part of MSD to provide the MSD Compound for any activities other than the Study, nor does it create any obligation on the part of Company to provide the Company Compound for any activities other than the Study.

3. Conduct of the Study.

3.1. Sponsor. Company shall act as the sponsor of the Study under its existing IND for the Company Compound with a Right of Reference to the IND of the MSD Compound, as necessary, as further described in Section 3.4; provided, however, that in no event shall Company file an additional IND for the Study unless required by Regulatory Authorities to do so. If a Regulatory Authority requests an additional IND for the Study, the Parties shall meet and mutually agree on an approach to address such requirement.

3.2. Performance. Company shall ensure that the Study is performed in accordance with this Agreement, the Protocol and all Applicable Law, including GCP.

3.3. Debarred Personnel; Exclusions Lists. Notwithstanding anything to the contrary contained herein, Company shall not employ or subcontract with any Person that is excluded, debarred, suspended, proposed for suspension or debarment, in Violation or otherwise ineligible for government programs for the performance of the Study or any other activities under this Agreement or the Related Agreements. Company hereby certifies that it has not employed or otherwise used in any capacity and will not employ or otherwise use in any capacity, the services of any Person suspended, proposed for debarment, or debarred under United States law, including 21 USC 335a, or any foreign equivalent thereof, in performing any portion of the Study or other activities under this Agreement or the Related Agreements and that Company has, as of the Effective Date, screened itself, and its officers and directors, against the Exclusions Lists and that it has informed MSD whether it or any of its officers or directors has been in Violation. Company

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shall promptly notify MSD in writing if any such suspension, proposed debarment, debarment or Violation occurs or comes to its attention, and shall, with respect to any Person so suspended, proposed for debarment, debarred or in Violation, promptly remove such Person from performing in any capacity related to the Study or otherwise related to activities under this Agreement or the Related Agreements.

3.4. Regulatory Matters. Company shall: (a) obtain, prior to initiating the Study, all Regulatory Approvals from all Regulatory Authorities, ethics committees or institutional review boards with jurisdiction over the Study prior to initiating the Study; and (b) follow all directions from any such Regulatory Authorities, ethics committees or institutional review boards. MSD shall (a) reasonably assist the Company relating to the Company's interaction with, and efforts to obtain and maintain approvals from, Regulatory Authorities, ethics committees or institutional review boards, in each case for the Study, and (b) have the right (but not the obligation) to participate in any discussions (including meetings) with a Regulatory Authority regarding matters related to the Study and the MSD Compound and to collaborate on questions posed to Regulatory Authorities regarding design and conduct of the Study. If a Right of Reference is necessary, each Party shall provide to the other a cross-reference letter or similar communication to the applicable Regulatory Authority if needed to effectuate the Right of Reference. [***]. MSD shall authorize FDA and other applicable Regulatory Authorities to cross-reference the appropriate MSD Compound INDs and CTAs to provide data access to Company sufficient to support conduct of the Study. If MSD's CTA is not available in a given country, MSD [***] with the Regulatory Authority for such country, referencing Company's CTA as appropriate ([***]).

3.5. Documentation. In connection with the Study, Company shall maintain reports and all related documentation in good scientific manner and in compliance with Applicable Law. Company shall provide to MSD all Study information and documentation reasonably requested by MSD to enable MSD to (a) comply with any of its legal, regulatory or contractual obligations, or any request by any Regulatory Authority, related to the MSD Compound and (b) determine whether the Study has been performed in accordance with this Agreement.

3.6. Copies. Company shall provide to MSD copies of all Clinical Data, in electronic form or other mutually agreeable alternate form and on the timelines specified in the Data Sharing (if applicable) or upon mutually agreeable timelines; provided, however, that a complete copy of the Clinical Data shall be provided to MSD no later than [***] days following Study Completion. Company shall ensure that (i) all patient authorizations and consents required under Applicable Law in connection with the Study permit such sharing of Clinical Data with MSD and (ii) it complies with Applicable Law in transferring personal data in connection with sharing of such data. Prior to the initiation of clinical activities under the Study, and in any event within [***] days after the Effective Date, Company and MSD shall enter into a Data Protection Agreement that ensures certain protections are in place for the processing of personal data in the performance of the Study and sets forth each Party's responsibilities for certain obligations, including, addressing the rights of data subjects, ensuring a legal basis for processing personal data, conducting appropriate data protection impact assessments and prior consultations with relevant supervisory authorities, complying with all personal data breach notification obligations, and certain other compliance obligations under Data Protection Law (the "**Data Protection Agreement**"). In the event of any inconsistencies between the terms of this Agreement and the Data Protection Agreement, the terms of the Data Protection Agreement will control.

For person



3.7. Sample Testing.

3.7.1. Company shall provide Samples to MSD as specified in the Protocol or as agreed to by the Joint Development Committee. Each Party shall (a) use the Samples only for the Sample Testing and (b) conduct the Sample Testing solely in accordance with the Sample Testing Schedule and the Protocol.

3.7.2. [***].

3.7.3. [***].

3.7.4. Except to the extent otherwise agreed in a writing signed by authorized representatives of each Party, each Party may use and disclose the Sample Testing Results owned by the other Party and shared by such other Party in accordance with the Sample Testing Schedule solely for the purposes of [***].

3.8. Ownership and Use of Clinical Data.

3.8.1. [***].

3.8.2. [***]. Company shall maintain the Clinical Data in its internal database; provided, however, that at all times during the Term and for [***] days thereafter, Company shall grant MSD access to all Clinical Data.

3.8.3. Notwithstanding the foregoing, before publication of the Joint Clinical Data in accordance with Article 12, [***]; provided, however, that the foregoing shall not limit or restrict either Party's ability to (i) use or disclose the Joint Clinical Data as may be necessary to comply with Applicable Law or with such Party's internal policies and procedures with respect to pharmacovigilance and adverse event reporting; (ii) share with Third Parties or Affiliates Toxicity and Safety Data where because of severity, frequency or lack of reversibility either Party needs to use such Toxicity and Safety Data with respect to its own Compound or the Combination to ensure patient safety [***].

3.9. Regulatory Submission. It is understood and acknowledged by the Parties that positive Joint Clinical Data could be used to [***].

3.10. Joint Development Committee; Alliance Managers.

3.10.1. The Parties shall form a joint development committee (the "**Joint Development Committee**" or "**JDC**") made up of an equal number of representatives of MSD and Company, which shall have responsibility for coordinating all regulatory and other activities under, and pursuant to, this Agreement. Each Party may appoint or replace its representatives to the JDC at any time upon notice to the other Party. The JDC will review and finalize the Protocol in accordance with Section 4.1. Each Party shall designate a project manager (the "**Project Manager**") who shall be responsible for implementing and coordinating activities and facilitating the exchange of information between the Parties with respect to the Study and shall be a member of the JDC. Other JDC members will be agreed by both Parties.

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3.10.2. The JDC shall meet as soon as practicable after the Effective Date and then no less than twice yearly, and more often as reasonably considered necessary at the request of either Party, to provide an update on the progress of the Study. The JDC may meet in person or by means of teleconference, Internet conference, video conference or other similar communications equipment. Prior to any such meeting, Company's Project Manager shall provide an update in writing to MSD's Project Manager, which update shall contain information about the overall progress of the Study, recruitment status, interim analysis (if results available), final analysis and other information relevant to the conduct of the Study.

3.10.3. In addition to a Project Manager, each Party shall designate an alliance manager (the "**Alliance Manager**"), who shall endeavor to ensure clear and responsive communication between the Parties and the effective exchange of information and shall serve as the primary point of contact for any issues arising under this Agreement. The Alliance Managers shall have the right to attend all JDC meetings and may bring to the attention of the JDC any matters or issues either of them reasonably believes should be discussed and shall have such other responsibilities as the Parties may mutually agree in writing. In the event that an issue arises and the Alliance Managers cannot or do not, after good faith efforts, reach agreement on such issue, or if there is a decision to be made by the JDC on which the members of the JDC cannot unanimously agree, the issue shall be elevated to the [***]. In the event such escalation does not result in resolution or consensus: (a) MSD shall have final decision-making authority with respect to issues related to MSD Compound; and (b) Company shall have final decision-making authority with respect to issues related to Company Compound.

3.11. Final Study Report. Company shall provide MSD with an electronic draft of the final study report promptly following Study Completion, and MSD shall have [***] days after receipt of such draft to provide comments thereon. Company shall consider in good faith any comments provided by MSD on the draft final study report and shall not include any statements relating to the MSD Compound that have not been approved by MSD. Company shall deliver to MSD a final version of the final study report promptly following finalization thereof (the "**Final Study Report**").

3.12. Relationship. Notwithstanding anything in this Agreement to the contrary, each Party acknowledges and agrees that: [***].

3.13. Licensing. [***].

3.14. Subsequent Study.

[***].

[***]

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4. Protocol and Informed Consent; Certain Covenants.

4.1. Protocol. The initial Protocol and the draft statistical analysis plan for the Study have been agreed to by the Parties as of the Effective Date and are attached hereto as Appendix A. Company shall (a) provide any subsequent revisions to the initial Protocol to MSD for MSD’s review and comment, (b) consider in good faith any changes to the draft of such initial Protocol requested by MSD, and (c) incorporate any changes to such initial Protocol requested by MSD with respect to MSD Compound; provided, that, changes to the country or countries in which the Study will be performed will be subject to review and approval of the JDC. To the extent the Parties, acting through the JDC or otherwise through their applicable representatives, cannot agree unanimously regarding the contents of any subsequent revisions to the initial Protocol: (i) Company shall have final decision-making authority with respect to matters in such revised Protocol related to the Company Compound; (ii) MSD shall have final decision-making authority with respect to matters in such revised Protocol related to the MSD Compound [***] and (iii) all other matters in respect of such revised Protocol on which the Parties, acting through the JDC or otherwise through their applicable representatives, cannot agree shall be resolved in accordance with Section 3.10.3. Any material changes to the initial or any applicable revised Protocol (other than material changes relating solely to the Company Compound) and any changes to the initial or any applicable revised Protocol (whether or not material) relating to the MSD Compound shall require MSD’s prior written consent. Any such proposed changes will be sent in writing to MSD’s Project Manager and MSD’s Alliance Manager.

4.1.1. Notwithstanding anything to the contrary contained herein, MSD, in its sole discretion, shall have the sole right to determine the dose and dosing regimen for the MSD Compound and shall have the final decision on all matters relating to the MSD Compound (including quantities of MSD Compound to be supplied pursuant to Article 8) and any information regarding the MSD Compound included in the Protocol.

4.1.2. Notwithstanding anything to the contrary contained herein, Company, in its sole discretion, shall have the sole right to determine the dose and dosing regimen for the Company Compound and shall have the final decision on all matters relating to the Company Compound (including quantities of Company Compound to be supplied pursuant to Article 8) and any information regarding the Company Compound included in the Protocol.

[***]

4.2. Informed Consent. Company shall prepare the patient informed consent form for the Study (which shall include provisions regarding the use of Samples in Sample Testing) in consultation with MSD (it being understood and agreed that the portion of the informed consent form relating to the Sample Testing of the MSD Compound shall be provided to Company by MSD). Any proposed changes to such form that relate to the MSD Compound, including Sample Testing of the MSD Compound, shall be subject to MSD’s prior written consent. Any such proposed changes will be sent in writing to MSD’s Project Manager and MSD’s Alliance Manager. MSD will provide such consent, or a written explanation for why such consent is being withheld, within [***] Business Days after MSD receives a copy of Company’s requested changes.

4.3. Financial Disclosure. Company shall (a) track and collect financial disclosure information from all “clinical investigators” involved in the Study and (b) prepare and submit the certification or disclosure of the same in accordance with all Applicable Law, including, but not limited to, Part 54 of Title 21 of the United States Code of Federal Regulations (Financial Disclosure by Clinical Investigators) and related FDA Guidance Documents. Prior to the initiation of clinical activities under the Study, but in any event within [***] days after the Effective Date, the Parties shall determine whether Company shall track and collect from all “clinical investigators” involved in the Study separate certification or disclosure forms for each of MSD and Company or one (1) “combined” certification or disclosure form for both MSD and Company. For purposes of this Section 4.3, the term “clinical investigators” shall have the meaning set forth in Part 54.2(d) of Title 21 of the United States Code of Federal Regulations.



4.4. *Transparency Reporting.*

4.4.1. With respect to any annual reporting period in which Company is not an entity that is required to make a Transparency Report under Applicable Law, Company will: (a) notify MSD, in writing, within [***] days after the commencement of such reporting period that Company is not so required; and (b) during such reporting period Company will track and provide to MSD data regarding “indirect” payments or other transfers of value by Company to such health care professionals to the extent such payments or other transfers of value were required, instructed, directed or otherwise caused by MSD pursuant to this Agreement in the format requested by MSD and provided on a basis to be agreed upon by both Parties. Company represents and warrants that any data provided by Company to MSD pursuant to Section 4.4.1(b), above will be complete and accurate to the best of Company’s knowledge.

4.4.2. With respect to any annual reporting period in which Company is required to make a Transparency Report under Applicable Law, Company will provide to MSD, in writing, Company’s point of contact for purposes of receiving information from MSD pursuant to this Section 4.4, along with such contact’s full name, email address, and telephone number. Company may update such contact from time to time by notifying MSD in writing pursuant to Article 22 (Notices). Where applicable, MSD will provide to such Company contact all information regarding the value of the MSD Compound provided for use in the Study required for such reporting. In the event that the value of the MSD Compound provided pursuant to this Section 4.4.2 changes, MSD shall notify Company of such revised value and the effective date thereof.

4.4.3. For purposes of this Section 4.4, “**Transparency Report**” means a transparency report in connection with reporting payments and other transfers of value made to health care professionals, including, without limitation, investigators, steering committee members, data monitoring committee members, and consultants in connection with the Study in accordance with reporting requirements under Applicable Law, including, without limitation, the Physician Payment Sunshine Act and state gift laws, and the European Federation of Pharmaceutical Industries and Associations Disclosure Code, or a Party’s applicable policies.

5. *Adverse Event Reporting.*

5.1. *Pharmacovigilance Agreement.* Company will be solely responsible for compliance with all Applicable Laws pertaining to safety reporting for the Study and related activities. The Parties (or their respective Affiliates) will execute a pharmacovigilance agreement (the “**Pharmacovigilance Agreement**”) prior to the initiation of clinical activities under the Study to ensure the exchange of relevant safety data within appropriate timeframes and in an appropriate format to enable the Parties to fulfill local and international regulatory reporting obligations and to facilitate appropriate safety reviews. In the event of any inconsistency between the terms of this Agreement and the Pharmacovigilance Agreement, the terms of this Agreement shall control. The Pharmacovigilance Agreement will include safety data exchange procedures governing the

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coordination of collection, investigation, reporting, and exchange of information concerning any adverse experiences, pregnancy reports, and any other safety information arising from or related to the use of the MSD Compound and Company Compound in the Study, consistent with Applicable Law. Such guidelines and procedures shall be in accordance with, and enable the Parties and their Affiliates to fulfill, local and international regulatory reporting obligations to Regulatory Authorities.

5.2. Transmission of SAEs. Company will transmit to MSD all SAEs from the Study as set forth below. All cases will be transmitted on a CIOMS-1 form in English.

5.2.1. For drug-related fatal and life-threatening SAEs, Company will transmit a processed case within [***] calendar days after receipt by Company of notice of such SAEs.

5.2.2. For all other SAEs, including non-drug-related fatal and life-threatening SAEs, and newly diagnosed cancer, Company will transmit a processed case within [***] calendar days after receipt by Company of notice of such SAEs.

5.2.3. Cases of disease progression will be handled as outlined in the Protocol, and if the Protocol specifies that such cases are collected as SAEs, Company will transmit such cases to MSD within the applicable timeframe set forth in Section 5.2.1 or Section 5.2.2.

5.2.4. For all other reportable information that includes: (i) overdose, exposure during pregnancy or lactation; and (ii) cases of potential drug-induced liver injury where the patient was exposed to the MSD Compound (if required to be collected or identified per the Protocol), Company will transmit a processed case within [***] calendar days after receipt by Company of such information.

6. Term and Termination.

6.1. Term. The term of this Agreement shall commence on the Effective Date and shall continue in full force and effect until [***] (the “**Term**”).

6.2. MSD Termination for Safety. In the event MSD notifies Company in writing that it in good faith believes that the MSD Compound is being used in the Study in an unsafe manner and the grounds for such belief, and if either MSD believes such matter is not reasonably capable of remedy or if Company fails to promptly remedy such issue to MSD’s reasonable satisfaction, MSD may terminate this Agreement and the supply of the MSD Compound by written notice to Company with immediate effect.

6.3. Termination for Material Breach. Either Party may terminate this Agreement if the other Party commits a material breach of this Agreement, and such material breach continues for [***] days after receipt of written notice thereof from the non-breaching Party; provided that if such material breach cannot reasonably be cured within [***] days, the breaching Party shall be given a reasonable period of time to cure such breach; provided further, that if such material breach is incapable of cure, then the notifying Party may terminate this Agreement by written notice effective after the expiration of such [***] day period. In addition, this Agreement may be terminated by the non-breaching Party for material breach of any other Clinical Trial Collaboration and Supply Agreement between the Parties (or their Affiliates) involving MSD Compound if such material breach occurred or was discovered during the Term and such material breach is not cured in accordance with the terms of such other Clinical Trial Collaboration and Supply Agreement.

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6.4. *Termination for Patient Safety.* If either Party determines in good faith, based on a review of the Clinical Data, Sample Testing Results or other Study-related Know-How or other information, that the Study may unreasonably affect patient safety, such Party shall promptly notify the other Party of such determination. The Party receiving such notice may propose modifications to the Study to address the safety issue identified by the other Party and, if the notifying Party agrees, shall act to implement immediately such modifications; provided, however, that if the notifying Party, in its sole discretion, believes that there is imminent danger to patients, such Party need not wait for the other Party to propose modifications and may instead terminate this Agreement immediately upon written notice to such other Party. Furthermore, if the notifying Party, in its sole discretion, believes that any modifications proposed by the other Party will not resolve the patient safety issue, such Party may terminate this Agreement effective upon written notice to such other Party.

6.5. *Termination for Regulatory Action; Other Reasons.* Either Party may terminate this Agreement immediately upon written notice to the other Party in the event that any Regulatory Authority takes any action, or raises any objection, that prevents the terminating Party from complying with its obligations under this Agreement (including, supplying its Compound for purposes of the Study). Additionally, either Party shall have the right to terminate this Agreement immediately upon written notice to the other Party in the event that it determines in its sole discretion to withdraw any applicable Regulatory Approval for its Compound or to discontinue development of its Compound, for medical, scientific or legal reasons.

6.6. *Termination related to Anti-Corruption Obligations.* Either Party shall have the right to terminate this Agreement immediately upon written notice to the other Party, if such other Party fails to perform any of its obligations under Section 13.4 or breaches any representation or warranty contained in Section 13.4. Except as set forth in Section 6.11, the non-terminating Party shall have no claim against the terminating Party for compensation for any loss of whatever nature by virtue of the termination of this Agreement in accordance with this Section 6.6.

6.7. *Return of MSD Compound.* In the event that this Agreement is terminated, or in the event Company remains in possession (including through any Affiliate or Subcontractor) of MSD Compound at the time this Agreement expires, Company shall, at MSD's sole discretion, promptly either return or destroy all unused MSD Compound pursuant to MSD's instructions. If MSD requests that Company destroy the unused MSD Compound, Company shall provide written certification of such destruction.

6.8. *Survival.* The provisions of Sections 3.4 through 3.9 (inclusive), 3.14, 6.7 through 6.11 (inclusive), 8.5.2, 8.11, 8.14 through 8.16 (inclusive), 13.4.6, 14.2, and 14.3, and Articles 1, 5, 9 through 12 (inclusive), 17, and 20 through 25 (inclusive) shall survive the expiration or termination of this Agreement.

6.9. *No Prejudice.* Termination of this Agreement shall be without prejudice to any claim or right of action of either Party against the other Party for any prior breach of this Agreement.

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6.10. *Confidential Information.* Upon termination of this Agreement, each Party and its Affiliates shall promptly return to the Disclosing Party or destroy any Confidential Information of the Disclosing Party (other than Joint Clinical Data, Sample Testing Results and Inventions) furnished to the Receiving Party by the Disclosing Party; provided, however, that the Receiving Party may retain one copy of such Confidential Information in its confidential files, solely for purposes of exercising the Receiving Party's rights hereunder, satisfying its obligations hereunder or complying with any legal proceeding or requirement with respect thereto, and provided further that the Receiving Party shall not be required to erase electronic files created in the ordinary course of business during automatic system back-up procedures pursuant to its electronic record retention and destruction practices that apply to its own general electronic files and information so long as such electronic files are: (a) maintained only on centralized storage servers (and not on personal computers or devices), (b) not accessible by any of its personnel (other than its information technology specialists), and (c) not otherwise accessed subsequently except with the written consent of the Disclosing Party or as required by law or legal process. Such retained copies of Confidential Information shall remain subject to the confidentiality and non-use obligations herein.

6.11. *Manufacturing Costs.* In the event of termination by MSD pursuant to Section 6.2, 6.3 or 6.6 above, [***].

7. Costs of Study.

The Parties agree that: [***] in connection with the Study.

8. Supply and Use of the Compounds.

8.1. *Supply of the Compounds.* Subject to the terms and conditions of this Agreement, each of Company and MSD will use commercially reasonable efforts to supply, or cause to be supplied, the quantities of its respective Compound as are set forth in Appendix B, on the timelines set forth in Appendix B, in each case for use in the Study. If the Protocol is changed in accordance with Article 4 in such a manner that may affect the quantities of Compound to be provided or the timing for providing such quantities, the Parties shall amend Appendix B to reflect any changes required to be consistent with the Protocol. Each Party shall also provide to the other Party a contact person for the supply of its Compound under this Agreement. Notwithstanding the foregoing, or anything to the contrary herein, in the event that a Party is: (a) not supplying its Compound in accordance with the terms of this Agreement, then the other Party shall have no obligation to supply its Compound; or (b) allocating under Section 8.10, then the other Party may allocate proportionally.

8.2. *Clinical Quality Agreement.* Within [***] days after the Effective Date of this Agreement, but in any event before any supply of MSD Compound hereunder, the Parties (or their respective Affiliates) shall enter into an amendment to the Clinical Quality Agreement that shall address and govern issues related to the quality of clinical drug supply to be supplied by the Parties for use in the Study. In the event of any inconsistency between the terms of this Agreement and the Clinical Quality Agreement, the terms of this Agreement shall control. The Clinical Quality Agreement shall, among other things: (a) detail classification of any Compound found to have a Non-Conformance; (b) include criteria for Manufacturer's Release and related certificates and documentation; (c) include criteria and timeframes for acceptance of MSD Compound; (d) include procedures for the resolution of disputes regarding any Compounds found to have a Non-Conformance; and (e) include provisions governing the recall of Compounds.

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8.3. Minimum Shelf Life Requirements. Each Party shall use commercially reasonable efforts to supply its Compound hereunder with an adequate remaining shelf life at the time of Delivery to meet the Study requirements.

8.4. Provision of Compounds.

8.4.1. MSD will deliver the MSD Compound [***] (INCOTERMS 2020) to Company's, or its designee's, location as specified by Company ("Delivery" with respect to such MSD Compound). [***].

8.4.2. Company is solely responsible, at its own cost, for supplying (including all Manufacturing, acceptance and release testing) the Company Compound for the Study, and the subsequent handling, storage, transportation, warehousing and distribution of the Company Compound supplied hereunder. Company shall ensure that all such activities are conducted in compliance with cGMP, GCP and other Applicable Law and the Clinical Quality Agreement. For purposes of this Agreement, the "Delivery" of a given quantity of the Company Compound shall be deemed to occur when such quantity is packaged for shipment to a Study site.

8.5. Labeling and Packaging; Use, Handling and Storage.

8.5.1. The Parties' obligations with respect to the labeling and packaging of the MSD Compound is set forth in the Clinical Quality Agreement. Notwithstanding the foregoing or anything to the contrary contained herein, MSD shall provide the MSD Compound to Company in the form of [***].

8.5.2. Company shall: (a) use the MSD Compound solely for purposes of performing the Study; (b) not use the MSD Compound in any manner that is inconsistent with this Agreement or for any commercial purpose; and (c) label, use, store, transport, handle and dispose of the MSD Compound in compliance with Applicable Law and the Clinical Quality Agreement, as well as all instructions of MSD. Company shall not reverse engineer, reverse compile, disassemble or otherwise attempt to derive the composition or underlying information, structure or ideas of the MSD Compound, and in particular shall not analyze the MSD Compound by physical, chemical or biochemical means except as necessary to perform its obligations under the Clinical Quality Agreement.

8.6. Product Specifications. A certificate of analysis shall accompany each shipment of the MSD Compound to Company. Upon request, Company shall provide MSD with a certificate of analysis covering each shipment of Company Compound used in the Study.

8.7. Changes to Manufacturing. Each Party may make changes from time to time to its Compound or the Manufacturing Site, provided that such changes shall be in accordance with the Clinical Quality Agreement.

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8.8. *Product Testing; Noncompliance.*

8.8.1. After Manufacturer's Release. After Manufacturer's Release of the MSD Compound and concurrently with Delivery of the MSD Compound to Company, MSD shall provide Company with such certificates and documentation as are described in the Clinical Quality Agreement ("Disposition Package"). Company shall, within the time defined in the Clinical Quality Agreement, perform, with respect to the MSD Compound, the acceptance (including testing) procedures allocated to it under the Clinical Quality Agreement. Company shall be solely responsible for taking all steps necessary to determine that MSD Compound or Company Compound, as applicable, is suitable for release before making such MSD Compound or Company Compound, as applicable, available for human use, and MSD shall provide cooperation or assistance as reasonably requested by Company in connection with such determination with respect to the MSD Compound. Company shall be responsible for storage and maintenance of the MSD Compound until it is tested or released, which storage and maintenance shall be in compliance with (a) the Specifications for the MSD Compound, the Clinical Quality Agreement and Applicable Law and (b) any specific storage and maintenance requirements as may be provided by MSD from time to time. Company shall be responsible for any failure of the MSD Compound to meet the Specifications to the extent caused by shipping, storage or handling conditions after Delivery to Company hereunder.

8.8.2. Non-Conformance.

(a) In the event that either Party becomes aware that any Compound may have a Non-Conformance, despite testing and quality assurance activities (including any activities conducted by the Parties under Section 8.8.1), such Party shall immediately notify the other Party in accordance with the procedures of the Clinical Quality Agreement. The Parties shall investigate any Non-Conformance in accordance with Section 8.9 (Investigations) and any discrepancy between them shall be resolved in accordance with Section 8.8.3.

(b) In the event that any proposed or actual shipment of the MSD Compound (or portion thereof) shall be agreed to have a Non-Conformance at the time of Delivery to Company, then unless otherwise agreed to by the Parties, MSD shall, at its own expense, replace such MSD Compound as is found to have a Non-Conformance (with respect to MSD Compound that has not yet been administered in the course of performing the Study). Unless otherwise agreed to by the Parties in writing, the sole and exclusive remedies of Company with respect to any MSD Compound that is found to have a Non-Conformance at the time of Delivery shall be [***]. In the event MSD Compound is lost or damaged by Company after Delivery, MSD shall [***]; provided, that, [***]. Except as set forth in the foregoing sentence, MSD shall have [***] for any MSD Compound supplied hereunder other than such MSD Compound as has been agreed or determined to have a Non-Conformance at the time of Delivery to Company.

(c) Company shall be responsible for, and MSD shall have no obligation or liability with respect to, any Company Compound supplied hereunder that is found to have a Non-Conformance. Company shall, at its own expense, replace any Company Compound as is found to have a Non-Conformance (with respect to Company Compound that has not yet been administered in the course of performing the Study). Unless otherwise agreed to by the Parties in writing, the sole and exclusive remedies of MSD with respect to any Company Compound that is found to have a Non-Conformance at the time of Delivery shall be [***] provided that, for clarity, MSD shall not be deemed to be waiving any rights under Section 8.15.

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8.8.3. Resolution of Discrepancies. Disagreements regarding any determination of Non-Conformance by Company shall be resolved in accordance with the provisions of the Clinical Quality Agreement.

8.9. *Investigations*. The process for investigations of any Non-Conformance shall be handled in accordance with the Clinical Quality Agreement.

8.10. *Shortage; Allocation*. In the event that a Party's Compound is in short supply such that a Party reasonably believes in good faith that it will not be able to fulfill its supply obligations hereunder with respect to its Compound, such Party will provide prompt written notice to the other Party thereof (including the shipments of Compound hereunder expected to be impacted and the quantity of its Compound that such Party reasonably determines it will be able to supply) and the Parties will promptly discuss such situation (including how the quantity of Compound that such Party is able to supply hereunder will be allocated within the Study). In such event, the Party experiencing such shortage shall (i) use its commercially reasonable efforts to remedy the situation giving rise to such shortage and to take action to minimize the impact of the shortage on the Study, and (ii) [***].

8.11. *Records; Audit Rights*. Company shall keep complete and accurate records pertaining to its use and disposition of MSD Compound (including its storage, shipping (cold chain) and chain of custody activities) and, upon request of MSD, shall make such records open to review by MSD for the purpose of conducting investigations for the determination of MSD Compound safety or efficacy and Company's compliance with this Agreement with respect to the MSD Compound.

8.12. *Quality*. Quality matters related to the Manufacture of the Compounds shall be governed by the relevant quality provisions of this Agreement, and, in the case of the MSD Compound, the terms of the Clinical Quality Agreement.

8.13. *Quality Control*. Each Party shall implement and perform operating procedures and controls for sampling, stability and other testing of its Compound, and for validation, documentation and release of its Compound and such other quality assurance and quality control procedures as are required by the Specifications, cGMPs and the Clinical Quality Agreement.

8.14. *Audits and Inspections*. The Parties' audit and inspection rights related to this Agreement shall be governed by the terms of the Clinical Quality Agreement.

8.15. *Recalls*. Recalls of the Compounds shall be governed by the terms of the Clinical Quality Agreement.

8.16. *VAT*.

(a) It is understood and agreed between the Parties that any payments made and any other consideration given under this Agreement are each exclusive of any value added or similar tax ("VAT"), which shall be added thereon as applicable and at the relevant rate. Subject to Section 8.16(b), where VAT is properly charged by the supplying Party and added to a payment made or other consideration provided (as applicable) under this Agreement, the Party making the payment or providing the other consideration (as applicable) will pay the amount of VAT properly

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chargeable only on receipt of a valid tax invoice from the supplying Party issued in accordance with the laws and regulations of the country in which the VAT is chargeable. Each Party agrees that it shall provide to the other Party any information and copies of any documents within its Control to the extent reasonably requested by the other Party for the purposes of (i) determining the amount of VAT chargeable on any supply made under this Agreement, (ii) establishing the place of supply for VAT purposes, or (iii) complying with its VAT reporting or accounting obligations.

(b) Where one Party or its Affiliate (the “**First Party**”) is treated as making supply of goods or services in a particular jurisdiction (for VAT purposes) for no consideration, and the other Party or its Affiliate (the “**Second Party**”) is treated as receiving such supply in the same jurisdiction, thus resulting in an amount of VAT being properly chargeable on such supply, the Second Party shall only be obliged to pay to the First Party the amount of VAT properly chargeable on such supply (and no other amount). The Second Party shall pay such VAT to the First Party on receipt of a valid VAT invoice from the First Party (issued in accordance with the laws and regulations of the jurisdiction in which the VAT is properly chargeable). Each Party agrees to (i) use its reasonable efforts to determine and agree the value of the supply that has been made and, as a result, the corresponding amount of VAT that is properly chargeable and (ii) provide to the other Party any information or copies of documents in its Control as are reasonably necessary to evidence that such supply will take, or has taken, place in the same jurisdiction (for VAT purposes).

9. Confidentiality.

9.1. *Confidential Information.* Subject to Section 13.4.8, Company and MSD agree to hold in confidence any Confidential Information provided by or on behalf of the other Party, and neither Party shall use Confidential Information of the other Party except to fulfill such Party’s obligations under this Agreement or exercising its rights. Without limiting the foregoing, the Receiving Party may not, without the prior written permission of the Disclosing Party, disclose any Confidential Information of the Disclosing Party to any Third Party except to the extent disclosure (i) is required by Applicable Law; (ii) is pursuant to the terms of this Agreement; or (iii) is necessary for the conduct of the Study, and in each case ((i) through (iii)) provided that the Receiving Party shall provide reasonable advance notice to the Disclosing Party before making such disclosure. For the avoidance of doubt, Company may, without MSD’s consent, disclose Confidential Information to clinical trial sites and clinical trial investigators performing the Study, the data safety monitoring and advisory board relating to the Study, and Regulatory Authorities working with Company on the Study, in each case to the extent necessary for the performance of the Study and provided that such Persons (other than governmental entities) are bound by an obligation of confidentiality at least as stringent as the obligations contained herein.

9.2. *Inventions.* [***].

9.3. *Personal Identifiable Data.* All Confidential Information containing personal identifiable data shall be handled in accordance with all data protection and privacy laws, rules and regulations applicable to such data.

For personal use only



9.4. *Publicity.* Except as set forth in Section 12.3, no disclosure of the existence or terms of this Agreement may be made by either Party without the prior written consent of the other Party, except as may be required by Applicable Law.

10. *Intellectual Property.*

10.1. *Joint Ownership and Prosecution.*

- 10.1.1. [***].
- 10.1.2. [***].
- 10.1.3. [***].
- 10.1.4. [***].
- 10.1.5. [***].
- 10.1.6. [***].

10.2. *Inventions Owned by Company.* [***].

10.3. *Inventions Owned by MSD.* [***].

10.4. *Mutual Freedom to Operate for Combination Inventions.*

- 10.4.1. *Company License to MSD.* Company hereby grants to MSD [***].
- 10.4.2. *MSD License to Company.* MSD hereby grants to Company [***].
- 10.4.3. *No Other Rights.* [***].

10.4.4. *Termination.* Any and all licenses granted under this Section 10.4 shall terminate upon the expiration or earlier termination of this Agreement and shall not survive such expiration or termination; provided, however, that Section 10.4.1(iii) and Section 10.4.2(iii) shall survive such expiration or termination in accordance with their respective terms, except as follows: if Company has terminated the Agreement pursuant to Section 6.3 (Termination for Material Breach), Section 10.4.2(iii) shall survive (but not Section 10.4.1(iii)); and if MSD has terminated the Agreement pursuant to Section 6.3 (Termination for Material Breach), Section 10.4.1(iii) shall survive (but not Section 10.4.2(iii)).

10.5. *Ownership of Other Inventions.* [***].

11. *Reprints; Rights of Cross-Reference.*

Consistent with applicable copyright and other Applicable Laws, each Party may use, refer to, and disseminate reprints of scientific, medical and other published articles and materials from journals, conferences or symposia relating to the Study that disclose the name of a Party, provided, however, that such use does not constitute an endorsement of any commercial product or service by the other Party.

For personal use only



12. Publications; Press Releases.

12.1. Clinical Trial Registry. Company shall register the Study with the Clinical Trials Registry located at www.clinicaltrials.gov and is committed to timely publication of the results following Study Completion, after taking appropriate action to secure intellectual property rights (if any) arising from the Study. The publication of the results of the Study will be in accordance with the Protocol.

12.2. Publication. Each Party shall use reasonable efforts to publish or present scientific papers dealing with the Study in accordance with accepted scientific practice. The Parties agree that prior to submission of the results of the Study for publication or presentation or any other dissemination of such results including oral dissemination, the publishing Party shall invite the other to comment on the content of the material to be published, presented, or otherwise disseminated according to the following procedure:

12.2.1. At least [***] days prior to submission for publication of any paper, letter or any other publication, or [***] days prior to submission for presentation of any abstract, poster, talk or any other presentation, the publishing Party shall provide to the other Party the full details of the proposed publication, presentation, or dissemination in an electronic version (cd-rom or email attachment). Upon written request from the other Party, the publishing Party agrees not to submit data for publication/presentation/dissemination for an additional [***] days in order to allow for actions to be taken to preserve rights for patent protection.

12.2.2. The publishing Party shall give reasonable consideration to any request by the other Party made within the periods mentioned in Section 12.2.1 to modify the publication and the Parties shall work in good faith and in a timely manner to resolve any issue regarding the content for publication.

12.2.3. The publishing Party shall remove all Confidential Information of the other Party before finalizing the publication.

12.3. Press Releases. Within [***] Business Days following the Effective Date, Company will issue a press release substantially in the form attached hereto as Appendix C. Unless otherwise required by Applicable Law, neither Party shall make any other public announcement concerning this Agreement without the prior written consent of the other Party. To the extent a Party desires to make such public announcement, such Party shall provide the other Party with a draft thereof at least [***] Business Days prior to the date on which such Party would like to make the public announcement. Notwithstanding any language in this Agreement to the contrary, nothing in this Agreement shall prohibit either Party from making disclosure related this Agreement or the Study to the extent such disclosure is required by Applicable Law or applicable stock exchange listing rules, provided that the disclosing Party provides reasonable advance notice to the other Party prior to making such disclosure and, at the request of such other Party, cooperates with such other Party in limiting the scope of such disclosure.

For persons



13. Representations and Warranties; Disclaimers.

13.1. Due Authorization. Each of Company and MSD represents and warrants to the other that: (a) it has the corporate power and authority and the legal right to enter into this Agreement and perform its obligations hereunder; (b) it has taken all necessary corporate action on its part required to authorize the execution and delivery of this Agreement and the performance of its obligations hereunder; and (c) this Agreement has been duly executed and delivered on behalf of such Party and constitutes a legal, valid and binding obligation of such Party that is enforceable against it in accordance with its terms.

13.2. Compounds.

13.2.1. Company Compound. Company hereby represents and warrants to MSD that: (a) Company has the full right, power and authority to grant all of the licenses granted to MSD under this Agreement; and (b) Company Controls the Company Compound.

13.2.2. MSD Compound. MSD hereby represents and warrants to Company that: (a) MSD has the full right, power and authority to grant all of the licenses granted to Company under this Agreement; and (b) MSD Controls the MSD Compound.

13.3. Results. Company does not undertake that the Study shall lead to any particular result, nor is the success of the Study guaranteed. Neither Party shall be liable for any use that the other Party may make of the Clinical Data nor for advice or information given in connection therewith.

13.4. Anti-Corruption.

13.4.1. In performing their respective obligations hereunder, the Parties acknowledge that the corporate policies of Company and MSD and their respective Affiliates require that each Party's business be conducted within the letter and spirit of the law. By signing this Agreement, each Party agrees to conduct the business contemplated herein in a manner that is consistent with all Applicable Law, including the Stark Act, Anti-Kickback Statute, Sunshine Act, and the U.S. Foreign Corrupt Practices Act, good business ethics, and its ethics and other corporate policies and agrees to abide by the spirit of the other Party's guidelines, which may be provided by such other Party from time to time.

13.4.2. Specifically, each Party represents and warrants that it has not, and covenants that it, its Affiliates, and its and its Affiliates' directors, employees, officers, and anyone acting on its behalf, will not, in connection with the performance of this Agreement, directly or indirectly, make, promise, authorize, ratify or offer to make, or take any action in furtherance of, any payment or transfer of anything of value for the purpose of influencing, inducing or rewarding any act, omission or decision to secure an improper advantage; or improperly assisting it in obtaining or retaining business for it or the other Party, or in any way with the purpose or effect of public or commercial bribery.

13.4.3. Neither Party shall contact, or otherwise knowingly meet with, any Government Official for the purpose of discussing activities arising out of or in connection with this Agreement, without the prior written approval of the other Party, except where such meeting is consistent with the purpose and terms of this Agreement and in compliance with Applicable Law.

For persons



13.4.4. Each Party represents, warrants and covenants that it (a) is not excluded, debarred, suspended, proposed for suspension or debarment, in Violation or otherwise ineligible for government programs, (b) has not employed or subcontracted with any Person for the performance of the Study who is excluded, debarred, suspended, proposed for suspension or debarment, or is in Violation or otherwise ineligible for government programs and (c) has (or will) conduct(ed) anti-corruption and bribery (e.g. FCPA) due-diligence review of all Third Parties it may hire to act on its behalf in connection with its performance under this Agreement.

13.4.5. Each Party represents and warrants that, except as disclosed to the other in writing prior to the Effective Date, such Party: (a) does not have any interest that directly or indirectly conflicts with its proper and ethical performance of this Agreement; (b) shall maintain arm's length relations with all Third Parties with which it deals for or on behalf of the other in performance of this Agreement; and (c) has provided complete and accurate information and documentation to the other Party, the other Party's Affiliates and its and their personnel in the course of any due diligence conducted by the other Party for this Agreement, including disclosure of any officers, employees, owners or Persons directly or indirectly retained by such Party in relation to the performance of this Agreement who are Government Officials or relatives of Government Officials. Each Party shall make all further disclosures to the other Party as are necessary to ensure the information provided remains complete and accurate throughout the Term. Subject to the foregoing, each Party agrees that it shall not hire or retain any Government Official to assist in its performance of this Agreement, with the sole exception of conduct of or participation in clinical trials under this Agreement, provided that such hiring or retention shall be subject to the completion by the hiring or retaining Party of a satisfactory anti-corruption and bribery (e.g., FCPA) due diligence review of such Government Official. Each Party further covenants that any future information and documentation submitted to the other Party as part of further due diligence or a certification shall be complete and accurate.

13.4.6. Each Party shall have the right during the Term, and for a period of [***] following termination of this Agreement, to conduct an investigation and audit of the other Party's activities, books and records, to the extent they relate to that other Party's performance under this Agreement, to verify compliance with the terms of this Section 13.4. Such other Party shall cooperate fully with such investigation or audit, the scope, method, nature and duration of which shall be at the sole reasonable discretion of the Party requesting such audit.

13.4.7. Each Party shall use commercially reasonable efforts to ensure that all transactions under the Agreement are properly and accurately recorded in all material respects on its books and records and that each document upon which entries in such books and records are based is complete and accurate in all material respects. Each Party further represents, warrants and covenants that all books, records, invoices and other documents relating to payments and expenses under this Agreement are and shall be complete and accurate and reflect in reasonable detail the character and amount of transactions and expenditures. Each Party shall maintain a system of internal accounting controls reasonably designed to ensure that no off-the-books or similar funds or accounts will be maintained or used in connection with this Agreement.

13.4.8. Each Party agrees that in the event that the other Party believes in good faith that there has been a possible violation of any provision of Section 13.4, such other Party may make full disclosure of such belief and related information needed to support such belief at any time and for any reason to any competent government bodies and agencies, and to anyone else such Party determines in good faith has a legitimate need to know.

For persons



13.4.9. Each Party shall comply with its own ethical business practices policy and any corporate integrity agreement (if applicable) to which it is subject, and shall conduct its Study-related activities in accordance with Applicable Law. Each Party shall ensure that all of its employees involved in performing its obligations under this Agreement are made specifically aware of the compliance requirements under this Section 13.4. In addition, each Party shall ensure that all such employees participate in and complete mandatory compliance training to be conducted by each Party, including specific training on anti-bribery and corruption, prior to his/her performance of any obligations or activities under this Agreement. Each Party shall certify its continuing compliance with the requirements under this Section 13.4 on a periodic basis during the Term in such form as may be reasonably specified by the other Party.

13.4.10. Each Party shall have the right to terminate this Agreement immediately upon violation of this Section 13.4 in accordance with Section 6.6.

13.5. DISCLAIMER. EXCEPT AS EXPRESSLY PROVIDED HEREIN, MSD MAKES NO WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, WITH RESPECT TO THE MSD COMPOUND, AND COMPANY MAKES NO WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, WITH RESPECT TO THE COMPANY COMPOUND.

14. Insurance; Indemnification; Limitation of Liability.

14.1. Insurance. Each Party warrants that it maintains a policy or program of insurance or self-insurance at levels sufficient to support the indemnification obligations assumed herein. Upon request, a Party shall provide evidence of such insurance.

14.2. Indemnification.

14.2.1. Indemnification by Company. Company agrees to defend, indemnify and hold harmless MSD, its Affiliates, and its and their employees, directors, subcontractors and agents from and against any loss, damage, reasonable costs and expenses (including reasonable attorneys' fees and expenses) incurred in connection with any claim, proceeding, or investigation by a Third Party arising out of this Agreement or the Study (a "Liability"), except to the extent that such Liability was directly caused by (a) negligence or willful misconduct on the part of MSD (or any of its Affiliates, or its and their employees, directors, subcontractors or agents); (b) a breach on the part of MSD of any of its representations and warranties or any other covenants or obligations of MSD under this Agreement; or (c) a breach of Applicable Law by MSD.

14.2.2. Indemnification by MSD. MSD agrees to defend, indemnify and hold harmless Company, its Affiliates, and its and their employees, directors, Subcontractors and agents from and against any Liability to the extent such Liability was directly caused by (a) negligence or willful misconduct on the part of MSD (or any of its Affiliates, or its and their employees, directors, subcontractors or agents); (b) a breach on the part of MSD of any of its representations and warranties or any other covenants or obligations of MSD under this Agreement; or (c) a breach of Applicable Law by MSD.

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14.2.3. *Procedure.* The obligations of MSD and Company under this Section 14.2 are conditioned upon the delivery of written notice to MSD or Company, as the case may be, of any potential Liability within a reasonable time after a Party becomes aware of such potential Liability. The indemnifying Party will have the right to assume the defense of any suit or claim related to the Liability (using counsel reasonably satisfactory to the indemnified Party) if it has assumed responsibility for the suit or claim in writing; provided that the indemnified Party may assume the responsibility for such defense to the extent the indemnifying Party does not do so in a timely manner). The indemnified Party may participate in (but not control) the defense thereof at its sole cost and expense. The Party controlling such defense (the “**Defending Party**”) shall keep the other Party (the “**Other Party**”) advised of the status of such action, suit, proceeding or claim and the defense thereof and shall consider recommendations made by the Other Party with respect thereto. The Defending Party shall not agree to any settlement of such action, suit, proceeding or claim without the prior written consent of the Other Party, which shall not be unreasonably withheld. The Defending Party, but solely to the extent the Defending Party is also the indemnifying Party, shall not agree to any settlement of such action, suit, proceeding or claim or consent to any judgment in respect thereof that does not include a complete and unconditional release of the Other Party from all liability with respect thereto or that imposes any liability or obligation on the Other Party without the prior written consent of the Other Party.

14.2.4. *Study Subjects.* Company shall not offer compensation on behalf of MSD to any Study subject or bind MSD to any indemnification obligations in favor of any Study subject. MSD shall not offer compensation on behalf of Company to any Study subject or bind Company to any indemnification obligations in favor of any Study subject.

14.3. **LIMITATION OF LIABILITY.** IN NO EVENT SHALL EITHER PARTY (OR ANY OF ITS AFFILIATES OR SUBCONTRACTORS) BE LIABLE TO THE OTHER PARTY UNDER ANY THEORY FOR, NOR SHALL ANY INDEMNIFIED PARTY HAVE THE RIGHT TO RECOVER, ANY SPECIAL, INDIRECT, INCIDENTAL, CONSEQUENTIAL OR OTHER SIMILAR DAMAGES OR ANY PUNITIVE DAMAGES OR ANY LOST PROFIT, LOST SALE OR LOST OPPORTUNITY DAMAGES (WHETHER SUCH CLAIMED DAMAGES ARE DIRECT OR INDIRECT), WHETHER ARISING DIRECTLY OR INDIRECTLY OUT OF (A) THE MANUFACTURE OR USE OF ANY COMPOUND SUPPLIED HEREUNDER OR (B) ANY BREACH OF OR FAILURE TO PERFORM ANY OF THE PROVISIONS OF THIS AGREEMENT OR ANY REPRESENTATION, WARRANTY OR COVENANT CONTAINED IN OR MADE PURSUANT TO THIS AGREEMENT, EXCEPT THAT SUCH LIMITATION SHALL NOT APPLY (I) TO DAMAGES PAID OR PAYABLE TO A THIRD PARTY BY AN INDEMNIFIED PARTY FOR WHICH THE INDEMNIFIED PARTY IS ENTITLED TO INDEMNIFICATION HEREUNDER OR (II) WITH RESPECT TO DAMAGES ARISING OUT OF OR RELATED TO A PARTY’S BREACH OF ITS OBLIGATIONS UNDER THIS AGREEMENT WITH RESPECT TO USE, DISCLOSURE, LICENSE, ASSIGNMENT OR OTHER TRANSFER OF JOINT CLINICAL DATA, CONFIDENTIAL INFORMATION, JOINTLY-OWNED INVENTIONS AND SAMPLE TESTING RESULTS.

For persons

15. Use of Name.

Except as otherwise provided herein, neither Party shall have any right, express or implied, to use in any manner the name or other designation of the other Party or any other trade name, trademark or logo of the other Party for any purpose in connection with the performance of this Agreement without the other Party's prior written consent.

16. Force Majeure.

If, in the performance of this Agreement, one of the Parties is prevented, hindered or delayed by reason of any cause beyond such Party's reasonable control (e.g., war, riots, fire, strike, acts of terror, governmental laws), such Party shall be excused from performance to the extent that it is necessarily prevented, hindered or delayed ("**Force Majeure**"). The non-performing Party shall notify the other Party of such Force Majeure within [***] days after such occurrence by giving written notice to the other Party stating the nature of the event, its anticipated duration, and any action being taken to avoid or minimize its effect. The suspension of performance will be of no greater scope and no longer duration than is necessary and the non-performing Party shall use commercially reasonable efforts to remedy its inability to perform.

17. Entire Agreement; Amendment; Waiver.

This Agreement, together with the Appendices and Schedules hereto and the Related Agreements, constitutes the sole, full and complete agreement by and between the Parties with respect to the subject matter of this Agreement, and all prior agreements, understandings, promises and representations, whether written or oral, with respect thereto are superseded by this Agreement. In the event of a conflict between a Related Agreement and this Agreement, the terms of this Agreement shall control. No amendments, changes, additions, deletions or modifications to or of this Agreement shall be valid unless reduced to writing and signed by the Parties hereto. Any term or condition of this Agreement may be waived at any time by the Party that is entitled to the benefit thereof, but no such waiver shall be effective unless set forth in a written instrument duly executed by or on behalf of the Party waiving such term or condition. The waiver by either Party of any right hereunder or of the failure to perform or of a breach by the other Party shall not be deemed a waiver of any other right hereunder or of any other breach or failure by said other Party whether of a similar nature or otherwise.

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18. Assignment and Affiliates.

Neither Party shall assign or transfer this Agreement without the prior written consent of the other Party, such consent not to be unreasonably withheld; provided, however, that either Party may assign all or any part of this Agreement to one or more of its Affiliates without the other Party's consent, and any and all rights and obligations of either Party may be exercised or performed by its Affiliates, provided that such Affiliates agree to be bound by this Agreement. Notwithstanding the foregoing, MSD may, without such consent, assign this Agreement and its rights and obligations hereunder, in whole or in part, in connection with the transfer or sale of all or substantially all of the assets related to the subject matter of this Agreement, or in the event of its merger or consolidation or change in control or similar transaction. Any attempted assignment not in accordance with this Article 18 shall be void. Any permitted assignee shall assume all assigned obligations of its assignor under this Agreement.

19. Invalid Provision.

If any provision of this Agreement is held to be illegal, invalid or unenforceable, the remaining provisions shall remain in full force and effect and will not be affected by the illegal, invalid or unenforceable provision. In lieu of the illegal, invalid or unenforceable provision, the Parties shall negotiate in good faith to agree upon a reasonable provision that is legal, valid and enforceable to carry out as nearly as practicable the original intention of the entire Agreement.

20. No Additional Obligations.

Company and MSD have no obligation to renew this Agreement or apply this Agreement to any clinical trial other than the Study. Nothing in this Agreement obligates the Parties to enter into any other agreement (other than the Related Agreements) at this time or in the future.

21. Governing Law; Dispute Resolution.

21.1. The Parties shall attempt in good faith to settle all disputes arising out of or in connection with this Agreement in an amicable manner. Any claim, dispute or controversy arising out of or relating to this Agreement, including the breach, termination or validity hereof or thereof, shall be governed by and construed in accordance with the substantive laws of the State of New York, without giving effect to its choice of law principles.

21.2. Nothing contained in this Agreement shall deny either Party the right to seek injunctive or other equitable relief from a court of competent jurisdiction in the context of a bona fide emergency or prospective irreparable harm, and such an action may be filed or maintained notwithstanding any ongoing discussions between the Parties.

For persons



22. Notices.

All notices or other communications that are required or permitted hereunder shall be in writing and delivered personally, sent by facsimile or email (and promptly confirmed by personal delivery or overnight courier), or sent by internationally-recognized overnight courier addressed as follows: If to Company, to:

Immutep Limited
 Attention: [***]
 Level 12
 95 Pitt Street
 Sydney, NSW, Australia 2000
 [***]

With a copy (which shall not constitute notice) to:

Immutep GmbH
 Attention: [***]
 Glinkastr. 28
 10117 Berlin, Germany
 [***]

If to MSD, to:

MSD International GmbH
 MSD International Business GmbH
 [***]

With copies (which shall not constitute notice) to:

[***]
 [***]
 [***]

23. Relationship of the Parties.

The relationship between the Parties is and shall be that of independent contractors, and does not and shall not constitute a partnership, joint venture, agency or fiduciary relationship. Neither Party shall have the authority to make any statements, representations or commitments of any kind, or take any actions, that are binding on the other Party, except with the prior written consent of the other Party to do so. All Persons employed by a Party will be the employees of such Party and not of the other Party and all costs and obligations incurred by reason of any such employment shall be for the account and expense of such Party.

24. Counterparts and Due Execution.

This Agreement and any amendment may be executed in any number of counterparts (including by way of facsimile or electronic transmission), each of which shall be deemed an original, but all of which together shall constitute one and the same instrument, notwithstanding any electronic transmission, storage and printing of copies of this Agreement from computers or printers. When executed by the Parties, this Agreement shall constitute an original instrument, notwithstanding any electronic transmission, storage and printing of copies of this Agreement from computers or printers. For clarity, facsimile signatures and signatures transmitted via PDF shall be treated as original signatures.

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25. Construction.

Except where the context otherwise requires, wherever used, the singular will include the plural, the plural the singular, the use of any gender will be applicable to all genders, and the word “or” is used in the inclusive sense (and/or). Whenever this Agreement refers to a number of days, unless otherwise specified, such number refers to calendar days. The captions of this Agreement are for convenience of reference only and in no way define, describe, extend or limit the scope or intent of this Agreement or the intent of any provision contained in this Agreement. The term “including” as used herein shall be deemed to be followed by the phrase “without limitation” or like expression. The term “will” as used herein means shall. The terms “hereof”, “hereto”, “herein” and “hereunder” and words of similar import when used in this Agreement refer to this Agreement as a whole and no to any particular provision of this Agreement. References to “Article,” “Section,” “Appendix” or “Schedule” are references to the numbered sections of this Agreement and the appendices attached to this Agreement, unless expressly stated otherwise. A reference to any statute, law, rule, regulation or directive will be construed as a reference to such statute, law, rule, regulation or directive as amended, extended, repealed and replaced or re-enacted from time to time. Except where the context otherwise requires, references to this “Agreement” shall include the appendices attached to this Agreement. The language of this Agreement shall be deemed to be the language mutually chosen by the Parties and no rule of strict construction will be applied against either Party hereto.

[Remainder of page intentionally left blank.]

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IN WITNESS WHEREOF, the respective representatives of the Parties have executed this Agreement as of the Effective Date.

Immutep Limited

By: _____

Name

Title

MSD International GmbH

By: _____

Name

Title

MSD International Business GmbH

By: _____

Name

Title

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Appendix A

PROTOCOL

[**]

For personal use only



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| | | | | | | |
|--------------------------|---------------------|----------------------------|-------------|-----------------------|-------------------------|----|
| IMMUTEP LIMITED | Donnelley Financial | FWPAXD-PFRS44 21.10.7.0 | ADG pf_rend | 22-Oct-2021 12:37 EST | 214009 EX4 14 34 | 3* |
| IMMUTEP FORM 20-F | None | | PAL | | HTM ESS | 0C |

Appendix B

SUPPLY OF COMPOUND

***]

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Appendix C

INITIAL PRESS RELEASE

For personal use only



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Schedule I

DATA SHARING SCHEDULE

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**PHASE I ONCOLOGY ANALYSIS AND REPORTING ESSENTIAL
TABLES/FIGURES/LISTINGS
(AS APPLICABLE)**

[**]

For personal use only



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Schedule II

SAMPLE TESTING SCHEDULE

***]

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Schedule III

[**]

[**]

For personal use only



Significant Subsidiaries of Immutep Limited

The following corporations are wholly owned subsidiaries of Immutep Limited:

Immutep USA Inc., a Delaware corporation.

Immutep GmbH, a German corporation.

Immutep Australia Pty Ltd, an Australian corporation.

Immutep S.A.S., a French corporation.

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**Certification of the Chief Executive Officer and Chief Financial Officer as required by
Rule 13a-14(a) of the Securities Exchange Act of 1934**

I, Marc Voigt, certify that:

1. I have reviewed this annual report on Form 20-F of Immutep Limited;
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. I am 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 my supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to me 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 my 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 my 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 period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. I have disclosed, based on my 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: October 25, 2021

/s/ Marc Voigt

Marc Voigt
Chief Executive Officer
Chief Financial Officer

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Certification of the Chief Executive Officer and Chief Financial Officer as required by Rule 13a-14(b) of the Securities Exchange Act of 1934

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), Marc Voigt, Chief Executive Officer and Chief Financial Officer of Immutep Limited (the "registrant"), hereby certifies that, to the best of his knowledge:

1. The registrant's Annual Report on Form 20-F for the period ended June 30, 2021, to which this Certification is attached as Exhibit 13.1 (the "Annual 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 Annual Report fairly presents, in all material respects, the financial condition and results of operations of the registrant.

Date: October 25, 2021

/s/ Marc Voigt

 Marc Voigt
 Chief Executive Officer
 Chief Financial Officer

This certification accompanies the Form 20-F to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of Immutep Limited under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Form 20-F), irrespective of any general incorporation language contained in such filing.

A signed original of this written statement required by Section 906 has been provided to the registrant and will be retained by the registrant and furnished to the Securities and Exchange Commission or its staff upon request.

For persons only



Immutep Limited
 Level 12, 95 Pitt Street
 Sydney NSW 2000
 Australia

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form F- 3 (No. 333-234208) of Immutep Limited of our report dated October 25, 2021 relating to the financial statements, which appears in this Form 20-F.

/s/ PricewaterhouseCoopers
 Sydney, Australia
 October 25, 2021

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