
**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, 2019

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)

Marc Voigt, Chief Executive Officer

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

Securities registered or to be registered pursuant to Section 12(b) of the Act.

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Ordinary Shares American Depositary Shares, each representing 100 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, 2019 was 3,388,598,296.

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	☐	Accelerated filer	☐
Non-accelerated filer	☒	Emerging growth company	☒

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

U.S. GAAP	☐	International Financial Reporting Standards as issued by the International Accounting Standards Board	☒	Other	☐
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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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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 100 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 depositary, 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, 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;
- 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. Selected Financial Data

Our consolidated financial statements appearing in this Annual Report on Form 20-F comply with both the International Financial Reporting Standards, or IFRS, as issued by the International Accounting Standards Board, and Australian Accounting Standards, as issued by the Australian Accounting Standards Board (“AASB”).

The following selected consolidated financial data as of June 30, 2019 and 2018 and for the fiscal years ended June 30, 2019, 2018 and 2017 have been derived from our audited consolidated financial statements and notes thereto included elsewhere in this Annual Report on Form 20-F. The selected consolidated financial data as of June 30, 2017, 2016, and 2015 and for the fiscal years ended June 30, 2016 and 2015 have been derived from our audited consolidated financial statements and notes thereto which are not included in this Annual Report on Form 20-F. This data should be read together with, and is qualified in its entirety by reference to, “Item 5. Operating and Financial Review and Prospects” as well as our consolidated financial statements and notes thereto appearing in “Item 18. Financial Statements” of this Annual Report on Form 20-F.

The selected financial data are presented in Australian dollars (A\$) (except as otherwise noted).

Consolidated Statement of Operations Data:

	Year Ended June 30,				
	2019	2018	2017	2016	2015
	(in A\$, except share amounts)				
License revenue	139,782	2,630,484	—	175,052	—
Other income	7,349,622	4,722,823	4,221,534	1,853,869	2,092,867
Depreciation & amortization	(1,879,151)	(1,808,929)	(1,701,615)	(1,993,093)	(1,341,202)
Research & development and intellectual property	(16,591,201)	(9,989,830)	(7,525,744)	(7,059,528)	(8,952,447)
Corporate administrative expenses	(6,366,161)	(7,242,061)	(4,346,952)	(6,982,629)	(5,723,106)
Loss on foreign exchange	—	—	—	(563,890)	—
Finance costs	—	—	—	(8,199)	(18,364,804)
Share Based Payment to strategic investor	—	—	—	(47,468,071)	—
Net loss on fair value movement of warrants	—	(189,983)	—	—	—
Changes in fair value of comparability milestone	—	—	—	(542,075)	—
Net change in fair value of convertible note liability	(996,875)	(866,848)	(751,816)	(607,637)	—
Loss on disposal of assets	—	—	—	—	(5,160)
Loss before income tax expense	(18,343,984)	(12,744,344)	(10,104,593)	(63,196,201)	(32,293,852)
Income tax (expense) / benefit	—	(1,676)	737,387	1,181,017	142,156
Net loss	(18,343,984)	(12,746,020)	(9,367,206)	(62,015,184)	(32,151,696)
Loss per share – basic and diluted (in A\$ cents)	(0.57)	(0.49)*	(0.40)*	(2.68)*	(1.92)*
Weighted average number of ordinary shares outstanding – basic and diluted	3,225,576,280	2,624,714,274*	2,370,387,786*	2,314,504,140*	1,677,306,981*

* Immutep Limited and all of its wholly owned subsidiaries ('the group') restated the 2015 to 2018 EPS figures to reflect the bonus element of shares issue arising from the capital raising in fiscal year 2019.

Consolidated Balance Sheet Data:

	As of June 30,				
	2019	2018	2017	2016	2015
	(in A\$)				
Cash and cash equivalents	16,567,982	23,475,521	12,236,974	20,879,548	6,759,615
Net assets	24,387,716	33,521,927	26,532,306	35,317,513	24,689,743
Total assets	40,541,499	46,998,783	34,963,796	42,554,067	30,983,445
Long-term debt	7,642,707	6,645,832	5,778,984	5,027,168	—
Contributed equity	221,091,591	213,232,719	195,352,543	194,530,932	179,878,436
Total shareholders' equity	24,387,716	33,521,927	26,532,306	35,317,513	24,689,743

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 years ended June 30 2018 and 2019, we had net losses of \$12.7 million and \$18.3 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 IMP321 (also known as “eftilagimod alpha” 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 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 rapidly growing field of Immuno-Oncology in December 2014. This acquisition significantly expanded our clinical development product portfolio to other categories of immunotherapies. It has also provided the business with partnerships with several 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 Eddingpharm, in China. 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), 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 will evaluate the clinical benefits of combining our immune stimulator, IMP321, with avelumab, a PD-L1 blocking antibody.

Our second LAG-3 product candidate is IMP701, an antagonist antibody that acts to stimulate T cell proliferation in cancer patients. IMP701 has been licensed to CoStim (Novartis), which is solely responsible for its development and manufacturing. 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 outside Paris with ongoing research capabilities. Immutep also currently generates modest income from sales of LAG-3 research reagents.

Our ability to generate product revenue, especially through the commercialization of the LAG-3 products, 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 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 stockholders 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 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 as medical devices 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;
- 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 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.

We completed our acquisition of Immuteq S.A.S., in December 2014 for consideration of up to US\$25 million in cash and stock. Although we have completed the integration of Immuteq's business into our own, we have not yet achieved, and may never achieve, the full benefit of the clinical development expectations, product portfolio enhancements or revenue generations we expected at the time of the acquisition. In addition, even if we achieve the expected benefits, we may be unable to achieve them within the anticipated time frame. Also, there may be unexpected problems in the business unrelated to the Immuteq acquisition that have a negative effect on our business. If we fail to implement our business strategy, we may be unable to achieve expected results and our business, financial condition and results of operations may be materially and adversely affected.

Immuteq S.A.S. is the only significant acquisition in our recent history. 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.

We may not be able to obtain orphan drug exclusivity, where relevant, in all markets for our product candidates.

Of our current pipeline product candidates, none of our drugs have been designated with orphan drug status by the FDA. Regulatory authorities in some jurisdictions, including the United States, may designate drugs or biological products for relatively small patient populations as orphan drugs. Under the Orphan Drug Act, the FDA may designate a product as an orphan drug if it is a product intended to treat a rare disease or condition, which is generally defined as a patient population of fewer than 200,000 individuals annually in the United States. The FDA may also designate a product as an orphan drug if it is intended to treat a disease or condition of more than 200,000 individuals in the United States and there is no reasonable expectation that the cost of developing and making a drug or biological product available in the United States for this type of disease or condition will be recovered from sales of the product candidate.

Generally, if a product with an orphan drug designation subsequently receives the first marketing approval for the indication for which it has such designation, the product is entitled to a period of marketing exclusivity, which precludes the FDA from approving another marketing application for the same drug for such indication for that time period. The applicable period is seven years in the United States. Orphan drug exclusivity may be lost if the FDA or EMA determines that the request for designation was materially defective or if the manufacturer is unable to assure sufficient quantity of the drug to meet the needs of patients with the rare disease or condition.

While there is no guarantee, FDA orphan drug designation may provide a range of benefits, including a potential fast track process for clinical regulatory approval, potential tax credits for qualified clinical trials and an exemption from FDA application user fees.

Even if we obtain orphan drug exclusivity for a product in the United States or for additional products in the European Union, that exclusivity may not effectively protect the product from competition because different drugs can be approved for the same condition, and the same drug could be approved for a different condition. Even after an orphan drug is approved, the FDA can subsequently approve the same drug, made by a competitor, for the same condition if the FDA concludes that the competitive product is clinically superior in that it is shown to be safer, more effective or makes a major contribution to patient care. In the European Union, the European Medicines Agency, or the EMA, can approve a competitive product if the orphan drug no longer meets the criteria for orphan designation (including sufficient profitability), if the competitive product is safer, more effective or otherwise clinically superior, or if the orphan drug cannot be supplied in sufficient quantities.

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 requirements may be enacted or additional regulations may 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 Eddingpharm 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.

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 candidate.

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 Act 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. 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. Such examples include:

- *Impression Products, Inc. v. Lexmark International, Inc.* (2017), where the Court applied an international exhaustion of rights standard and held that the sale of a patented item in a foreign country exhausted patent rights in the item being sold regardless of any post-sale restrictions the patentee attempted to impose.
- *Nautilus, Inc. v. Biosig Instruments, Inc.* (2014), where the Court imposed a stricter requirement for clarity of claim language than previously applied by the Federal Circuit, thereby making it easier to invalidate patents for insufficiently apprising the public of the scope of the invention.
- *Limelight Networks, Inc. v. Akamai Technologies, Inc.* (2014), where the Court articulated a standard for inducement of infringement that makes it more difficult to establish liability for inducing infringement of a multi-step method claim that is performed by multiple parties.
- *Association for Molecular Pathology v. Myriad Genetics, Inc.* (2013), where the Court held that isolated naturally-occurring DNA is patent ineligible subject matter.
- *KSR v. Teleflex* (2007), where the Court decided unanimously that the Federal Circuit Court had been wrong in taking a narrow view of when an invention is “obvious” and thus cannot be patented.
- *EBay Inc. v. MercExchange, LLC* (2006), where the Court heightened the standard for an injunction after a finding of patent infringement.
- *Merck KGaA v. Integra Lifesciences* (2004), where the Court adopted an expansive interpretation of the activities associated with regulatory approval exempt from patent infringement.

In addition, the America Invents Act, or AIA, has been recently 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\$0.020 and US\$1.25, respectively, to a high of A\$0.056 and US\$4.21, 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, 2019, our ordinary shares traded on the NASDAQ from low of US\$1.71 to a high of US\$4.21 per share. During the fiscal year ended June 30, 2018, our ordinary shares traded on the NASDAQ from a low of US\$1.25 to a high of US\$3.06 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.

We may be a passive foreign investment company (PFIC) which would subject our U.S. investors to adverse tax rules.

Holders of our ADSs who are U.S. residents 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 will increase 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 quarterly. 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 and 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 depositary, 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 depositary 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 depositary and our ADS holders, and the beneficial owners of ADSs, sets out ADS holder rights as well as the rights and obligations of the depositary. 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 depositary. Upon receipt of instructions, the depositary 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 may 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 stockholders' 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. Last two years, the Australian dollar had depreciated against the U.S. dollar and European Euro, whereas in fiscal 2017, the Australian dollar had appreciated 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 2019, we made net foreign exchange gain of A\$494,000 as a result of currency fluctuations. In fiscal 2018, we made net foreign exchange gain of A\$323,000 as a result of currency fluctuations. In fiscal 2017, there was a small foreign exchange gain of A\$433 as a result of currency fluctuations. Currency fluctuations could, therefore, cause our costs to increase and revenues to decline.

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 will 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. In addition, a foreign private issuer must disclose in Annual Reports filed with the U.S. Securities and Exchange Commission each such requirement that it does not follow and describe the home country practice followed by the issuer instead of any such requirement. 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.

In December 2014, we completed the acquisition of Immutep S.A., a 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 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 eftilagimod alpha ("efti" or "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 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 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 December 2018, we 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 \$2.00 in a registered direct offering, for total gross proceeds of approximately \$5.2 million. In a concurrent private placement, we agreed to use warrants to purchase up to 208,000,000 ordinary shares represented by 2,080,000 ADSs. Each warrant has an exercise price of \$2.50.

In July 2019, we completed a 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.

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. 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 boosting T cell responses. IMP321 is currently in a Phase IIb clinical trial as a chemoimmunotherapy combination for metastatic breast cancer termed AIPAC ([clinicaltrials.gov](https://clinicaltrials.gov/ct2/show/study/NCT02614833) identifier NCT02614833) and in a Phase I combination therapy trial in metastatic melanoma termed TACTI-mel ([clinicaltrials.gov](https://clinicaltrials.gov/ct2/show/study/NCT02676869) identifier NCT02676869). In addition, IMP321 is being evaluated as 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](https://clinicaltrials.gov/ct2/show/study/NCT03625323) identifier NCT03625323) and a Phase I trial called INSIGHT ([clinicaltrials.gov](https://clinicaltrials.gov/ct2/show/study/NCT03252938) identifier NCT03252938) in advanced solid tumors.

Two LAG-3 products 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, New York, USA, Leipzig, Germany and in Berlin, Germany. With the acquisition of Immutep S.A. in December 2014 we also have a laboratory located in Paris 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, 2019, we employed 24 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 (or efitlagimod alpha), 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 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 Eddingpharm under a licensing agreement dated May 2013 between Immutep S.A. and Eddingpharm. Eddingpharm 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 later transferred the right to develop IMP321 to its affiliate, EOC Pharma. Eddingpharm has paid for the past manufacture of IMP321 GMP grade material needed for the conduct of clinical trials of IMP321 but current and future costs of manufacturing of IMP321 are now Immutep's responsibility. 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. Immutep expects further progress from EOC Pharma later in 2019 and 2020.

In fiscal 2016, Immutep started two new 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 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 has a study group of up to 24 patients, is to determine safety and dosage levels for combining the two products in future trials.

In fiscal 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 Eddingpharm, Immutep's development partner in China).

In January 2017, we entered into a new collaboration with Japan's CYTLIMIC, a recent 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.

We also entered into a new collaboration with the Monash University in Melbourne following a grant of A\$360,000 in August 2017. The grant will fund a research project of the role of LAG-3 in immune responses.

In fiscal 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. Active recruiting and patients treatments are undergoing as part of the randomized and controlled phase of the study. At the end of the fiscal year 2018, we had recruited 113 patients, reaching 211 patients in April 2019. Recruitment of all 227 patients for the AIPAC study was completed in June 2019 with first data expected in Q1 of calendar year 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 efti 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 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 15 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). Part A may be expanded to include an additional number of patients if the predefined number of patient responses to the combination treatment are observed. Recruitment is ongoing and first data is expected to be reported from the trial in Q3 of calendar year 2019.

We also expanded our collaborative studies in 2018. In particular, the "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. Immutep expects IKF to report first data from INSIGHT-004 in Q4 of calendar year 2019.

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. After 3 months of combination treatment, a 50% ORR was reported. IMP321 continues to have a good safety profile in doses up to 30 mg administered subcutaneously every 2 weeks. Immutep expects to report final data from TACTI-mel in Q4 of calendar year 2019.

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."

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 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 this clinical trial can be found at www.clinicaltrials.gov.

IMP761 Preclinical Development

On January 3, 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.

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.

CVac (Clinical Development for the Treatment of Ovarian Cancer Patients in Remission)

Prior to the acquisition of Immutep S.A., the lead program of Immutep, was CVac for the treatment of epithelial ovarian cancer patients who were in complete second remission. This disease represents a significant unmet medical need due to the high relapse rates and high morbidity associated with the disease.

After completing a strategic review of the assets after acquiring Immutep S.A. in December 2014, Immutep Limited decided to consolidate the CVac clinical trial program and seek a development partner. In May 2016 Immutep entered into a sale and exclusive licensing agreement with Sydys Corporation, Inc., a New York-based company that has been repurposed as a clinical stage biotechnology company in order to develop the CVac assets. The shares of Sydys are publicly traded in the United States.

Under the terms of the agreement, Sydys licensed Immutep's CVac related assets, including manufacturing protocols, clinical data from Phase I and Phase II trials, patents and know-how. Immutep will also sell certain assets including some equipment and inventory to Sydys. In return, Immutep received a 9.9% equity stake in Sydys at the time of closing as consideration for the assets being transferred. Given the significant capital requirements for conducting clinical trials, no upfront payment was received. However, should CVac be successfully commercialized, Immutep could receive over A\$400 million (US\$293 million) in development, regulatory and commercial milestone payments payable for achievement of set commercial sales targets, in addition to low single digit royalties on sales. As Sydys possessed no significant cash reserves at the time of the transaction and is currently a one product company, there are significant risks associated with this transaction, such as the inability of Sydys to raise sufficient funds in order to develop and commercialize CVac.

Given the clinical development of highly personalized autologous cell therapies such as CVac are considerably more complex and costly than off the shelf biologicals such as IMP321, Immutep believes that the commercialization of CVac and products such as CVac will continue to be challenging, particularly given the increasing investment and pharmaceutical industry interest in other immuno-oncology therapies being developed by Immutep and its other collaboration partners.

Intellectual Property

As of June 30, 2019, Immutep owns, co-owns or licenses 13 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 Immutept 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 Immutept will develop additional proprietary products or processes that are patentable or that we will be able to license any other patentable products or processes. Immutept 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, 2019, CVac is a registered trade mark in Australia, Europe, New Zealand, China, and the UAE. The CVac trade mark registrations are owned by the Company and have been licensed to Sydys. See “Item 4. Information on the Company B “Background—CVac Clinical Development for the Treatment of Ovarian Cancer Patients in Remission” for more information.

The Company also owns trade mark registrations for IMMUTEP in Australia, United States, Europe, China and Japan.

In fiscal 2019, we added five new patents to our portfolio: (i) three patents granted in Europe relating to IMP321, (ii) a patent granted in the United States relating to IMP321, and (iii) a patent granted in Canada relating to IMP731. A further European patent relating to IMP321 and a Japanese patent relating to IMP701 were granted in August 2019.

Patent Portfolio

The following table presents our portfolio of patents and patent applications, including their status (as at June 30, 2019) and title.

Patent Family	Title	Status	Expires
400 (IGRD and Paris XI)	Molecules binding to Glu-Pro motifs, therapeutical compositions containing them and their applications	Granted Europe	2021
500 (Immutep S.A.S.)	Vaccine composition comprising a class II MHC ligand couples with an antigen, method for the preparation and the use thereof	Granted Canada, Europe, Japan	2025
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
600 (Immutep S.A.S.)	Compositions containing LAG-3 and cells that secrete GM-CSF and the methods of use	Granted US	2028
650 (Immutep S.A.S.)	Use of recombinant LAG-3 or the derivatives thereof for eliciting monocyte immune response	Pending China, Europe 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 Australia, China, Europe, Japan, Korea, US and Hong Kong Granted in Europe	2034
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	2036
700 (Immutep S.A.S. & Novartis)	Antibody molecules to LAG-3 and uses thereof	National phase in 50 territories Granted US, 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	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, Singapore, Nigeria and South Africa	2036
762 (Immutep S.A.S.)	Anti-LAG-3 Binding Molecules	UK (priority) 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	UK (priority) 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 PDL-1 through antibody blockade. 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, eftilagimod 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 fighting 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 enhanced presentation of tumor antigens to T cells.

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 Aduro Biotech, Inc., AstraZeneca PLC, Amgen Inc., BioLineRx Ltd., Checkmate Pharmaceuticals, Inc., Gilead Sciences Inc., GlaxoSmithKline plc, Hoffmann-La Roche Ltd., Idera Pharmaceuticals, Inc., Immunomedics, Inc., Incyte Corporation, Innate Immunotherapeutics Ltd., Merck & Co, Oncosec Medical, Inc., Nektar Therapeutics, and Regeneron Pharmaceuticals, Inc., Syndax 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 currently in an advanced Phase IIb European clinical trial for a specific subset of metastatic breast cancer, specifically human epidermal growth factor receptor 2-negative (HER2-), estrogen receptor positive (ER+) metastatic breast cancer patients that have previously undergone endocrine therapy as well as possibly CDK4/6 therapy and are receiving chemotherapy.

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 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. 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 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 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 we do. 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 Immute'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 not had a material 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 IP 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, 2020
Paris, France	June 30, 2020
Berlin, Germany	February 28, 2022
Leipzig, Germany	December 31, 2019
New York, USA	February 28, 2020

ITEM 4A. UNRESOLVED STAFF COMMENTS

None.

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 incentive 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 40% tax offset for all other eligible companies. Where our turnover is less than A\$20 million, we anticipate being entitled to claim a 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 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 less than EUR 100 million, 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.

A. Operating Results

Critical Accounting Policies and Estimates

Estimates and judgements 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.

We make 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 financial year are discussed below.

Research and Development tax grant

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.

Development

The consolidated entity has expensed all internal development expenditure incurred during the 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 Intangible Assets (IAS 38)*.

Liquidity

We have experienced significant recurring operating losses and negative cash flows from operating activities since its inception. As at June 30, 2019, the Company holds cash and cash equivalents of A\$16,567,982. Subsequent to the financial year end, the Company also raised additional share capital of approximately A\$10 million. 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 Company over the next 12 months. Based on this consideration, the directors are of the view that the Company 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 Company is a key focus of the directors. This involves consideration of alternative future capital raising initiatives and an active engagement with potential retail and institutional investors alike.

Amortization of 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. 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.

Results of Operations

Comparison of Fiscal Year Ended June 30, 2019 to Fiscal Year Ended June 30, 2018

Revenue

Revenue from ordinary activities decreased from A\$2.63 million in FY2018 to A\$0.14 million in FY2019, which is attributed to lower amount of payments received from the Company's licensing partners in this fiscal year compared to the previous year.

Other Income

Other income increased by A\$2.6 million to A\$ 7.3 million for FY2019 from A\$4.7 million for FY2018.

The research material sales increased from A\$1.01 million in FY 2018 to A\$1.16 million in FY 2019 due to sales growth of our LAG-3 products used in research.

In March 2019, Immutep received a A\$0.87 million cash rebate 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 FY2018 and mainly related to our TACTI-mel trial being conducted in Australia. In addition, Immutep has recognized approximately A\$1.29 million grant income from the Australian Federal Government's R&D tax incentive program for FY 2019.

The Company's French subsidiary has also benefited from cash grants of €1.22 million (approximately A\$1.91 million) from the French Crédit d'Impôt Recherche scheme (received in August 2018) for the eligible research and development expenditures incurred in the 2017 calendar year in Europe. The French subsidiary has also recognized A\$3.05 million grant income from the French Crédit d'Impôt Recherche scheme for the expenditure incurred on eligible research and development activities conducted in calendar year 2018 and first half of calendar year 2019.

Interest income increased from A\$0.18 million in FY2018 to A\$0.40 million in FY2019. The increase was due to the increase in the level of cash held on term deposit and an increase in weighted average interest rates.

There was a net gain on fair value movement of warrants of A\$1.0 million from FY 2019. In comparison, there was a net loss on fair value movement of warrants of A\$0.19 million in FY 2018.

Research & Development and Intellectual Property Expenses

Research and development and intellectual property expenses increased by A\$6.6 million to A\$16.59 million in FY2019. The significant increase was expected and 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 fully recruited, costs related to TACTI-002 are expected to rise further if the predefined number of patient responses to the combination treatment are observed in any of the three initial patient cohorts, which would warrant further recruitment of patients for the relevant cohort.

Corporate Administrative Expenses

Corporate administrative expenses for FY2019 were A\$6.37 million compared to A\$7.24 million for FY 2018 largely due to the lower employee share-based payment expenses.

Depreciation and Amortization Expenses

Depreciation and amortization expenses increased to A\$1.9 million for FY2019 from A\$1.8 million for FY2018. This was mainly due to the foreign currency translation difference.

Net change in fair value of convertible note liability

The net change in fair value of the convertible note liability was A\$1.0 million for FY2019 compared to A\$0.9 million for FY2018. The increase was attributable to the liability component of the convertible note being measured at fair value.

Net Loss

The loss after tax for FY2019 of A\$ 18,343,984 was significantly higher compared to A\$12,746,020 for FY2018, mainly due to the increase in research and development activities and decrease in the license revenue.

Comparison of Fiscal Year Ended June 30, 2018 to Fiscal Year Ended June 30, 2017

Revenue

Revenue from ordinary activities increased from nil in FY2017 to A\$2.63 million in FY2018, which is attributed to milestone payments received from the Company's partners. In particular, in August 2017, the company received a US\$1 million milestone payment from Novartis relating to the development of IMP701, and in Jan 2018, the Company received a US\$1 million milestone payment from EOC Pharma relating to the development of IMP321 in China.

Other Income

Other income increased by A\$0.5 million to A\$ 4.7 million for FY2018 from A\$4.2 million for FY2017. The increase was primarily attributable to a A\$0.2 million increase in miscellaneous income from the LAG-3 research material sales and a A\$0.3 million increase in foreign exchange gain recognized in the fiscal year of 2018.

In March 2018, Immutep received a A\$0.7 million cash rebate 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 FY2017 and mainly related to our TACTI-mel trial being conducted in Australia. In addition, Immutep has recognized approximately A\$0.7 million grant income from the Australian Federal Government's R&D tax incentive program.

The Company's French subsidiary has also benefited from cash grants of €0.9 million (approximately A\$1.35 million) from the French Crédit d'Impôt Recherche scheme (received in August 2017) for the eligible research and development expenditures incurred in the 2016 calendar year in Europe. The French subsidiary has also recognized A\$2.5 million grant income from the French Crédit d'Impôt Recherche scheme for the expenditure incurred on eligible research and development activities conducted in FY2018. Miscellaneous income increased by A\$ 0.2 million to A\$1.0 million for FY2018 from A\$0.8 million for FY2017. This increase was primarily attributable to sales growth of manufactured product used in research.

Interest income for FY2018 was A\$ 0.18 million versus A\$0.10 million for FY2017. The increase was due to an increase in the level of cash held on term deposits and a reduction in interest rates.

Research & Development and Intellectual Property Expenses

Research and development and intellectual property expenses increased by A\$2.5 million to A\$10.0 million for FY2018 from A\$7.5 million for FY2017. The significant increase was primarily due to the increase in R&D expenses following patient recruitment for our two IMP321 related clinical trials, AIPAC and TACTI-mel, and the development of our new product candidate IMP761.

Corporate Administrative Expenses

Corporate administrative expenses for FY2018 were A\$7.2 million compared to A\$4.3 million in FY2017. This increase of A\$2.9 million was primarily due to an (i) increase of A\$0.6 million in salary expense as a result of increased headcount, (ii) an increase in non-cash expenses including A\$1.4 million in employee share-based payments and (iii) A\$0.5 million in transaction costs relating to the US capital raising.

Depreciation and Amortization Expenses

Depreciation and amortization expenses increased to A\$1.8 million for FY2018 from A\$1.7 million for FY2017. This was mainly due to the foreign currency translation difference.

Net change in fair value of convertible note liability

The net change in fair value of the convertible note liability was A\$0.9 million for FY2018 compared to A\$0.8 million for FY2017. The increase was attributable to the liability component of the convertible note being measured at fair value.

Net Loss

Whilst the loss after tax for FY2018 of A\$12,746,020 was higher compared to A\$9,367,206 for FY2017, mainly due to non-cash expenses, the operating cash outflows reduced year on year from \$8.5 million in FY2017 to \$7.8 million in FY2018.

New Accounting Standards and Interpretations Not Adopted

New and amended standards adopted by the Company

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2019 reporting periods and have not been early adopted by the company. The company's assessment of the impact of these new standards and interpretations is set out below:

- (i) AASB 16 (IFRS 16) Leases—AASB 16 (IFRS 16) was issued in February 2016. It will result in almost all leases being recognized on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognized. The only exceptions are short-term and low-value leases. The accounting for lessors will not significantly change.

The new standard will have limited impacts on the financial statements when applied to future periods, as the Group currently has no significant off-balance sheet lease commitments. The standard is mandatory for first interim periods within annual reporting periods beginning on or after 1 January 2019. The Group does not intend to adopt the standard before its effective date.

There are no other standards and interpretations that are not yet effective and that are expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

B. Liquidity and Capital Resources

Since our inception, our operations have mainly been financed through the issuance of equity securities. Additional funding has come through convertible notes, operating grants and interest earned from cash on term deposit. For further information, refer to note 15.

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/Options</u>	<u>Net Proceeds (in A\$)</u>
Ordinary Shares – private placement, repayment of convertible notes and exercise of performance rights and options	2015	522,785,260	7,580,332
Ordinary Shares – private placement, share purchase plan and exercise of performance rights and options	2016	310,136,343	13,477,930
Ordinary Shares – exercise of performance rights and options	2017	18,111,994	1
Ordinary Shares – private placement, share purchase plan and exercise of performance rights and options	2018	946,339,731	16,142,679
Ordinary Shares – private placement and exercise of warrants	2019	362,515,627	5,792,343

In December 2018, we 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 July 2019, we completed a 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.

Capital Requirements

As of June 30, 2019, we had year-end cash and cash equivalents of A\$16.6 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,		
	2019	2018	2017
	A\$	A\$	A\$
Net cash used in operating activities	(15,286,398)	(7,776,703)	(8,506,798)
Net cash used in investing activities	(41,434)	(11,893)	(6,644)
Net cash provided by (used in) financing activities	8,012,715	18,404,567	(8,532)
Net increase (decrease) in cash and cash equivalents	(7,315,117)	10,615,971	(8,521,974)
Effect of exchange rate on cash and cash equivalents	407,578	622,576	(120,600)
Cash and cash equivalents at beginning of period	23,475,521	12,236,974	20,879,548
Cash and cash equivalents at end of period	16,567,982	23,475,521	12,236,974

Operating Activities

Net cash used in operating activities was A\$15.3 million, A\$7.8 million, and A\$8.5 million during fiscal years 2019, 2018 and 2017, respectively. Payments to suppliers and employees account for almost all of the amounts above for R&D and administrative purposes. Payments to suppliers and employees increased by A\$6.0 million during fiscal year 2019 primarily due to the increased clinical trial activities, especially in TACTI-002 and AIPAC.

During fiscal years 2019, 2018 and 2017, our payments to suppliers and employees were offset by license revenue received of A\$0.1 million, A\$2.6 million and A\$ nil, respectively, interest income received of A\$0.4 million, A\$0.1 million, and A\$0.1 million, respectively, and grant income received of A\$ 2.7 million, A\$2.0 million, and A\$1.4 million, respectively.

Investing Activities

Net cash used in investing activities was A\$41,434 during fiscal year 2019, while net cash used in investing activities was A\$11,893 during fiscal year 2018 and net cash used in investing activities was A\$6,644 during fiscal year 2017. The net cash outflow for fiscal year 2019 and 2018 was due to the purchase of plant and equipment.

Financing Activities

Net cash provided by financing activities during fiscal year 2019 was A\$8.0 million and \$18.4 million during fiscal year 2018. Net cash used in financing activities was A\$8,532 for fiscal year 2017. Net cash used in or provided by financing activities during (i) fiscal 2019 was primarily attributable to the US capital raising(A\$6.6 million) and exercising of warrants (A\$1.5 million), (ii) fiscal 2018 was primarily attributable to the US capital raising(A\$5.2 million), Share placement(A\$6.9 million) and Securities Purchase Agreement (A\$6.3 million), (iii) fiscal 2017 was primarily attributable to the exercise of performance rights.

At June 30, 2019 we had A\$16.6 million in cash and cash equivalents compared with 2018, where we had A\$23.5 million in cash and cash equivalents. At June 30, 2017, we had A\$12.2 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 109 patients and our pilot Phase I TACTI-mel study for 24 patients who are being dosed with IMP321 in combination with KEYTRUDA® (pembrolizumab).

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. Off-Balance Sheet Arrangements

During fiscal years 2019, 2018 and 2017, 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.

F. Tabular Disclosure of Contractual Obligations

As of June 30, 2019, our contractual obligations were as set forth below:

<u>Contractual maturities of financial liabilities</u>	<u>Payments Due by Period</u>		
	<u>Less than 12 months</u>	<u>More than 5 years</u>	<u>Total contractual cash flows</u>
	<u>\$</u>	<u>\$</u>	<u>\$</u>
Non-Derivatives			
Trade and other payables	5,060,368	—	5,060,368
Convertible note liability	—	17,876,076	17,876,076
	<u>5,060,368</u>	<u>17,876,076</u>	<u>22,936,444</u>

We have agreements with clinical sites and contract research organizations. We make payments to these sites and organizations based upon the number of patients enrolled and the period of follow-up in the trial.

G. 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, 2019.

Name	Age	Position
Russell Howard, Ph.D. (1)	69	Chairman and Non-Executive Chairman
Pete Meyers (3)	49	Deputy Chairman and Non-Executive Director
Grant Chamberlain (2)	48	Non-Executive Director
Marc Voigt	46	Executive Director, Chief Executive Officer, Chief Financial Officer and
Frédéric Triebel	64	Chief Scientific Officer & Chief Medical Officer
Deanne Miller	42	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 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 is currently the Chief Financial Officer of Eagle Pharmaceuticals, Inc. (NASDAQ: EGRX). From May 2016 to January 2017, Mr. Meyers served as the Chief Financial Officer of Motif BioSciences Inc. (NASDAQ: MTFB; AIM: MTFB), where he led the execution of the company’s November 2016 US IPO. From August 2013 to March 2016, Mr. Meyers served as Chief Financial Officer and Treasurer of TetraLogic Pharmaceuticals Corporation (NASDAQ: TLOG), where he led the execution of the company’s December 2013 IPO and subsequent acquisition of Shape Pharmaceuticals, Inc. 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. 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 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 more than 20 years of experience in the financial and biotech industry, having joined the Immuteq team in 2011 as the General Manager, European Operations based in Berlin, Germany. In May 2012, he became Immuteq ’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 the Company 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.

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 2019.

June 30, 2019	Short-term Benefits			Post Employment Benefits	Long-term Benefits	Share-based Payments		Total
	Cash salary and fees AS	Cash bonus AS	Non Monetary AS	Super-annuation AS	Long service leave AS	Executive Performance rights AS	Options issued AS	AS
Non-Executive Directors								
Dr. R. Howard	82,192	—	265,643 ¹	7,808	—	—	—	355,643
Mr. P. Meyers	—	—	60,928 ²	—	—	—	—	60,928
Mr G Chamberlain	—	—	127,181 ³	—	—	—	—	127,181
Mr. M. Voigt	398,724	72,116	—	—	—	365,988 ^{4,5}	—	836,828
Other Key Management Personnel								
Dr. F. Triebel	272,243	39,872	—	—	—	245,666 ⁵	—	557,781
Ms. D. Miller	220,000	50,000	—	25,650	11,115	177,979 ^{4,5}	—	484,744
	<u>973,159</u>	<u>161,988</u>	<u>453,752</u>	<u>33,458</u>	<u>11,115</u>	<u>789,633</u>	<u>—</u>	<u>2,423,105</u>

- (1) Dr Russell Howard was issued 10,000,000 performance rights to vest over 4 tranches in accordance with shareholder approval received at the AGM on 16 November 2018. The 10,000,000 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. As explained in the Appendix 3Y for Dr Howard released to ASX on 22 December 2017 and the 2018 AGM notice of meeting, the total number of performance rights proposed by the Company was calculated based on 4 years of director's fees at \$60,000 p.a. divided by \$0.024 (being the 5 day VWAP up to and including 15 December 2017). However, the fair value of Dr Howard's performance rights for the purposes of this financial report reflects the prevailing share price as at the date of shareholder approval of his performance rights, in accordance with the applicable accounting standards.

The first tranche of his performance rights (2,500,000 rights) vested on 1 December 2018. (Being for continued service from 18 November 2017 to 17 November 2018). The second tranche of 2,500,000 performance rights is due to vest on 1 December 2019. (Being for continued service from 18 November 2018 to 17 November 2019); The third tranche of 2,500,000 performance rights is due to vest on 1 December 2020. (Being for continued service from 18 November 2019 to 17 November 2020); The final 2,500,000 will vest on 1 December 2021. (Being continued service from 18 November 2020 to 17 November 2021).

- (2) Mr Pete Meyers was issued 10,023,350 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 at the AGM on 25 November 2016. As indicated in the 2017 AGM notice of meeting, the number of performance rights was calculated based on 3.67 years of directors' fees at \$105,000 p.a. divided by \$0.0384 (being the 5 day VWAP up to and including 9 September 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 his performance rights (1,814,249 rights) vested on 1 October 2017. (Being for service from 1 February 2017 to 30 September 2017). The second tranche of 2,736,367 performance rights vested on 1 October 2018. (Being for service from 1 October 2017 to 30 September 2018); The third tranche of 2,736,367 performance rights is due to vest on 1 October 2019. (Being for service from 1 October 2018 to 30 September 2019); The final 2,736,367 will vest on 1 October 2020. (Being for service from 1 October 2019 to 30 September 2020).

- (3) Mr G Chamberlain was issued 13,272,356 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 17 November 2017. As indicated in the 2017 AGM notice of meeting, the number of performance rights was calculated based on 3.12 years of directors' fees at \$90,000 p.a. divided by \$0.02111 (being the 5 day VWAP up to and including 21 August 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 his performance rights (4,739,293 rights) vested on 1 October 2018. (Being for service from 21 August 2017 to 30 September 2018). The second tranche of 4,266,531 performance rights is due to vest on 1 October 2019. (Being for service from 1 October 2018 to 30 September 2019); The third tranche of 4,266,531 performance rights is due to vest on 1 October 2020. (Being for service from 1 October 2019 to 30 September 2020).

(4) Performance Rights issued in prior years vested as follows:

- On 30 October 2018, 12,254,902 performance rights were forfeited for Mr. M Voigt and 3,676,471 performance rights were forfeited for Ms. D Miller.

(5) The Performance Rights issued to Mr M Voigt, Ms D Miller and Dr F Triebel on 4 December 2017 vesting dates are as follows:

- 1/3 vested on 1 December 2017 to Mr M Voigt, Ms D Miller and Dr F Triebel.
- 1/3 vested on 1 December 2018 to Mr M Voigt, Ms D Miller and Dr F Triebel.
- 1/3 is due to vest on 1 December 2019 to Mr M Voigt, Ms D Miller and Dr F Triebel.

Service Agreements

The following members of key personnel have service agreements as at 30 June 2019 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 9 July 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 including superannuation

€250,000.

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 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.

Dr Triebel is subject to a non-competition clause which shall apply for 12 months, starting on the last effective day of work, and covers the territory of European Union. A non-competition indemnity of 33% of the average monthly gross basic remuneration paid to Dr Triebel within 12 months preceding the notification of the termination will be paid on a monthly basis to the Employee during the entirety of the non-competition period, unless the Company releases Dr Triebel from such non-competition clause, in which case the payment period will be 3 months.

Base salary including superannuation

€170,000

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 including superannuation

A\$240,900

Executive Incentive Plan

A new Executive Incentive Plan, or EIP, was approved by shareholders at the 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 financial year, and the percentage that was forfeited because the person did not meet the vesting criteria is set out below.

Name	Cash bonus		Year granted	No Granted	Share-based compensation benefits (performance rights)					
	Paid	Forfeited			Value of rights at grant date	Vested	Number of rights vested/ exercised during the year	Value of rights at exercise date*****	For feited	Financial years in which rights may vest
Mr R Howard	—	—	2018*	10,000,000	390,000	25.00	2,500,000	70,000	—	2018, 2019, 2020 & 2021
Mr P Meyers	—	—	2017**	10,023,350	370,864	45.40	2,736,367	150,500	—	2018, 2019, 2020 & 2021
Mr G Chamberlain	—	—	2017****	13,272,356	278,719	33.33	4,739,294	260,661	—	2019, 2020 & 2021
Mr M Voigt			2014***	12,254,902	472,512	—	—	—	100%	2016, 2017, 2018 & 2019
	100%	—	2017*****	50,000,000	1,200,000	66.67	16,666,667	466,667	—	2018, 2019 & 2020
Mr F Triebel	100%	—	2017*****	35,000,000	805,000	66.67	11,666,667	326,667	—	2018, 2019 & 2020
Mr D Miller			2014***	3,676,471	162,434	—	—	—	100%	2016, 2017, 2018 & 2019
	100%	—	2017*****	25,000,000	575,000	66.67	8,333,333	208,333	—	2018, 2019 & 2020

* Dr Russell Howard was issued 10,000,000 performance rights in lieu of cash for his services as a non-executive director, in accordance with shareholder approval received at the AGM on 16 November 2018.

The first tranche of his performance rights (2,500,000 rights) vested on 1 December 2018. (Being continued service from 18 November 2017 to 17 November 2018). The second tranche of 2,500,000 performance rights is due to vest on 1 December 2019. (Being continued service from 18 November 2018 to 17 November 2019); The third tranche of 2,500,000 performance rights is due to vest on 1 December 2020. (Being continued service from 18 November 2019 to 17 November 2020); The final 2,500,000 will vest on 1 December 2021. (Being continued service from 18 November 2020 to 17 November 2021).

** Mr Pete Meyers was issued 10,023,350 performance rights in lieu of cash for his services as a non-executive director, in accordance with shareholder approval received at the AGM on 25 November 2016.

The first tranche of his performance rights vested on 1 October 2017. (Being for service from 1 February 2017 to 30 September 2017). The second tranche of 2,736,367 performance rights vested on 1 October 2018. (Being for service from 1 October 2017 to 30 September 2018); The third tranche of 2,736,367 performance rights is due to vest on 1 October 2019. (Being for service from 1 October 2018 to 30 September 2019); The final 2,736,367 will vest on 1 October 2020. (Being for service from 1 October 2019 to 30 September 2020).

*** Performance rights were granted under the EIP. Short term incentive performance rights vest on 1 October 2015. Long term incentive performance rights vest in two tranches as follows:

- 75% to vest on 2 October, 2017
- 25% to vest on 1 October, 2018

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.

**** Mr Grant Chamberlain was issued 13,272,356 performance rights in lieu of cash for his services as a non-executive director, in accordance with shareholder approval received at the AGM on 17 November 2017.

The first tranche of 4,739,294 performance rights vested on 1 October 2018. (Being continued service from 21 August 2017 to 30 September 2018). The second tranche of 4,266,531 performance rights vested on 1 October 2019. (Being for service from 1 October 2018 to 30 September 2019); The final 4,266,531 will vest on 1 October 2020. (Being for service from 1 October 2019 to 30 September 2020).

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

- 1/3 vested on 1 December, 2017
- 1/3 to vest on 1 December, 2018
- 1/3 to vest on 1 December, 2019

Vesting is contingent upon the employee being continuously employed in good standing through the vesting period and meeting pre-determined KPIs. The performance rights are subject to accelerated vesting according to agreed terms in each person's employment contract.

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

- 1/3 vested on 1 December, 2017
- 1/3 to vest on 1 December, 2018
- 1/3 to vest on 1 December, 2019

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.

***** The value at the exercise date of performance rights that were granted as part of remuneration and were exercised during the 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:

- Options over ordinary shares in the company;
- Performance rights over ordinary shares in the company;
- Shares in the company that were held during the financial 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

2019	Balance at start of the year	Granted	Exercised	Other Changes ¹	Balance at end of the year	Vested and exercisable	Unvested
Options over ordinary shares							
Dr Russell Howard	—	—	—	—	—	—	—
Mr Pete Meyers	—	—	—	—	—	—	—
Mr Marc Voigt	—	—	—	—	—	—	—
Mr Grant Chamberlain	—	—	—	—	—	—	—
Ms Lucy Turnbull, AO	—	—	—	—	—	—	—
Mr Albert Wong	—	—	—	—	—	—	—

Ms Deanne Miller	—	—	—	—	—	—	—
Dr Frédéric Triebel ¹	24,000,600	—	—	(24,000,600)	—	—	—
	<u>24,000,600</u>	<u>—</u>	<u>—</u>	<u>(24,000,600)</u>	<u>—</u>	<u>—</u>	<u>—</u>

¹ The warrants expired on 12 December 2018.

(ii) Performance Rights holdings

2019	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	—	10,000,000	(2,500,000)	—	7,500,000	—	—
Mr Pete Meyers	8,209,101	—	(2,736,367)	—	5,472,734	—	—
Mr Marc Voigt	45,588,236	—	(16,666,667)	(12,254,903)	16,666,666	—	—
Mr Grant Chamberlain	13,272,356	—	(4,739,293)	—	8,533,063	—	—
Ms Deanne Miller	20,343,137	—	(8,333,333)	(3,676,471)	8,333,333	—	—
Dr Frédéric Triebel	23,333,334	—	(11,666,667)	—	11,666,667	—	—
	110,746,164	10,000,000	(46,642,327)	(15,931,374)	58,172,463	—	—

(iii) Ordinary Share holdings

2019	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	—	2,500,000	—	—	2,500,000
Mr Pete Meyers	9,534,837	2,736,367	—	—	12,271,204
Mr Marc Voigt	41,605,293	16,666,667	—	—	58,271,960
	45*	—	—	—	45
Mr Grant Chamberlain	—	4,739,293	—	—	4,739,293
Ms Deanne Miller	19,768,418	8,333,333	—	(4,957,550)	23,144,201
Dr Frédéric Triebel	32,464,375	11,666,667	—	—	44,131,042
Total ordinary shares	103,372,923	46,642,327	—	(4,957,550)	145,057,700
Total ADSs	45	—	—	—	45

* American Depository Shares (ADSs) traded on the NASDAQ.

Shares under option

Unissued ordinary shares of Immutep Limited under option at the date of this report are as follows:

Date options granted	Expiration Date	Exercise Price	Number	Listed/Unlisted Options
5 August 2015	4 August 2020	\$ 0.0237	371,445,231	Unlisted
30 October 2015	30 October 2020	\$ 0.057	793,103	Unlisted
7 March 2016	7 March 2021	\$ 0.040	1,026,272	Unlisted
5 August 2015	4 August 2025	\$ 0.025	8,475,995	Unlisted
4 July 2017	5 January 2023	US\$ 0.025*	155,371,800*	Unlisted
21 December 2018	12 February 2022	US\$ 0.025*	208,000,000*	Unlisted
			745,112,401	

No option holder has any right under the options to participate in any other share issue of the Company or any other entity.

* 1 American Depository Share (ADS) listed on NASDAQ equals 100 ordinary shares listed on ASX thus the number of warrants on issue has been grossed up and the exercise price 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, 2019.

2019 Grant date	Fair value	Balance at start of the year Number	Granted during the year Number	Exercised during the year Number	Lapsed during the year Number	Balance at end of the year Number	Vested and exercisable at end of the year Number
19 September 2014	0.044	2,757,353	—	—	(2,757,353)	—	—
19 September 2014	0.044	919,118	—	—	(919,118)	—	—
14 November 2014	0.038	9,191,177	—	—	(9,191,177)	—	—
14 November 2014	0.040	3,063,725	—	—	(3,063,725)	—	—
1 October 2015	0.060	600,000	—	—	(600,000)	—	—
1 October 2015	0.061	200,000	—	—	(200,000)	—	—
2 August 2017	0.020	3,900,000	—	(3,900,000)	—	—	—
17 November 2017	0.024	33,333,333	—	(16,666,667)	—	16,666,666	—
28 November 2017	0.023	15,000,000	—	(10,000,000)	—	5,000,000	—
29 November 2017	0.023	40,000,000	—	(20,000,000)	—	20,000,000	—
2 October 2018	0.047	—	7,751,152	—	—	7,751,152	—
		<u>108,964,706</u>	<u>7,751,152</u>	<u>(50,566,667)</u>	<u>(16,731,373)</u>	<u>49,417,818</u>	<u>—</u>

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 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:

Name	Position	Year first appointed	Current term expires
Russell Howard	Non-Executive Director	2013	November 2021
Pete Meyers	Non-Executive Director	2014	November 2020*
Grant Chamberlain	Non-Executive Director	2017	November 2020
Marc Voigt	Managing Director, CEO	2014	N/A (managing director exempt from election under constitution and Australian corporate law)

- * **Pete Meyers was re-elected for a further 3 year term in November 2017 but will stand for re-election at the November 2019 Annual General Meeting (AGM) because 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.**

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 the year ended June 30, 2019, we varied from the Recommendations in the following area:
 - At present the Board does not have a formal diversity policy as recommended by the ASX Corporate Governance Council's Principles and Recommendations. The Board believes that the Company does not have a workforce size which is significant enough to require a formal diversity policy. A diversity policy will be formalised as the Company develops and grows. At present the Board ensures that appropriate procedures and measures are introduced and responsibilities delegated to the Remuneration committee to ensure that the both the Board's and the Company's diversity objectives are met.
2. *Structure the Board to 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, 2019, we varied from the Recommendations in the following area:
 - The Board believes that we are not of a size, nor are our 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. *Promote ethical and responsible decision-making.* Companies should act ethically and responsibly.

4. *Safeguard integrity in corporate reporting.* 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 shareholders.* 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 Arising from Our U.S. Listing — the Sarbanes-Oxley Act of 2002, SEC Rules and the 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 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.

- 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.

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, 2019, we had 24 employees. Of such employees, 15 were employed in research and development, one in intellectual property management and 8 in general management and administration. Of these 24 employees, 5 were located in Australia, 5 were located in France, 13 were located in Germany and one was located in the US. As at the end of fiscal years 2017 and 2018 we had 17 and 19 employees, respectively. The number of employees increased by approximately 26% during fiscal year 2019. The increase is mainly due to the increased research and development activities with patient recruitment for our two IMP321 related clinical trials.

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, 2019 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 3,388,598,296 ordinary shares issued and outstanding as of June 30, 2019.

Name	Number of Ordinary Shares Beneficially Owned	Percentage of Ownership
Russell Howard	2,500,000*	0.08%
Pete Meyers	12,271,204*	0.36%
Marc Voigt	58,271,960	
	4,500**	1.72%
Grant Chamberlain	4,739,293*	0.14%
Deanne Miller	23,144,201*	0.68%
Frédéric Triebel	44,131,042	1.30%
All directors and executive officers as a group (6 persons) – Ordinary shares	145,057,700	
	4,500**	4.28%

* Less than 1%.

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

ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

A. Major Shareholders

The Bank of New York Mellon Corporation (BNYM), as depositary of the ADR program, owned 28.62% of our ordinary shares as at August 7, 2019. BNYM has a relevant interest in 1,106,415,590 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 Group'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 March 14, 2018, National Nominees Ltd ACF Australian Ethical Investment increased its ownership of our ordinary shares to 7.43%. On August 31, 2018, National Nominees Ltd ACF Australian Ethical Investment decreased its ownership of our ordinary shares from 7.43% to 6.35%. On September 26, 2018, National Nominees Ltd ACF Australian Ethical Investment decreased its ownership of our ordinary shares from 6.35% to 5.07%. On September 28, 2018, National Nominees Ltd ACF Australian Ethical Investment decreased its ownership of our securities below 5%. On July 17, 2019, National Nominees Ltd ACF Australian Ethical Investment increased its ownership of our ordinary shares to 5.06%. On August 9, 2019, National Nominees Ltd ACF Australian Ethical Investment decreased its ownership below 5%.

On December 24, 2018, Altium Growth GP, LLC, increased its ownership of our ordinary shares to 7.48%. On March 22, 2019 Altium Growth GP, LLC, decreased its ownership of our securities below 5%.

As of June 30, 2019, there were 11,028 holders of record of our ordinary shares, of which 7 holders, holding approximately 0.5% 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. The majority of trading by our U.S. investors is done by means of ADSs that are held of record by HSBC Custody Nominees (Australia) Ltd, which held 32.44% of our ordinary shares as of August, 15th, 2019.

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 on consolidation.

During fiscal 2019, there were no related party transactions.

During fiscal 2018, in addition to Director's fees, consultancy fees of A\$49,500 for post directorship executive duties were paid to Barton Place Pty Ltd, a corporation in which Albert Wong has a beneficial interest.

During fiscal 2017, 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, 2019, 2018 and 2017 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 as of June 30, 2019 and 2018, and for each of the three years ended June 30, 2019 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 1 December 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". Each ADS represents 100 ordinary shares.

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

On December 28, 2016, we changed the ordinary share-to-ADS ratio from 30:1 to 100:1. Per ADS sale prices for dates prior to such change are adjusted to give effect to such change.

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

In March 2018, we entered into a 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 that will evaluate the combination in several different solid tumors. The planned Phase II clinical trial, referred to as TACTI-002, will evaluate the safety and efficacy of this novel immunotherapy combination in patients with non-small cell lung cancer, head and neck cancer, or ovarian cancer. The TACTI-002 clinical trial will be a Phase II, Simon two-stage, non-comparative, open-label, single-arm, multicenter clinical study. Up to 120 patients across the three indications are planned to be treated in medical centers in Europe and the United States with the trial expected to commence in the second half of 2018. The trial combines two immuno-oncology treatments with complementary mechanisms of action, analogous to releasing the brakes and pushing the accelerator of the body’s immune system at two different positions in the cancer immunity cycle. Our efti is a first-in-class antigen presenting cell activator which stimulates cancer-fighting T cells, while KEYTRUDA is an anti-PD-1 therapy that works by increasing the ability of the body’s immune system to help detect and fight tumor cells.

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 would 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.

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.

E.1. 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 stockholders are subject to dividend withholding tax, but only to the extent the dividends are not franked.

Dividends paid to a non-resident stockholder are subject to withholding tax (a) except to the extent they have been franked and (b) at 30%, unless the stockholder 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 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 limit the tax rate 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 stockholder carries on business or provides independent personal services, respectively.

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 stockholders 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 but for certain stockholders a discount capital gain may apply if the shares have been held for 12 months or more. For individuals, this discount is 50%. Net capital gains are calculated after reduction for capital losses (including certain prior year capital losses), which may only be offset against capital gains.

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

Some non-Australian resident stockholders may hold shares on revenue rather than on capital account, for example, share traders. These stockholders 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 stockholders 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 29% for non-Australian resident individuals. Some relief from the Australian income tax may be available to such non-Australian resident stockholders under the Double Taxation Convention between the United States and Australia, for example, because the stockholder does not have a permanent establishment in Australia.

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

Dual Residency

If a stockholder were a resident of both Australia and the United States under those countries' domestic taxation laws, that stockholder may be subject to tax as an Australian resident. If, however, the stockholder is determined to be a U.S. resident for the purposes of the Double Taxation Convention between the United States and Australia, the Australian tax applicable would be limited by the Double Taxation Convention. Stockholders 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.

E.2. 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 depositary 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. As noted below, we believe there is a risk that we are a PFIC.

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 our 2019 taxable year. 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 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 IP 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, 2019		June 30, 2018	
	USD	EUR	USD	EUR
Cash in bank	10,023,299	1,556,444	7,788,802	2,163,426
Trade and other receivables	85,555	3,740,827	—	2,541,056
Trade and other payables	(921,843)	(1,267,647)	(1,226,364)	(315,485)

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

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

For:

- 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 depositary 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 depositary 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.

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, 2019, as required by Rule 13a-15(b) under the Exchange Act. Based on that evaluation, our management has concluded that, as of June 30, 2019, 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, 2019 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, 2019.

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, 2019 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 2019 and 2018.

PricewaterhouseCoopers

	Fiscal 2019	Fiscal 2018
	A\$	A\$
Audit fees	274,078	258,570
Other audit-related services in relation to US regulatory filings	22,950	—
Total remuneration of PricewaterhouseCoopers Australia	<u>297,028</u>	<u>258,570</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 Arising from our U.S. Listing—the Sarbanes-Oxley Act of 2002, SEC Rules and the 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

Immutep Ltd

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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, 2019 and June 30, 2018, 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, 2019, 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, 2019 and June 30, 2018, and the results of their operations and their cash flows for each of the three years in the period ended June 30, 2019 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
September 23, 2019

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

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

		June 30,	
	Note	2019 A\$	2018 A\$
ASSETS			
<i>Current Assets</i>			
Cash and cash equivalents	7	16,567,982	23,475,521
Current receivables	8	5,194,126	3,431,994
Other current assets	9	1,779,716	1,735,664
Total Current Assets		23,541,824	28,643,179
<i>Non-Current Assets</i>			
Plant and equipment	10	52,950	26,449
Intangibles	11	16,946,725	18,329,155
Total Non-Current Assets		16,999,675	18,355,604
TOTAL ASSETS		40,541,499	46,998,783
<i>Current Liabilities</i>			
Trade and other payables	13	5,060,368	3,663,849
Employee benefits	16	238,570	189,514
Total Current Liabilities		5,298,938	3,853,363
<i>Non-Current Liabilities</i>			
Convertible note liability	15	7,642,707	6,645,832
Warrant liability	14	3,164,413	2,945,358
Employee benefits	17	47,725	32,303
Deferred tax liability	12	—	—
Total Non-Current Liabilities		10,854,845	9,623,493
TOTAL LIABILITIES		16,153,783	13,476,856
NET ASSETS		24,387,716	33,521,927
EQUITY			
Contributed equity	18	221,091,591	213,232,719
Reserves	19	65,533,954	64,874,040
Accumulated losses	19	(262,237,829)	(244,584,832)
Equity attributable to the owners of Immutep Limited		24,387,716	33,521,927
TOTAL EQUITY		24,387,716	33,521,927

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

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

		Years ended June 30,		
	Note	2019 A\$	2018 A\$	2017 A\$
Revenue				
License revenue.		139,782	2,630,484	—
Other income				
Research material sales		1,155,065	1,008,678	800,460
Grant income		4,342,364	3,214,441	3,316,273
Net gain on foreign exchange		493,736	322,518	433
Net gain on fair value movement of warrants	14	961,176	—	—
Interest income		397,281	177,186	104,368
Total revenue and other income		7,489,404	7,353,307	4,221,534
<i>Expenses</i>				
Research & development and intellectual property	5	(16,591,201)	(9,989,830)	(7,525,744)
Corporate administrative expenses	5	(6,366,161)	(7,242,061)	(4,346,952)
Depreciation and amortization expenses	5	(1,879,151)	(1,808,929)	(1,701,615)
Net loss on fair value movement of warrants	14	—	(189,983)	—
Changes in fair value of convertible note liability	15	(996,875)	(866,848)	(751,816)
Loss before income tax expense		(18,343,984)	(12,744,344)	(10,104,593)
Income tax(expense)/ benefit	6	—	(1,676)	737,387
Loss after income tax expense for the year		(18,343,984)	(12,746,020)	(9,367,206)
Other Comprehensive Income/(Loss)				
<i>Items that may be reclassified to profit or loss</i>				
Exchange differences on the translation of foreign operations		558,415	1,329,119	(271,696)
Other comprehensive income/(loss) for the year net of tax		558,415	1,329,119	(271,696)
Total comprehensive loss for the year		(17,785,569)	(11,416,901)	(9,638,902)
Loss for the year is attributable to:				
Owners of Immutep Ltd		(18,343,984)	(12,746,020)	(9,367,206)
		(18,343,984)	(12,746,020)	(9,367,206)
Total comprehensive loss for the year is attributable to:				
Owners of Immutep Ltd		(17,785,569)	(11,416,901)	(9,638,902)
		(17,785,569)	(11,416,901)	(9,638,902)
		Cents	Cents (Restated)	Cents (Restated)
Basic loss per share	29	(0.57)	(0.49)	(0.40)
Diluted loss per share	29	(0.57)	(0.49)	(0.40)

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,		
		2019 A\$	2018 A\$	2017 A\$
Cash flows related to operating activities				
Payments to suppliers and employees (inclusive of GST)		(19,553,135)	(13,572,384)	(10,818,557)
Research material sales		1,064,840	1,005,375	800,460
License revenue		139,782	2,630,484	—
Interest received		410,630	127,033	104,368
Tax received / (paid)		—	(1,676)	21,643
Grant income		2,669,806	2,035,997	1,385,288
Payment for security deposit		(18,321)	(1,532)	—
Net cash flows used in operating activities	28	(15,286,398)	(7,776,703)	(8,506,798)
Cash flows related to investing activities				
Proceeds from disposal of plant and equipment		—	—	—
Payments for plant and equipment		(41,434)	(11,893)	(6,644)
Net cash flows used in investing activities		(41,434)	(11,893)	(6,644)
Cash flows related to financing activities*				
Proceeds from issue of shares and options	18	4,871,250	16,968,200	1
Proceeds from issue of warrants	14	2,457,259	2,755,375	—
Proceeds from exercising of warrants	14	1,457,318	—	—
Share issue transaction costs	18	(536,225)	(825,521)	(8,533)
Transaction costs of warrant issues	5	(236,887)	(493,487)	—
Net cash flows provided by (used in) financing activities		8,012,715	18,404,567	(8,532)
Net (decrease) increase in cash and cash equivalents		(7,315,117)	10,615,971	(8,521,974)
Effect of exchange rate on cash and cash equivalents		407,578	622,576	(120,600)
Cash and cash equivalents at the beginning of the year		23,475,521	12,236,974	20,879,548
Cash and cash equivalents at the end of the year	7	16,567,982	23,475,521	12,236,974

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

- Fair value movement of convertible notes disclosed in Note 15 to the financial statements
- Fair value movement of warrant liability disclosed in Note 14 to the financial statements
- Exercise of vested performance rights for no cash consideration disclosed in Note 19 to the financial statements

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

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

<u>Consolidated</u>	<u>Issued Equity</u> <u>A\$</u>	<u>Reserves</u> <u>A\$</u>	<u>Accumulated losses</u> <u>A\$</u>	<u>Total equity</u> <u>A\$</u>
Balance at July 1, 2016	194,530,932	63,258,187	(222,471,606)	35,317,513
Other comprehensive loss for the year, net of tax	—	(271,696)	—	(271,696)
Loss after income tax expense for the year	—	—	(9,367,206)	(9,367,206)
Total comprehensive loss for the year	—	(271,696)	(9,367,206)	(9,638,902)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs	(8,532)	—	—	(8,532)
Employee share based payment	—	862,227	—	862,227
Exercise of vested performance rights	830,143	(830,143)	—	—
Balance at June 30, 2017	195,352,543	63,018,575	(231,838,812)	26,532,306

<u>Consolidated</u>	<u>Issued Equity</u> <u>A\$</u>	<u>Reserves</u> <u>A\$</u>	<u>Accumulated losses</u> <u>A\$</u>	<u>Total equity</u> <u>A\$</u>
Balance at July 1, 2017	195,352,543	63,018,575	(231,838,812)	26,532,306
Other comprehensive income for the year, net of tax	—	1,329,119	—	1,329,119
Loss after income tax expense for the year	—	—	(12,746,020)	(12,746,020)
Total comprehensive income/(loss) for the year	—	1,329,119	(12,746,020)	(11,416,901)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs	16,142,679	—	—	16,142,679
Employee share based payment	—	2,263,843	—	2,263,843
Exercise of vested performance rights	1,737,497	(1,737,497)	—	—
Balance at June 30, 2018	213,232,719	64,874,040	(244,584,832)	33,521,927

<u>Consolidated</u>	<u>Issued Equity</u> <u>A\$</u>	<u>Reserves</u> <u>A\$</u>	<u>Accumulated losses</u> <u>A\$</u>	<u>Total equity</u> <u>A\$</u>
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

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

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.

(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 and amended standards adopted by the group

None of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning July 1, 2018 affected any of the amounts recognized in the current period or any prior periods.

(iii) 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.

(iv) 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.

(v) Authorization of financial statements

The financial statements were authorised for issue, in accordance with a resolution of directors, on September 23, 2019. The directors have the power to amend and reissue the financial report.

(b) Principles of consolidation

Subsidiaries are all entities (included 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.

(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.

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

(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.

(e) Revenue recognition

The Group has applied AASB 15 (IFRS15) from 1 July 2018. The accounting policy change has been applied using the modified retrospective approach and did not have any material effect on the financial position or performance of the Group. 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

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

(e) Revenue recognition (continued)

(i) License revenue (continued)

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 varies 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, and Saxony Development Bank ("Sächsische Aufbaubank") from Germany, 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.

(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

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.

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

(f) Income tax (continued)

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.

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) Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair value of the assets transferred, liabilities incurred to the former owners of the acquired business and the equity interests issued by the group. The consideration transferred also includes the fair value of any asset or liability resulting from a contingent consideration agreement, and the fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The group recognizes and non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

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. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognized directly in profit and loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

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

(g) Business combinations (continued)

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognized in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognized in profit and loss.

(h) Impairment of assets

Goodwill and intangible assets that have a definite useful life are subject to amortization and 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.

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.

(i) 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.

(j) 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.

(k) 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).

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

(k) Financial Instruments (continued)

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)

Neither financial assets at fair value through profit or loss (FVPL) nor financial assets at fair value through other comprehensive income (FVOCI) is relevant to the Group's current operation.

Impairment of financial assets

AASB 9 (IFRS 9) requires more forward-looking information to recognize expected credit losses - the 'expected credit losses (ECL) model'. The impairment of financial assets including trade receivables is now assessed using an expected credit loss model; previously the incurred loss model was used. The accounting policy change has been applied retrospectively and did not have any material effect on the financial position or performance of the Group.

Classification and measurement of financial liabilities

The Group's financial liabilities comprise trade and other payables. 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 amortized cost using the effective interest method.

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

(l) 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

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

(l) Plant and equipment (continued)

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(h)).

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

(m) 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.

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(h)).

(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

Goodwill is measured as described in (note 1(g)). Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortized 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.

(n) Trade and other payables

These amounts represent liabilities for goods and services provided to the group prior to the end of financial 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 recognized initially at their fair value and subsequently remeasured at amortized cost using the effective interest method.

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

(o) 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 recognized 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 recognized 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.

(p) Finance costs

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

(q) 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.

(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 30.

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.

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

(q) Employee benefits (continued)

(iv) Share-based payments (continued)

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.

(r) 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.

(s) 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 financial 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 financial 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.

(t) 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.

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

(u) New Accounting Standards and Interpretations not yet mandatory or early adopted

Certain new accounting standards and interpretations have been published that are not mandatory for June 30, 2019 reporting periods and have not been early adopted by the company. The company's assessment of the impact of these new standards and interpretations is set out below:

AASB 16 Leases

AASB 16 (IFRS 16) was issued in February 2016. It will result in almost all leases being recognized on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognized. The only exceptions are short-term and low-value leases. The accounting for lessors will not significantly change.

The new standard will have limited impacts on the financial statements when applied to future periods, as the Group currently has no significant off-balance sheet lease commitments. The standard is mandatory for first interim periods within annual reporting periods beginning on or after 1 January 2019. The Group does not intend to adopt the standard before its effective date. Please see note 24 for details of the Group's operating lease commitments.

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

(v) Parent entity financial information

The financial information for the parent entity, Immutep Limited, disclosed in note 31 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

Investments in subsidiaries are accounted for at cost in the financial statements of Immutep Limited.

(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.

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

(v) Parent entity financial information (continued)

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 financial 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 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 may use derivative financial instruments such as foreign exchange contracts to hedge certain risk exposures. Derivatives are exclusively used for hedging purposes, i.e. not as trading or other speculative instruments. 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 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, as derivatives held for trading and measured through the statement of comprehensive income. This policy is reviewed regularly by directors from time to time. There were no outstanding foreign exchange contracts as at June 30, 2019 and June 30, 2018.

NOTE 2. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

Foreign exchange risk (continued)

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

	June 30, 2019		June 30, 2018	
	USD	EUR	USD	EUR
Cash in bank	10,023,299	1,556,444	7,788,802	2,163,426
Trade and other receivables	85,555	3,740,827	—	2,541,056
Trade and other payables	(921,843)	(1,267,647)	(1,226,364)	(315,485)

Sensitivity

Based on the financial assets and liabilities held at 30 June 2019, 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 \$918,701 lower/\$918,701 higher (2018 – \$656,244 lower/\$656,244 higher). Based on the financial instruments held at 30 June 2019, 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 \$402,962 lower/\$402,962 higher (2018 – \$438,900 lower/\$438,900 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. 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, derivative financial instruments and deposits with banks. For banks, only independently rated parties with a minimum rating of 'A' according to ratings agencies are accepted.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings:

	June 30, 2019	June 30, 2018
	\$	\$
Cash at bank and short-term bank deposits		
Minimum rating of A	16,567,982	23,475,521

(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 \$ \$16,567,982 (2018 – \$23,475,521) 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

NOTE 2. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk (continued)

- (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, 2019	Less than 12 months \$	More than 5 years \$	Total contractual cash flows \$	Carrying Amount (assets) / liabilities \$
Non-Derivatives				
Trade and other payables	5,060,368	—	5,060,368	5,060,368
Convertible note liability (refer note 15)	—	17,876,076	17,876,076	7,642,707
	<u>5,060,368</u>	<u>17,876,076</u>	<u>22,936,444</u>	<u>12,703,075</u>

Contractual maturities of financial liabilities At June 30, 2018	Less than 12 months \$	More than 5 years \$	Total contractual cash flows \$	Carrying Amount (assets) / liabilities \$
Non-Derivatives				
Trade and other payables	3,663,849	—	3,663,849	3,663,849
Convertible note liability (refer note 15)	—	17,876,076	17,876,076	6,645,832
	<u>3,663,849</u>	<u>17,876,076</u>	<u>21,539,925</u>	<u>10,309,681</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, 2019 and June 30, 2018 on a recurring basis:

At June 30, 2019	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Liabilities				
Convertible note liability	—	—	7,642,707	7,642,707
Warrant liability	—	3,164,413	—	3,164,413
Total liabilities	<u>—</u>	<u>3,164,413</u>	<u>7,642,707</u>	<u>10,807,120</u>

At June 30, 2018	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Liabilities				
Convertible note liability	—	—	6,645,832	6,645,832
Warrant liability	—	2,945,358	—	2,945,358
Total liabilities	<u>—</u>	<u>2,945,358</u>	<u>6,645,832</u>	<u>9,591,190</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.

NOTE 2. FINANCIAL RISK MANAGEMENT *(continued)*

(d) Fair value measurements (continued)

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.

(ii) Fair value measurements using value techniques

- There are no financial instruments as at 30 June 2019 under Level 1.
- Level 2 financial instruments consist of warrant liabilities. Refer to Note 14 for details of fair value measurement.
- Level 3 financial instruments consist of convertible notes. Refer to Note 15 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 14.

The following table summarizes the quantitative information about the significant inputs used in level 3 fair value measurements:

Description	Fair value at June 30, 2019	Unobservable inputs	Range of inputs
	\$		
Convertible note	7,642,707	Face value	13,750,828
		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 financial year are discussed below.

NOTE 3. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS *(continued)*

Research and Development tax grant

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.

Development

The consolidated entity has expensed all internal development expenditure incurred during the 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*.

Liquidity

The Group has experienced significant recurring operating losses and negative cash flows from operating activities since its inception. As at 30 June 2019, the Group holds cash and cash equivalents of \$16,567,982 (2018: \$23,475,521). Subsequent to the financial year end, the company also raised additional share capital of approximately \$10 million (see note 27).

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. 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 alternative future capital raising initiatives and an active engagement with potential retail and institutional investors alike.

Amortization of 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. 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 (note 1(h)).

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.

NOTE 4. SEGMENT REPORTING (CONTINUED)

Operating segment information June 30, 2019	Cancer Immunotherapy A\$	Unallocated A\$	Consolidated A\$
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	(20,196,177)	1,852,193	(18,343,984)
Profit/(loss) before income tax expense	(20,196,177)	1,852,193	(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

June 30, 2018	Cancer Immunotherapy A\$	Unallocated A\$	Consolidated A\$
Revenue			
License revenue	2,630,484	—	2,630,484
Other income			
Research material sales	1,008,678	—	1,008,678
Grant income	3,214,441	—	3,214,441
Other income	—	322,518	322,518
Interest income	—	177,186	177,186
Total revenue and other income	6,853,603	499,704	7,353,307
Segment Result	(13,054,065)	309,721	(12,744,344)
Profit/(loss) before income tax expense	(13,054,065)	309,721	(12,744,344)
Income tax benefit			(1,676)
Loss after income tax expense			(12,746,020)
Total segment assets	46,998,783	—	46,998,783
Total segment liabilities	13,476,856	—	13,476,856

June 30, 2017	Cancer Immunotherapy A\$	Unallocated A\$	Consolidated A\$
Revenue			
License revenue	—	—	—
Other income			
Research material sales	800,460	—	800,460
Grant income	3,316,273	—	3,316,273
Other income	—	433	433
Interest income	—	104,368	104,368
Total revenue and other income	4,116,733	104,801	4,221,534
Segment Result	(10,209,394)	104,801	(10,104,593)
Profit/(loss) before income tax expense	(10,209,394)	104,801	(10,104,593)
Income tax benefit			737,387
Loss after income tax expense			(9,367,206)
Total segment assets	34,963,796	—	34,963,796
Total segment liabilities	8,431,490	—	8,431,490

NOTE 5. EXPENSES

	Consolidated		
	June 30, 2019	June 30, 2018	June 30, 2017
	AS	AS	AS
Loss before income tax includes the following specific expenses:			
Research & Development and Intellectual Property			
Research and development	15,756,727	8,972,321	6,991,151
Intellectual property management	834,474	1,017,509	534,593
Total Research & Development and Intellectual Property	16,591,201	9,989,830	7,525,744
Corporate administrative expenses			
Auditor's remuneration	297,028	258,570	234,250
Directors fee and employee expenses	1,578,583	1,703,671	1,103,512
Employee share-based payment expenses	1,581,987	2,263,843	862,227
US warrants transaction costs	236,887	493,487	—
Administrative expenses	2,671,676	2,522,490	2,146,963
Total corporate administrative expenses	6,366,161	7,242,061	4,346,952
Depreciation			
Plant and equipment	4,024	1,917	3,680
Computers	10,206	7,814	8,867
Furniture and fittings	1,269	893	1,394
Total depreciation	15,499	10,624	13,941
Amortization			
Patents	—	—	—
Intellectual property	1,863,652	1,798,305	1,687,674
Total amortization	1,863,652	1,798,305	1,687,674
Total depreciation and amortization	1,879,151	1,808,929	1,701,615
Net change in fair value of convertible note liability	996,875	866,848	751,816
Net change in fair value of warrants	(961,176)	189,983	—

NOTE 6. INCOME TAX EXPENSE

	Consolidated		
	June 30, 2019	June 30, 2018	June 30, 2017
	AS	AS	AS
Current tax			
Current tax on profits for the year	—	1,676	(43,193)
Total current tax expense	—	1,676	(43,193)
Deferred income tax			
(Decrease)/Increase in deferred tax assets	342,349	(103,660)	(419,460)
Increase/(Decrease) in deferred tax liabilities	(342,349)	103,660	(274,734)
Total deferred tax (benefit)/expense	—	—	(694,194)
Income tax (benefit)/expense	—	1,676	(737,387)

NOTE 6. INCOME TAX EXPENSE (continued)

	Consolidated		
	June 30, 2019	June 30, 2018	June 30, 2017
	A\$	A\$	A\$
Numerical reconciliation of income tax expense to prima facie tax expense			
Loss before income tax expense	(18,343,984)	(12,744,344)	(10,104,593)
Tax at the Australian tax rate of 27.5% (2017 and 2018: 27.5%)	(5,044,596)	(3,504,695)	(2,778,763)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:			
Non-deductible share based payments	435,046	807,896	234,385
Other non-deductible expenses	3,771,771	2,962,323	628,111
Non-assessable income	(1,445,111)	(883,971)	(911,975)
Capital listing fee	(99,976)	(79,152)	(64,120)
Difference in overseas tax rates*	2,040,517	828,289	811,346
	(342,349)	130,690	(2,081,016)
Net adjustment to deferred tax assets and liabilities for tax losses and temporary differences not recognized	342,349	(129,014)	1,343,629
Income tax (benefit)/expense**	—	1,676	(737,387)

* Difference in overseas tax rate is largely as a result of the corporate income tax rate of 15% applicable to the Immutep subsidiary in France for the tax year before 31 December 2018 and 10% applicable for the tax year after 1 January 2019.

** Income tax expense /(benefit) relates to tax payable in the United States prior year.

NOTE 6. INCOME TAX EXPENSE *(continued)*

	Consolidated		
	June 30, 2019	June 30, 2018	June 30, 2017
	A\$	A\$	A\$
Deferred tax assets for tax losses not recognised comprises:			
Carried forward tax losses benefit	35,493,421	33,754,731	30,987,750
Total deferred tax assets for tax losses not recognized	35,493,421	33,754,731	30,987,750

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, 2019 was \$142,688,221 (2018: \$ 126,743,409). Utilization of these tax losses is dependent on the parent entity satisfying certain tests at the time the losses are recouped.

NOTE 7. CASH AND CASH EQUIVALENTS

	Consolidated	
	June 30, 2019	June 30, 2018
	A\$	A\$
Cash on hand	360	422
Cash at bank	3,735,995	5,932,433
Cash on deposit	12,831,627	17,542,666
	16,567,982	23,475,521

The above cash and cash equivalent are held in AUD, USD, and Euro. The interest rates on these deposits range from 0% to 2.44% in 2019 (0% to 2.73% in 2018).

NOTE 8. CURRENT RECEIVABLES

	Consolidated	
	June 30, 2019	June 30, 2018
	A\$	A\$
GST receivable	267,703	170,926
Accounts receivable and R&D grants receivable	4,926,423	3,261,068
	5,194,126	3,431,994

Due to the short-term nature of these receivables, the carrying value is assumed to be their fair value at June 30, 2019. No receivables were impaired or past due.

NOTE 9. OTHER CURRENT ASSETS

	Consolidated	
	June 30, 2019	June 30, 2018
	A\$	A\$
Prepayments*	1,685,659	1,646,579
Security deposit	57,164	38,843
Accrued interest	36,893	50,242
	1,779,716	1,735,664

* Prepayments are in relation to the prepaid insurance and deposits paid to organizations involved in the clinical trials.

NOTE 10. NON-CURRENT ASSETS – PLANT AND EQUIPMENT

	Plant and Equipment A\$	Computers A\$	Furniture and fittings A\$	Total A\$
At June 30, 2017				
Cost or fair value	510,188	48,919	8,030	567,137
Accumulated depreciation	(498,948)	(37,167)	(6,820)	(542,935)
Net book amount	<u>11,240</u>	<u>11,752</u>	<u>1,210</u>	<u>24,202</u>
Year ended June 30, 2018				
Opening net book amount	11,240	11,752	1,210	24,202
Exchange differences	638	314	26	978
Additions	1,312	10,581	—	11,893
Disposals	—	—	—	—
Depreciation charge	(1,917)	(7,814)	(893)	(10,624)
Closing net book amount	<u>11,273</u>	<u>14,833</u>	<u>343</u>	<u>26,449</u>
At June 30, 2018				
Cost or fair value	524,746	61,585	8,475	594,806
Accumulated depreciation	(513,473)	(46,752)	(8,132)	(568,357)
Net book amount	<u>11,273</u>	<u>14,833</u>	<u>343</u>	<u>26,449</u>
Year ended June 30, 2019				
Opening net book amount	11,273	14,833	343	26,449
Exchange differences	353	226	(13)	566
Additions	17,027	11,051	13,356	41,434
Disposals	—	—	—	—
Depreciation charge	(4,024)	(10,206)	(1,269)	(15,499)
Closing net book amount	<u>24,629</u>	<u>15,904</u>	<u>12,417</u>	<u>52,950</u>
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>

NOTE 11. NON-CURRENT ASSETS – INTANGIBLES

	Patents A\$	Intellectual Property Assets A\$	Goodwill A\$	Total A\$
At June 30, 2017				
Cost or fair value	1,915,671	23,343,253	109,962	25,368,886
Accumulated amortization	(1,915,671)	(4,432,879)	—	(6,348,550)
Net book amount	—	18,910,374	109,962	19,020,336
Year ended June 30, 2018				
Opening net book amount	—	18,910,374	109,962	19,020,336
Exchange difference	—	1,107,124	—	1,107,124
Amortization charge	—	(1,798,305)	—	(1,798,305)
Closing net book amount	—	18,219,193	109,962	18,329,155
At June 30, 2018				
Cost or fair value	1,915,671	24,786,169	109,962	26,811,802
Accumulated amortization	(1,915,671)	(6,566,976)	—	(8,482,647)
Net book amount	—	18,219,193	109,962	18,329,155
Year ended June 30, 2019				
Opening net book amount	—	18,219,193	109,962	18,329,155
Exchange difference	—	481,222	—	481,222
Amortization charge	—	(1,863,652)	—	(1,863,652)
Closing net book amount	—	16,836,763	109,962	16,946,725
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

(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 12. DEFERRED TAX BALANCES

(i) Deferred tax assets

The balance comprises temporary differences attributable to:

	June 30, 2019 A\$	Consolidated June 30, 2018 A\$
Tax losses	2,075,951	2,732,866
Total deferred tax assets	2,075,951	2,732,866
Set-off of deferred tax liabilities pursuant to set-off provisions	(2,075,951)	(2,732,866)
Net deferred tax liabilities	—	—

NOTE 12. DEFERRED TAX BALANCES *(continued)**(ii) Deferred tax liabilities*

The balance comprises temporary differences attributable to:

	Consolidated	
	June 30, 2019 A\$	June 30, 2018 A\$
Intangible assets	2,075,951	2,732,866
Total deferred tax liabilities	2,075,951	2,732,866
Set-off of deferred tax liabilities pursuant to set-off provisions	(2,075,951)	(2,732,866)
Net deferred tax liabilities	—	—

(iii) Movements in deferred tax balances

Movement	Tax Losses A\$	Intangible Assets A\$	Total A\$
At June 30, 2018	2,732,866	(2,732,866)	—
(Charged)/credited – to profit or loss	(656,915)	656,915	—
At June 30, 2019	2,075,951	(2,075,951)	—

NOTE 13. CURRENT LIABILITIES – TRADE AND OTHER PAYABLES

	Consolidated	
	June 30, 2019 A\$	June 30, 2018 A\$
Trade payables	2,557,273	1,615,381
Other payables and accruals	2,503,095	2,048,468
	<u>5,060,368</u>	<u>3,663,849</u>

NOTE 14. NON-CURRENT LIABILITIES – US WARRANT LIABILITY

	Consolidated	
	June 30, 2019 A\$	June 30, 2018 A\$
Opening balance	2,945,358	—
July 2017 Warrants fair value at issue date	—	2,755,375
Exercising of warrants*	(1,277,028)	—
December 2018 warrants fair value at issue date	2,457,259	—
Fair value movements	(961,176)	189,983
Balance at 30 June 2019	<u>3,164,413</u>	<u>2,945,358</u>

* In September and October 2018, US investors exercised 419,733 warrants at an exercise price of US\$ 2.50 each. Immutep received US\$1.05 million (A\$1.46 million) cash payment in total.

In July 2017, the Company completed its first US capital raise after it entered into a securities purchase agreement with certain accredited investors for the company to issue American Depositary Shares (ADSs) and Warrants of the Company for cash consideration totaling \$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 have an exercise price of US\$2.50 per ADS, are exercisable immediately and will expire on 5 January 2023. The warrants do not confer any rights to dividends or a right to participate in a new issue without exercising the warrant.

NOTE 14. NON-CURRENT LIABILITIES – US WARRANT LIABILITY *(continued)*

In December 2018, the Company 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 the Company for cash consideration totaling \$7,328,509. In this private placement, the Company agreed to issue unregistered warrants to purchase up to 2,080,000 of its ADSs. The warrants have an exercise price of US\$2.50 per ADS. The Warrant may be exercised in whole or in part at any time or times up until the Warrant Expiry Date, being 12 February 2022. The warrants do not confer any rights to dividends or a right to participate in a new issue without exercising the warrant.

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.

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 30 June 2019:

December 2018 warrants

Assumption	At issue date	At 30 June 2019	Rationale
Historic volatility	59.95%	62.74%	Based on 12-month historical volatility data for the Company
Exercise price	US\$2.50	US\$2.50	As per subscription agreement
Share price	US\$2.21	US\$1.82	Closing share price on valuation date from external market source
Risk-free interest rate	2.68%	1.710%	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\$0.8474 A\$1.1814	US\$0.5598 A\$0.7982	Determined using Black-Scholes models with the inputs above
Fair value	A\$2,457,259	A\$1,660,322	Fair value of 2,080,000 warrants as at issue date and 30 June 2019

July 2017 warrants

Assumption	At issue date	At 30 June 2019	Rationale
Historic volatility	58.0%	62.74%	Based on 12-month historical volatility data for the Company
Exercise price	US\$2.50	US\$2.50	As per subscription agreement
Share price	US\$2.17	US\$1.82	Closing share price on valuation date from external market source
Risk-free interest rate	1.930%	1.710%	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 A\$1.3962	US\$0.6789 A\$0.9681	Determined using Black-Scholes models with the inputs above
Fair value	A\$2,755,375	A\$1,504,091	Fair value of 1,973,451 warrants as at issue date and fair value of 1,553,718 warrants at 30 June 2019

NOTE 15. NON CURRENT LIABILITIES – CONVERTIBLE NOTE

	Consolidated	
	June 30, 2019 A\$	June 30, 2018 A\$
Convertible note at fair value at beginning of reporting period	6,645,832	5,778,984
Net change in fair value	996,875	866,848
Convertible note at fair value at end of reporting period	7,642,707	6,645,832

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.

The 13,750,828 Convertible Notes issued have a face value of \$1.00 per note which are exercisable at a price of approximately \$0.02 per share, 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.

8,475,995 Warrants were granted to Ridgeback which are exercisable at a price of \$0.025 per share on or before August 4, 2025. 371,445,231 Warrants were granted to Ridgeback which are exercisable at a price of \$0.0237 per share on or before 4 August 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 reorganization. The Warrants do not confer any rights to dividends or a right to participate in a new issue without exercising the warrant.

(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
Risk free rate	2.734%	Based on 10 year Australian Government securities yield

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	3,223,176	—
Balance at June 30, 2019	7,642,707	41,431,774

NOTE 16. CURRENT LIABILITIES – EMPLOYEE BENEFITS

	Consolidated	
	June 30, 2019	June 30, 2018
	AS	AS
Annual leave	<u>238,570</u>	<u>189,514</u>

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 17. NON CURRENT LIABILITIES – EMPLOYEE BENEFITS

	Consolidated	
	June 30, 2019	June 30, 2018
	AS	AS
Long service leave	<u>47,725</u>	<u>32,303</u>

NOTE 18. CONTRIBUTED EQUITY

	Note	Consolidated	
		June 30, 2019	June 30, 2018
		AS	AS
Fully paid ordinary shares	18(a)	211,429,637	203,570,765
Options over ordinary shares – listed		9,661,954	9,661,954
		<u>221,091,591</u>	<u>213,232,719</u>

(a) Ordinary Shares

	Note	June 30, 2019		June 30, 2018	
		No.	AS	No.	AS
At the beginning of reporting period		3,026,082,669	203,570,765	2,079,742,938	185,690,589
Shares issued during year	18(b)	260,000,000	4,871,250	889,880,270	16,968,200
Exercise of options and warrants (Shares issued during the year)	18(b)	60,542,327	1,480,488	56,459,461	1,737,497
Exercise of warrants (Shares issued during the year)	18(b)	41,973,300	2,043,359	—	—
Transaction costs relating to share issues			(536,225)	—	(825,521)
At reporting date		<u>3,388,598,296</u>	<u>211,429,637</u>	<u>3,026,082,669</u>	<u>203,570,765</u>

(b) Shares issued

2019 Details	Number	Issue Price AS	Total AS
Shares issued under Securities Purchase Agreement	260,000,000	0.019	4,871,250
Performance rights exercised (transfer from share-based payment reserve)	60,542,327	0.024	1,480,488
Share placement			
Exercise of warrants	41,973,300	0.049	2,043,359
	<u>362,515,627</u>		<u>8,395,097</u>

NOTE 18. CONTRIBUTED EQUITY *(continued)***(b) Shares issued (continued)**

2018 Details	Number	Issue Price A\$	Total A\$
Shares issued under Securities Purchase Agreement	263,126,800	0.01	3,806,390
Performance rights exercised (transfer from share-based payment reserve)	56,459,461	0.03	1,737,497
Share placement	326,192,381	0.021	6,850,040
Shares issued under Securities Purchase Agreement	300,561,089	0.021	6,311,770
	946,339,731		18,705,697

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 financial year and options outstanding at the end of the reporting period, is set out in note 30.

Unlisted Options

Expiration Date	Exercise Price	Number
4 August 2020	\$ 0.0237	371,445,231
30 October 2020	\$ 0.057	793,103
7 March 2021	\$ 0.040	1,026,272
4 August 2025	\$ 0.025	8,475,995
5 January 2023	USD 0.025	155,371,800*
12 February 2022	USD 0.025	208,000,000*
Total		745,112,401

* 1 American Depositary Shares (ADS) listed on NASDAQ equals 100 ordinary shares listed on ASX thus the number of warrants on issue has been grossed up and the exercise price 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.

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.

NOTE 18. CONTRIBUTED EQUITY (continued)**(b) Shares issued (continued)**

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 19. EQUITY – RESERVES AND RETAINED EARNINGS

	Consolidated	
	June 30, 2019 AS	June 30, 2018 AS
(a) Reserves		
Options issued reserve	19,116,205	19,116,205
Conversion feature of convertible note reserve	41,431,774	41,431,774
Foreign currency translation reserve	1,654,783	1,096,368
Share-based payment reserve	3,331,192	3,229,693
	65,533,954	64,874,040
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 and closing balance	41,431,774	41,431,774
Movement in foreign currency translation reserve were as follows:		
Opening balance	1,096,368	(232,751)
Currency translation differences arising during the year	558,415	1,329,119
Ending balance	1,654,783	1,096,368
Movement in share-based payment reserve were as follows:		
Opening balance	3,229,693	2,703,347
Employee options issued during the year	1,581,987	2,263,843
Exercise of vested performance rights	(1,480,488)	(1,737,497)
Ending balance	3,331,192	3,229,693
(b) Accumulated losses		
Movement in accumulated losses were as follows:		
Opening balance	(244,584,832)	(231,838,812)
Net loss for the year	(18,343,984)	(12,746,020)
Exercise of warrants	690,987	—
Balance	(262,237,829)	(244,584,832)

(c) Nature and purpose of reserves*(i) Options issued reserve*

On August 4, 2015 warrants were granted to Ridgeback Capital Investments. 8,475,995 Warrants were granted which are exercisable at a price of \$0.025 per share on or before August 4, 2025. 371,445,231 Warrants were granted which are exercisable at a price of \$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 reorganization. The Warrants do not confer any rights to dividends or a right to participate in a new issue without exercising the warrant. For further information, refer to note 15.

In December 2014, the Company issued 200,000,000 warrants at an exercise price of \$0.05019 to the vendors of Immutep S.A. The warrants issued to the vendors of Immutep S.A expired on 12 December 2018. Each warrant was exercisable for one ordinary share in the capital of the Company. For the year ended 30 June 2019, 2018 and 2017 no warrants were exercised by vendors of Immutep S.A., 52,371,500 warrants were previously exercised by the vendors of Immutep S.A.

NOTE 19. EQUITY – RESERVES AND RETAINED EARNINGS (continued)*(ii) 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 15.

(iii) Foreign currency translation reserve

Exchange differences arising on translation of the foreign controlled entity are 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.

(iv) 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 30.

NOTE 20. DIVIDENDS

There were no dividends paid or declared during the current or previous fiscal year.

NOTE 21. KEY MANAGEMENT PERSONNEL DISCLOSURES**(a) Directors and key management personnel compensation**

	Consolidated		
	June 30, 2019	June 30, 2018	June 30, 2017
	A\$	A\$	A\$
Short-term employee benefits	1,588,899	1,521,119	1,256,272
Long-term employee benefits	11,115	11,429	6,879
Post-employment benefits	33,458	36,370	38,184
Share-based payments	789,633	1,740,238	637,637
	<u>2,423,105</u>	<u>3,309,156</u>	<u>1,938,972</u>

(b) Equity instrument disclosures relating to key management personnel*(i) Options provided as remuneration and shares issued on exercise of such options*

For details of options provided as remuneration and shares issued on the exercise of such options, together with terms and conditions of the options, please refer to note 30.

NOTE 21. KEY MANAGEMENT PERSONNEL DISCLOSURES (CONTINUED)

(b) Equity instrument disclosures relating to key management personnel (continued)

(ii) Shareholding

The numbers of shares in the company held during the financial 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.

June 30, 2019	Balance at start of the year	Received during the year on the 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	—	2,500,000	—	—	2,500,000
Mr. Pete Meyers	9,534,837	2,736,367	—	—	12,271,204
Mr. Marc Voigt	41,605,293	16,666,667	—	—	58,271,960
	45	—	—	—	45
Mr Grant Chamberlain	—	4,739,293	—	—	4,739,293
Ms. Deanne Miller	19,768,418	8,333,333	—	(4,957,550)	23,144,201
Dr. Frédéric Triebel	32,464,375	11,666,667	—	—	44,131,042
Total ordinary shares	103,372,923	46,642,327	—	(4,957,550)	145,057,700
Total ADSs	45	—	—	—	45

* American Depositary Shares (ADSs) traded on the NASDAQ

June 30, 2018	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	—	—	—	—	—
Mr Pete Meyers	6,862,744	2,672,093	—	—	9,534,837
Mr Marc Voigt	18,271,960	23,333,333	—	—	41,605,293
	45*	—	—	—	45
Mr Grant Chamberlain	—	—	—	—	—
Ms Lucy Turnbull, AO**	20,359,576	—	—	(20,359,576)	—
Mr Albert Wong**	3,837,500	—	—	(3,837,500)	—
Ms Deanne Miller	8,243,572	12,333,334	—	(808,488)	19,768,418
Dr Frédéric Triebel	15,978,049	16,486,326	—	—	32,464,375
Total ordinary shares	73,553,401	54,825,086	—	(25,005,564)	103,372,923
Total ADSs	45	—	—	—	45

* American Depositary Shares (ADSs) traded on the NASDAQ

** At the date of resignation, the shareholding balance for Ms Lucy Turnbull and Mr Albert Wong are 20,359,576 shares and 3,837,500 shares respectively. The changes during the year is not the actual disposal of the shares. It represents derecognition due to the fact that they ceased to be directors of the company.

NOTE 21. KEY MANAGEMENT PERSONNEL DISCLOSURES *(continued)*

(b) Equity instrument disclosures relating to key management personnel (continued)

(ii) Shareholding (continued)

June 30, 2017	Balance at start of the year	Received during the year on the 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					
Ms. Lucy Turnbull, AO	20,359,576	—	—	—	20,359,576
Mr. Albert Wong	3,837,500	—	—	—	3,837,500
Dr. Russell Howard	—	—	—	—	—
Mr. Pete Meyers	4,289,215	2,573,529	—	—	6,862,744
Mr. Marc Voigt	11,605,293	6,666,667	—	—	18,271,960
	150*	—	—	(105)*	45*
Ms. Deanne Miller	4,950,980	4,000,000	—	(707,408)	8,243,572
Dr. Frédéric Triebel	12,644,716	3,333,333	—	—	15,978,049
Total ordinary shares	57,687,280	16,573,529	—	(707,408)	73,553,401
Total ADSs	150	—	—	(105)	45

* American Depositary Shares (ADSs) traded on the NASDAQ. The change is due to the change of ADS ratio from 30:1 to 100:1 during the fiscal year 2017.

(iii) Option holdings

The number of options over ordinary shares in the parent entity held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

June 30, 2019	Balance at start of the year	Granted	Exercised	Other Changes	Balance at end of the year	Vested and exercisable	Unvested
Options over ordinary shares							
Dr. Russell Howard	—	—	—	—	—	—	—
Mr. Pete Meyers	—	—	—	—	—	—	—
Mr. Marc Voigt	—	—	—	—	—	—	—
Mr Grant Chamberlain	—	—	—	—	—	—	—
Ms. Deanne Miller	—	—	—	—	—	—	—
Dr Frédéric Triebel ¹	24,000,600	—	—	(24,000,600)	—	—	—
	24,000,600	—	—	(24,000,600)	—	—	—

¹ This amount represents warrants which were issued to Dr Frédéric Triebel upon the acquisition of Immutep. The above options lapsed during the year ended 30 June 2019.

NOTE 21. KEY MANAGEMENT PERSONNEL DISCLOSURES *(continued)*

(b) Equity instrument disclosures relating to key management personnel (continued)

(ii) Option holdings (continued)

June 30, 2018	Balance at start of the year	Granted	Exercised	Other Changes	Balance at end of the year	Vested and exercisable	Unvested
Options over ordinary shares							
Dr. Russell Howard	—	—	—	—	—	—	—
Mr. Pete Meyers	—	—	—	—	—	—	—
Mr. Marc Voigt ¹	643,629	—	—	(643,629)	—	—	—
Mr Grant Chamberlain	—	—	—	—	—	—	—
Ms Lucy Turnbull, AO	—	—	—	—	—	—	—
Mr Albert Wong	—	—	—	—	—	—	—
Ms. Deanne Miller ¹	121,212	—	—	(121,212)	—	—	—
Dr Frédéric Triebel ²	<u>24,000,600</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>24,000,600</u>	<u>24,000,600</u>	<u>—</u>
	<u>24,765,441</u>	<u>—</u>	<u>—</u>	<u>(764,841)</u>	<u>24,000,600</u>	<u>24,000,600</u>	<u>—</u>

¹ The above options lapsed during the year ended 30 June 2018.

² This amount represents warrants which were issued to Dr Frédéric Triebel upon the acquisition of Immutep.

June 30, 2017	Balance at start of the year	Granted	Exercised	Other Changes	Balance at end of the year	Vested and exercisable	Unvested
Options over ordinary shares							
Ms. Lucy Turnbull, AO ¹	4,439,894	—	—	(4,439,894)	—	—	—
Mr. Albert Wong	—	—	—	—	—	—	—
Dr. Russell Howard	—	—	—	—	—	—	—
Mr. Pete Meyers	—	—	—	—	—	—	—
Mr. Marc Voigt ¹	721,754	—	—	(78,125)	643,629	643,629	—
Ms. Deanne Miller	121,212	—	—	—	121,212	121,212	—
Dr Frédéric Triebel	<u>24,000,600</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>24,000,600</u>	<u>24,000,600</u>	<u>—</u>
	<u>29,283,460</u>	<u>—</u>	<u>—</u>	<u>(4,518,019)</u>	<u>24,765,441</u>	<u>24,765,441</u>	<u>—</u>

¹ The above options lapsed during the year ended 30 June 2017.

NOTE 21. KEY MANAGEMENT PERSONNEL DISCLOSURES *(continued)*
(iv) Performance rights holdings

The number of performance rights over ordinary shares in the parent entity held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

June 30, 2019	Balance at start of the year	Granted	Exercised	Other Changes	Balance at end of the year	Vested and exercisable	Unvested
Rights over ordinary shares							
Dr. Russell Howard	—	10,000,000	(2,500,000)	—	7,500,000	—	7,500,000
Mr. Pete Meyers	8,209,101	—	(2,736,367)	—	5,472,734	—	5,472,734
Mr. Marc Voigt	45,588,236	—	(16,666,667)	(12,254,903)	16,666,666	—	16,666,666
Mr Grant Chamberlain	13,272,356	—	(4,739,293)	—	8,533,063	—	8,533,063
Ms. Deanne Miller	20,343,137	—	(8,333,333)	(3,676,471)	8,333,333	—	8,333,333
Dr. Frédéric Triebel	23,333,334	—	(11,666,667)	—	11,666,667	—	11,666,667
	110,746,164	10,000,000	(46,642,327)	(15,931,374)	58,172,463	—	58,172,463
June 30, 2018	Balance at start of the year	Granted	Exercised	Other Changes	Balance at end of the year	Vested and exercisable	Unvested
Rights over ordinary shares							
Dr. Russell Howard	—	—	—	—	—	—	—
Mr. Pete Meyers	10,881,194	—	(2,672,093)	—	8,209,101	—	8,209,101
Mr. Marc Voigt	18,921,569	50,000,000	(23,333,333)	—	45,588,236	—	45,588,236
Mr Grant Chamberlain	—	13,272,356	—	—	13,272,356	—	13,272,356
Ms Lucy Turnbull, AO	—	—	—	—	—	—	—
Mr Albert Wong	—	—	—	—	—	—	—
Ms. Deanne Miller	7,676,471	25,000,000	(12,333,334)	—	20,343,137	—	20,343,137
Dr. Frédéric Triebel	4,819,660	35,000,000	(16,486,326)	—	23,333,334	—	23,333,334
	42,298,894	123,272,356	(54,825,086)	—	110,746,164	—	110,746,164
June 30, 2017	Balance at start of the year	Granted	Exercised	Other Changes	Balance at end of the year	Vested and exercisable	Unvested
Rights over ordinary shares							
Ms. Lucy Turnbull, AO	—	—	—	—	—	—	—
Mr. Albert Wong	—	—	—	—	—	—	—
Dr. Russell Howard	—	—	—	—	—	—	—
Mr. Pete Meyers	3,431,373	10,023,350	(2,573,529)	—	10,881,194	—	10,881,194
Mr. Marc Voigt	25,588,236	—	(6,666,667)	—	18,921,569	—	18,921,569
Ms. Deanne Miller	11,676,471	—	(4,000,000)	—	7,676,471	—	7,676,471
Dr. Frédéric Triebel	8,152,993	—	(3,333,333)	—	4,819,660	—	4,819,660
	48,849,073	10,023,350	(16,573,529)	—	42,298,894	—	42,298,894

NOTE 22. 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

	Consolidated		
	June 30, 2019	June 30, 2018	June 30, 2017
	A\$	A\$	A\$
Audit fees			
PricewaterhouseCoopers Australia			
Audit or review of the financial report	274,078	258,570	234,250
Other audit and assurance services in relation to regulatory filings overseas	22,950	—	200,000
Total remuneration of PricewaterhouseCoopers Australia	297,028	258,570	434,250

NOTE 23. CONTINGENT LIABILITIES

There were no material contingent liabilities in existence at June 30, 2019 and June 30, 2018.

NOTE 24. COMMITMENTS FOR EXPENDITURE

	Consolidated	
	30 June 2019	30 June 2018
	\$	\$
Lease commitments—operating		
Committed at the reporting date but not recognized as liabilities, payable:		
Within one year	126,148	117,562
One to five years	137,417	21,600
	263,565	139,162

Operating lease commitments includes contracted amounts for leases of premises under non-cancellable operating leases expiring within three years. On renewal, the terms of the leases are renegotiated.

NOTE 25. RELATED PARTY TRANSACTIONS

Parent entity

Immutep Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 26.

Key management personnel

Disclosures relating to key management personnel are set out in note 21.

Transactions with related parties

The following transaction occurred with related parties:

	Consolidated	
	30 June 2019	30 June 2018
	\$	\$
In addition to Director's fees, Consultancy fees for post directorship executive duties were paid to Barton Place Pty Ltd, a corporation in which Albert Wong has a beneficial interest	—	49,500

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 26. 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, 2019	June 30, 2018
		%	%
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 27. EVENTS OCCURRING AFTER THE REPORTING DATE

On 9 July 2019, the company announced a capital raising comprised of A\$4 million institutional placement and A\$6 million fully underwritten entitlement offer. The company completed the placement on 17 July 2019 and the entitlement offer on 6 August 2019, successfully raising A\$10 million.

In September 2019 Immutep announced that it would receive a £4 million (A\$7.39 million) milestone payment from GSK related to the first patient being dosed in GSK's Phase II clinical trial evaluating GSK2831781 in ulcerative colitis.

NOTE 28. RECONCILIATION OF LOSS AFTER INCOME TAX TO NET CASH USED IN OPERATING ACTIVITIES

	Consolidated		
	June 30, 2019	June 30, 2018	June 30, 2017
	A\$	A\$	A\$
Loss after income tax expense for the year	(18,343,984)	(12,746,020)	(9,367,206)
Adjustments for:			
Depreciation and amortization	1,879,151	1,808,929	1,701,615
Share based payments	1,581,987	2,263,843	862,227
Changes in fair value of US investor warrants	(961,176)	189,983	—
US warrants transaction costs	236,887	493,487	—
Unrealized gain on exchange through the profit and loss	(330,951)	(401,557)	(218,567)
Net change in fair value of convertible note liability	996,875	866,848	751,816
Change in operating assets and liabilities:			
(Increase) in current receivables	(1,762,132)	(1,237,978)	(2,025,716)
(Increase) in other operating assets	(44,052)	(247,396)	(865,245)
Increase in trade and other payables	1,396,519	1,075,067	1,377,141
Increase/(decrease) in employee benefits	64,478	158,091	(7,120)
(Decrease) in income tax payable	—	—	(21,549)
(Decrease) in deferred tax liability	—	—	(694,194)
Net cash used in operating activities	<u>(15,286,398)</u>	<u>(7,776,703)</u>	<u>(8,506,798)</u>

NOTE 29. EARNINGS PER SHARE

	Consolidated		
	June 30, 2019 A\$	June 30, 2018 A\$	June 30, 2017 A\$
Loss after income tax attributable to the owners of Immutep Limited	(18,343,984)	(12,746,020)	(9,367,206)
	Number	Number (Restated)*	Number (Restated)*
Weighted average number of ordinary shares used in calculating basic earnings per share	3,225,576,280	2,624,714,274	2,370,387,786
Weighted average number of ordinary shares used in calculating diluted earnings per share	3,225,576,280	2,624,714,274	2,370,387,786
	Cents	Cents (Restated)*	Cents (Restated)*
Basic earnings per share	(0.57)	(0.49)	(0.40)
Diluted earnings per share	(0.57)	(0.49)	(0.40)

* The Group updated the 2018 and 2017 EPS figure to reflect the bonus shares issue arising from the capital raising in fiscal year 2019.

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, 2019 A\$	June 30, 2018 A\$	June 30, 2017 A\$
Unlisted options	381,740,601	529,369,101	531,049,969
Convertible notes	826,269,809	797,171,907	727,075,050
Performance rights	49,417,818	108,964,706	33,852,075
Non-executive director rights	21,505,797	21,481,457	10,881,194
US warrants*	363,371,800	197,345,100	—

* 1 American Depository Shares (ADS) listed on NASDAQ equals 100 ordinary shares listed on ASX thus the number of warrants on issue has been grossed up.

NOTE 30. 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 2015 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.

NOTE 30. 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:

2019		Fair value	Balance at start of the year Number	Granted during the year Number	Exercised during the year Number	Lapsed during the year Number	Balance at end of the year Number	Vested and exercisable at end of the year Number
Grant date								
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	—	—

2018		Fair value	Balance at start of the year Number	Granted during the year Number	Exercised during the year Number	Lapsed during the year Number	Balance at end of the year Number	Vested and exercisable at end of the year Number
Grant date								
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	—	—
August 5, 2015	0.047	14,000,001	—	(14,000,001)	—	—	—	—
October 1, 2015	0.060	600,000	—	—	—	600,000	—	—
October 1, 2015	0.061	200,000	—	—	—	200,000	—	—
March 7, 2016	0.041	1,486,326	—	(1,486,326)	—	—	—	—
February 10, 2017	0.035	1,634,375	—	(1,634,375)	—	—	—	—
2 August 2017	0.020	—	3,900,000	—	—	3,900,000	—	—
November 17, 2017	0.024	—	50,000,000	(16,666,667)	—	33,333,333	—	—
November 28, 2017	0.023	—	15,000,000	—	—	15,000,000	5,000,000	—
November 29, 2017	0.023	—	60,000,000	(20,000,000)	—	40,000,000	—	—
Total		33,852,075	128,900,000	(53,787,369)	—	108,964,706	5,000,000	—

The fair value at grant date for Short Term Incentive (STI) 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.

NOTE 30. SHARE-BASED PAYMENTS *(continued)***(a) Executive Incentive Plan (EIP) (continued)**

The model inputs for STI performance rights granted during the 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%

The model inputs for STI performance rights granted during the year ended June 30, 2018 included:

<u>Grant date</u>	<u>August 2, 2017</u>	<u>November 17, 2017</u>	<u>November 28, 2017</u>	<u>November 28, 2017</u>
Share price at grant date	\$ 0.020	\$ 0.024	\$ 0.023	\$ 0.023
Expected price volatility of the Company's shares	49%	73%	74%	74%
Expected dividend yield	Nil	Nil	Nil	Nil
Risk-free interest rate	1.75%	1.79%	1.88%	1.73%

The model inputs for STI performance rights granted during the year ended June 30, 2017 included:

<u>Grant date</u>	<u>February 10, 2017</u>
Share price at grant date	\$ 0.035
Expected price volatility of the Company's shares	54%
Expected dividend yield	Nil
Risk-free interest rate	1.80%

NOTE 30. SHARE-BASED PAYMENTS *(continued)***(a) Executive Incentive Plan (EIP) (continued)**

Set out below are summaries of options granted under the EIP:

There are no outstanding options under EIP at the beginning of the financial year 2019 and no option was granted during the year ended 30 June 2019.

2018								
Grant date	Expiry date	Exercise price	Balance at start of the year Number	Granted during the year Number	Exercised during the year Number	Forfeited during the year Number	Balance at end of the year Number	Vested and exercisable at end of the year Number
December 23, 2013	June, 30, 2018	0.0774	1,515,752	—	—	(1,515,752)	—	—
January 24, 2014	June, 30, 2018	0.0774	165,116	—	—	(165,116)	—	—
Total			1,680,868	—	—	(1,680,868)	—	—

2017								
Grant date	Expiry date	Exercise price	Balance at start of the year Number	Granted during the year Number	Exercised during the year Number	Forfeited during the year Number	Balance at end of the year Number	Vested and exercisable at end of the year Number
December 23, 2013	June, 30, 2018	0.0774	1,515,752	—	—	—	1,515,752	1,515,752
January 24, 2014	June, 30, 2018	0.0774	165,116	—	—	—	165,116	165,116
Total			1,680,868	—	—	—	1,680,868	1,680,868

Weighted average exercise price

0.0774

0.0774

No options expired during the periods covered by the above tables.

Fair value of options granted

No options were granted during the year ended June 30, 2019 (2018 – Nil).

NOTE 30. SHARE-BASED PAYMENTS (continued)

(b) Performance rights issued to non-executive directors with shareholders' approval

At the 2018 annual general meeting, shareholders approved the issue of 10,000,000 performance rights to Dr Russell Howard in lieu of cash for his services as a non-executive director. When exercisable, each performance right is convertible into one ordinary share. The weighted average remaining contractual life of performance rights outstanding at the end of the period was less than 1.0 year.

Set out below are summaries of performance rights granted with shareholders' approval.

2019 Grant date	Type of performance right granted	Fair value	Balance at start of the year Number	Granted during the year Number	Exercised during the year Number	Lapsed during the year Number	Balance at end of the year Number	Vested and exercisable at end of the 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	—

2018 Grant date	Type of performance right granted	Fair value	Balance at start of the year Number	Granted during the year Number	Exercised during the year Number	Lapsed during the year Number	Balance at end of the year Number	Vested and exercisable at end of the year Number
November 14, 2014	Director rights	0.037	857,844	—	(857,844)	—	—	—
November 25, 2016	Director rights	0.038	10,023,350	—	(1,814,249)	—	8,209,101	—
November 17, 2017	Director rights	0.024	—	13,272,356	—	—	13,272,356	—
Total			10,881,194	13,272,356	(2,672,093)	—	21,481,457	—

2017 Grant date	Type of performance right granted	Fair value	Balance at start of the year Number	Granted during the year Number	Exercised during the year Number	Lapsed during the year Number	Balance at end of the year Number	Vested and exercisable at end of the year Number
November 14, 2014	Director rights	0.037	3,431,373	—	(2,573,529)	—	857,844	—
November 25, 2016	Director rights	0.038	—	10,023,350	—	—	10,023,350	—
Total			3,431,373	10,023,350	(2,573,529)	—	10,881,194	—

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 year ended 30 June 2019 included:

Grant date	16 November 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%

NOTE 30. SHARE-BASED PAYMENTS *(continued)***(b) Performance rights issued to non-executive directors with shareholders' approval (continued)**

The model inputs for STI performance rights granted during the year ended June 30, 2018 included:

Grant date	17 November 2017
Share price at grant date	\$ 0.024
Expected price volatility of the Company's shares	73%
Expected dividend yield	Nil
Risk-free interest rate	1.79%

(c) Options issued to other parties

During the financial year ended June 30, 2016, options were issued to Ridgeback Capital Investments and Trout Group LLC and eligible to be exercised.

Set out below is a summary of the options granted to both parties:

2019 Grant date	Expiry date	Exercise price	Balance at start of the year Number	Granted during the year Number	Exercised during the year Number	Forfeited during the year Number	Balance at end of the year Number	Vested and exercisable at end of the year Number
July 31, 2015	August 5, 2020	0.0237	371,445,231	—	—	—	371,445,231	371,445,231
July 31, 2015	August 5, 2021	0.025	8,475,995	—	—	—	8,475,995	8,475,995
October 30, 2015	October 30, 2020	0.057	793,103	—	—	—	793,103	793,103
March 7, 2016	March 7, 2021	0.040	1,026,272	—	—	—	1,026,272	1,026,272
Total			381,740,601	—	—	—	381,740,601	381,740,601

Fair value of options granted

There were no options granted during the year ended June 30, 2019 (2018 – 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.

(d) Warrants issued to US investors

In December 2018, the Company completed its second US capital raise. In this private placement, the Company agreed to issue unregistered warrants to purchase up to 2,080,000 ADSs. Please refer to note 14 for more details.

(e) 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, 2019 A\$	June 30, 2018 A\$
Employee share-based payment expense	1,581,987	2,263,843
	1,581,987	2,263,843

Share-based payment transactions with employees are recognized during the period as a part of corporate and administrative expenses.

NOTE 31. PARENT ENTITY INFORMATION

Set out below is the supplementary information about the parent entity.

Statement of comprehensive loss

	Parent		
	June 30, 2019	June 30, 2018	June 30, 2017
	A\$	A\$	A\$
Loss after income tax	(17,872,089)	(14,687,752)	(8,526,159)
Total comprehensive loss	(17,872,089)	(14,687,752)	(8,526,159)

Statement of financial position

	Parent	
	June 30, 2019	June 30, 2018
	A\$	A\$
Total current assets	16,552,243	23,589,353
Total non current assets	17,596,298	18,698,068
Total assets	34,148,541	42,287,421
Total current liabilities	514,516	615,027
Total non current liabilities	11,813,178	10,630,814
Total liabilities	12,327,694	11,245,841
Equity		
— Contributed equity	221,091,591	213,232,719
— Reserves	65,407,796	64,615,312
— Accumulated losses	(264,678,540)	(246,806,451)
Total equity	21,820,847	31,041,580

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 23 for details in relation to contingent liabilities as at June 30, 2019 and June 30, 2018.

Capital commitments – Property, plant and equipment

The parent entity did not have any capital commitments for property, plant and equipment at as June 30, 2019 and June 30, 2018.

ITEM 19. EXHIBITS

The following exhibits are filed as part of this Annual Report on Form 20-F:

EXHIBIT INDEX

Exhibit	Description	Incorporated by Reference			
		Schedule/ Form	File Number	Exhibit	File Date
1.1	<u>Constitution of Registrant</u>	20-F	001-35428	1.1	2/13/12
2.1	<u>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</u>	20-F	001-35428	2.1	4/2/12
2.2	<u>Subscription Agreement between Prima BioMed Ltd and Ridgeback Capital Investments L.P., dated May 14, 2015, as amended (including form warrants and notes)</u>	20-F	001-35428	2.2	10/30/15
2.3	<u>Form of American Depositary Share Purchase Warrant</u>	6-K	001-35428	99.3	6/29/17
2.4	<u>Form of American Depositary Share Purchase Warrant</u>	6-K	001-35428	99.3	12/19/18
4.1#	<u>Immutep Executive Incentive Plan</u>				
4.2+	<u>Employment Agreement between Prima BioMed and Marc Voigt, effective July 1, 2012</u>	20-F	001-35428	4.15	10/3/12
4.3+	<u>Chief Executive Officer Employment Agreement between Prima BioMed and Marc Voigt, effective July 9, 2014</u>	20-F	001-35428	4.15.1	9/24/14
4.4+	<u>Executive and Business Manager Employment Contract between Prima Biomed GmbH and Marc Voigt, effective July 9, 2014</u>	20-F	001-35428	4.15.2	9/24/14
4.5+	<u>Variation to Executive Employment Agreement between Prima BioMed and Marc Voigt, effective June 1, 2015</u>	20-F	001-35428	4.15.3	10/30/15
4.6+	<u>Variation to the Amendment to the Indefinite Term Employment Contract, by and between Immutep S.A. and Frédéric Triebel, effective March 1, 2016</u>	20-F	001-35428	4.17	10/3/16
4.7+	<u>Employment Agreement between Prima BioMed and Deanne Miller, dated October 13, 2012</u>	20-F	001-35428	4.16	10/30/13
4.8+	<u>Variation to Executive Employment Agreement between Prima BioMed and Deanne Miller, effective February 1, 2013</u>	20-F	001-35428	4.16.1	10/30/13
4.9+	<u>Variation to Executive Employment Agreement between Prima BioMed and Deanne Miller, effective June 1, 2015</u>	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.				
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				
101.INS	XBRL Instance Document				
101.SCH	XBRL Taxonomy Extension Schema Document				
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document				
101.LAB	XBRL Taxonomy Extension Labels Linkbase Document				
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document				
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document				

* 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.

† Confidential treatment requested. Confidential information omitted and filed separately with the Securities and Exchange Commission.

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.

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 instructions to Form 20-F, the certification 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.

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: September 23, 2019

Executive Incentive Plan

IMMUTEP LIMITED

ACN 009 237 889

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1. Definition and Interpretation

1.1 Definitions

In these Rules, unless the contrary intention appears, the following words have the following meanings:

Term:	Definition:
Applicable Laws	any one or more or all, as the context requires of: (a) the Corporations Act; (b) the Listing Rules; (c) the Company's Constitution; (d) Taxation Laws; (e) any practice note, policy statement, regulatory guide, class order, declaration, guidance, policy, procedure, ruling, judicial interpretation or other guidance note made to clarify, expand or amend paragraphs (a) to (d) above; and (f) any other legal requirement that applies to the Plan.
ASX	ASX Limited ACN 008 624 691.
Board	all or some of the Directors acting as a board.
Cessation Date	the date on which a Participant ceases to be an employee of the Company.
Company	Immutep Limited ACN 009 237 889.
Corporations Act	<i>Corporations Act 2001</i> (Cth).
Dealing	in relation to a Performance Right or an Option (as the case may be), any dealing, including: (a) a sale, transfer, assignment, declaration of trust, creation of an encumbrance, provision of an option, swap or any alienation of all or any part of the rights attaching to the Performance Right or Option; (b) any attempt to do any of the actions set out in paragraph (a) above; and (c) any hedging or dealing with a derivative instrument intended to "lock in" a profit relating to a Performance Right or an Option.
Director	a person who is, for the time being, a director of the Company.
Eligible Executive	a person who is, for the time being, an employee of the Company, an executive Director or any other person determined by the Board from time to time to receive a grant of Performance Rights and/or Options under the Plan.

Grant Date	the date of grant of a Performance Right or an Option (as applicable).
Invitation	an invitation to an Eligible Executive made by the Board under rule 3.1(a) to apply for, or participate in a grant of, Performance Rights and/or Options.
Listing Rules	the listing rules of ASX as they apply to the Company from time to time.
Option	an entitlement to receive a Share, subject to satisfaction of any Performance Conditions and payment of the applicable exercise price.
Participant	a person who has been granted a Performance Right and/or Option under the Plan.
Performance Condition	one or more conditions which must be satisfied or circumstances which must exist before a Performance Right or an Option (as applicable) vests under these Rules.
Performance Right	an entitlement to a Share, subject to satisfaction of any Performance Conditions.
Plan	has the meaning given to that term in rule 2.1 and is subject to any amendments or additions made under rule 14.
Rules	the terms and conditions of the Plan as set out in this document, as amended from time to time.
Share	a fully paid ordinary share in the capital of the Company.
Takeover Bid	has the meaning given to that term in section 9 of the Corporations Act.
Taxation Laws	the <i>Income Tax Assessment Act 1936</i> (Cth) and the <i>Income Tax Assessment Act 1997</i> (Cth), each as amended from time to time.

1.2 Interpretation

In these Rules, unless the context otherwise requires:

- (a) the singular includes the plural and vice versa, and a gender includes other genders;
- (b) another grammatical form of a defined word or expression has a corresponding meaning;
- (c) a reference to a rule, paragraph or schedule is to a rule or paragraph of, or schedule to, this document, and a reference to this document includes any schedule;
- (d) a reference to a person includes a natural person, partnership, body corporate, association, governmental or local authority or agency or other entity;

- (e) a reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re enactments or replacements of any of them;
- (f) a reference to the Board includes the Board, any committee appointed by the Board, or any person or body to which the Board has delegated its powers under this Plan,
- (g) a word or expression defined in the Corporations Act has the meaning given to it in the Corporations Act;
- (h) the meaning of general words is not limited by specific examples introduced by including, for example or similar expressions; and
- (i) a reference to the Listing Rules includes a variation, consolidation or replacement of those rules and is to be taken to be subject to any waiver or exemption granted to the Company from compliance with those rules.

1.3 Headings

Headings are for ease of reference only and do not affect interpretation.

2. Introduction

2.1 Name of Plan

The Plan is called the **Immutep Executive Incentive Plan**.

2.2 Objects of Plan

The objects of the Plan are to:

- (a) attract, reward, retain and incentivise Eligible Executives;
- (b) establish a method by which Eligible Executives can participate in the future growth and profitability of the Company; and
- (c) recognise the ongoing ability of Eligible Executives and their expected efforts and contribution to the performance and success of the Company.

2.3 Commencement of Plan

The Plan commences on the date that the Board determines.

2.4 Advice

Eligible Executives should obtain their own independent advice (at their own expense) on the financial, taxation and other consequences to them of, or relating to, participation in the Plan.

3. Invitations

3.1 Board to make invitations to Eligible Executives

- (a) The Board may from time to time, in its absolute discretion, issue invitations in writing to Eligible Executives inviting applications for the grant of Performance Rights and/or Options upon the terms set out in the Plan and upon such additional terms, including Performance Conditions (if any), as the Board determines.

- (b) Where the Board issues an Invitation to an Eligible Executive, the Eligible Executive may elect not to participate in accordance with the instructions that accompany the Invitation.

3.2 Information to be provided to Eligible Executives

An Invitation must contain the following minimum information:

- (a) the number of Performance Rights and/or Options which the Eligible Executive is invited to apply for and the number of Shares to be issued or transferred on vesting, in the case of a Performance Right, or vesting and exercise, in the case of an Option;
- (b) the date and time by which the application for Performance Rights and/or Options must be received by the Company;
- (c) the proposed Grant Date;
- (d) the period or periods during which:
 - (i) the Performance Rights may vest; and
 - (ii) Options may vest and be exercised;
- (e) the circumstances in which the Performance Rights and/or Options will lapse;
- (f) any amount that will be payable upon exercise of an Option;
- (g) details of any applicable Performance Conditions; and
- (h) any other relevant conditions to be attached to the Performance Rights and/or Options allocated under the Plan.

3.3 No payment for Performance Rights vesting

Unless the Board otherwise determines, no amount is payable by an Eligible Executive in relation to the grant of a Performance Right or on vesting of a Performance Right.

4. Applications for Performance Rights or Options

4.1 Application and Acceptance

- (a) Following receipt of an Invitation, an application by an Eligible Executive to participate in the Plan must be made in accordance with the instructions that accompany the Invitation, or in any other way the Board determines.
- (b) The Board may only allow the participation of an Eligible Executive where that Eligible Executive continues to satisfy any relevant conditions imposed by the Board.

4.2 Application for number of Performance Rights or Options specified in Invitation

The Eligible Executive may at his or her election apply for up to the number of Performance Rights, Options or a combination of Performance Rights and Options specified in the Invitation by sending to the Company an application (in the form included in the Invitation) duly completed and signed, which must include an agreement by the Eligible Executive to be bound by the Rules.

4.3 When Company must receive application

- (a) The application must be received by the Company within the period of acceptance specified in the Invitation, unless otherwise determined by the Board.
- (b) Nothing limits the Board's ability to treat the conduct of an Eligible Executive in respect of an Invitation as a valid application to participate in the Plan, including the failure of an Eligible Executive to lodge an election not to participate within the time specified in the Invitation.

5. Grant of Performance Rights or Options

5.1 Company to grant or procure grant of Performance Rights and/or Options

On acceptance of a duly signed and completed application for Performance Rights and/or Options, the Company may grant the Performance Rights and/or Options (as applicable) to the Eligible Executive, with effect from the proposed Grant Date specified in the Invitation, on the terms set out in the Plan and the Invitation.

5.2 Performance Rights and/or Options not transferable

Subject to the conditions of the Invitation, the Board may grant the Performance Rights and/or Options (as applicable) in the name of the Eligible Executive and unless the Board determines otherwise, the Performance Rights and/or Options (as applicable) may not be registered in any name other than that of the Eligible Executive.

5.3 Conversion

- (a) 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.
- (b) The Board will determine, in its absolute discretion, the formula applicable in respect of the conversion of Performance Rights to Options, or vice versa, and terms applicable in respect of such conversion, and notify the Participant of the formula and terms applying to such conversion.
- (c) If the Participant agrees to the formula and terms applicable to the conversion, the Company will then, subject to the Listing Rules, take necessary steps to effect the conversion, on the terms set out in the Plan and as the Board determines.
- (d) Any newly issued Performance Rights or Options under this rule 5.3 will be subject to the same terms and conditions as the Performance Rights or Options granted to the Participant prior to the conversion (including without limitation, any Performance Conditions), unless the Board determines otherwise.

6. Vesting, exercise and lapse - Performance Rights and Options

6.1 Vesting of Performance Rights

- (a) A Performance Right will vest on the date specified in the Invitation. A Share will be issued to the Participant following vesting of the Performance Right without any further action on the part of the Participant.

- (b) The vesting of a Performance Right under rule 6.1(a) is conditional on the satisfaction of the Performance Conditions attaching to the Performance Right and any other relevant conditions specified in the Invitation.
- (c) Notwithstanding rule 6.1(b) and subject to the Listing Rules:
 - (i) the Board may vest some or all of a Participant's Performance Rights, even if a Performance Condition has not been satisfied, 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 may be subject to such further conditions as determined by the Board from time to time.

6.2 Vesting and exercise pre-conditions for Options

- (a) An Option will vest on the date specified in the Invitation. The exercise of any Option granted under the Plan following vesting of the Option must be effected in the form and manner determined by the Board, and must be accompanied by payment of the relevant exercise price specified in the Invitation.
- (b) The vesting of an Option under rule 6.2(a) is conditional on the satisfaction of the Performance Conditions attaching to the Option and any other relevant conditions specified in the Invitation.
- (c) Notwithstanding rule 6.2(a) and subject to the Listing Rules:
 - (i) the Board may vest some or all of a Participant's Options even if a Performance Condition has not been satisfied, if the Board considers that to do so would be in the interests of the Company to do so; and
 - (ii) the vesting of a Participant's Options may be subject to such further conditions as determined by the Board.

6.3 Lapse of Options and Performance Rights

An unvested Performance Right or Option will lapse upon the earliest to occur of:

- (a) 5 years or any other date (whether more or less than 5 years) specified in the Invitation;
- (b) the Performance Right or Option lapsing in accordance with rule 7;
- (c) the Performance Right or Option lapsing in accordance with rule 8.2(b); or
- (d) expiry of the vesting period for the Performance Right or Option (as applicable) specified in the Invitation.

7. Cessation of Employment

7.1 Cessation of employment

- (a) Where a Participant ceases to be an employee of the Company because of total and permanent disability, death or such other circumstances as the Board may determine, the Board may determine that any Performance Rights and/or Options granted under the Plan vest, whether or not the date for vesting has been attained. If no determination is made by the Board within 60 days of the Participant ceasing to be an employee, all Performance Rights and/or Options held by the Participant will automatically lapse.

- (b) If a Participant ceases to be an employee of the Company in circumstances other than those referred to in rule 7.1(a), any Performance Rights and/or Options granted to that Participant lapse on the cessation of the Participant's employment unless the Board determines otherwise within 60 days of the cessation of the Participant's employment.
- (c) The Board may at the time of an Invitation, provide for a different termination treatment than that contemplated by rules 7.1(a) and 7.1(b), in which case the terms of the Invitation provided to the Participant under rule 3.2 prevail over rules 7.1(a) and 7.1(b) to the extent of any such inconsistency.

7.2 Application of Part 2D.2 Division 2 of the Corporations Act

- (a) This rule applies to all termination payments to which Part 2D.2 Division 2 of the Corporations Act applies.
- (b) The Company is not required to provide, or procure the provision, of any benefit under these rules which is not permitted by Part 2D.2 Division 2 of the Corporations Act in the absence of shareholder approval.
- (c) Any benefits required to be provided to a Participant in accordance with these rules must be reduced to ensure compliance with rule 7.2(b). In the event of overpayment to a Participant, the Participant must, on receiving written notice from the Board, immediately repay any monies or benefits specified in such notice to ensure compliance with rule 7.2(b).
- (d) Where rule 7.2(b) applies the Company may seek shareholder approval in its sole discretion.

7.3 Fraudulent or dishonest actions

- (a) Where, in the opinion of the Board, a Participant acts fraudulently or dishonestly or is in breach of his or her obligations to the Company, the Board may:
 - (i) deem any unvested Performance Rights or Options held by the Participant to have lapsed; and/or
 - (ii) deem any vested but unexercised Options held by the Participant to have lapsed.
- (b) Where, in the opinion of the Board, a Participant's Performance Rights or Options vest, or may vest, as a result of the fraud, dishonesty or breach of obligations of another employee of the Company and, in the opinion of the Board, the Performance Rights or Options would not otherwise have vested, the Board may determine that the Performance Rights or Options have not vested and may, subject to Applicable Laws, determine:
 - (i) where Performance Rights or Options have not vested or Shares have not been issued upon vesting of the Performance Rights or vesting and exercise of the Options, that the Performance Rights or Options have not vested and reset the Performance Conditions applicable to the Performance Rights or Options;
 - (ii) where Shares have been issued upon vesting of Performance Rights or vesting and exercise of the Options, that the Shares are forfeited by the Participant (as described in rule 7.3(a)(ii)) and may, at the discretion of the Board, reissue any number of Performance Rights or Options to the Participant subject to new Performance Conditions in place of the forfeited Shares; or

- (iii) any other treatment in relation to Performance Rights or the Options to ensure no unfair benefit is obtained by a Participant as a result of such actions of another person.

7.4 Forfeiture

- (a) Unless the Board determines otherwise at the time of issue of an Invitation, any Shares already issued to the Participant following:
 - (i) vesting of the Performance Rights; and/or
 - (ii) vesting and exercise of the Options,will not be subject to forfeiture.
- (b) At the time of an Invitation, the Board may provide for a different treatment than that contemplated by rule 7.4(a) in which case the terms of the Invitation provided to the Participant under rule 3.2 prevails over rule 7.4(a) to the extent of any such inconsistency.

7.5 Performance Rights or Options may be cancelled if Participant consents

Notwithstanding any other provisions of the Plan, and subject to the Listing Rules, if a Participant and the Board have agreed in writing that some or all of the unvested Performance Rights or Options granted to that Participant may be cancelled on a specific date or on the occurrence of a particular event, then the Board may cancel those Performance Rights or Options on the relevant date or on the occurrence of the particular event (as the case may be).

8. Dealing with Performance Rights and/or Options

8.1 Transfer on death, bankruptcy

A Performance Right or Option granted under the Plan is only transferable by force of law upon death to the Participant's legal personal representative or upon bankruptcy to the Participant's trustee in bankruptcy.

8.2 Restrictions on Dealing

- (a) Any Dealing in respect of an unvested Performance Right and/or Option is prohibited, unless the Board determines otherwise.
- (b) Where the Participant purports to Deal with a Performance Right and/or an Option other than in accordance with rules 8.1 or 8.2(a), the Performance Right and/or Option will lapse, unless the Board determines otherwise.

9. Maximum number of Performance Rights and Options

The maximum number of Performance Rights and Options that may be granted under the Plan will be determined by the Board from time to time, so long that the number determined by the Board does not exceed any limit specified, imposed or calculated by any relevant policy or guideline of the Australian Securities and Investments Commission, including any regulatory guide, class order or condition relief.

10. Allocation

10.1 Allocation of Shares

On:

- (a) vesting of a Performance Right; or
- (b) vesting and exercise of an Option,

the Company must issue to, or procure the transfer to, the Participant (or his or her personal representative) the number of Shares in respect of which the Performance Rights have vested or the Options have vested and have been exercised, and in so doing the Company is taken to have issued the Shares in accordance with these Rules.

10.2 Share ranking

Any Shares issued under the Plan upon vesting of a Performance Right or exercise of an Option will rank equally in all respects with other Shares for the time being on issue by the Company except as regards any rights attaching to such Shares by reference to a record date prior to the date of their issue or acquisition.

10.3 Listing of Shares on ASX

The Company will apply for quotation of Shares issued under the Plan within the period required by ASX.

11. Takeover and Scheme of Arrangement

11.1 Takeovers

- (a) In the event of a Takeover Bid, any Performance Rights or Options granted will vest where, in the Board's absolute discretion, the Performance Conditions applicable to those Performance Rights or Options have been satisfied on a pro rata basis over the period from the Grant Date to the date of the Takeover Bid.
- (b) Any Performance Rights or Options referred to in rule 11.1(a) that the Board determines will not vest will automatically lapse, unless the Board determines otherwise.

11.2 Compromises and arrangements

- (a) The Board may, in its absolute discretion, vest all or a specified number of a Participant's Performance Rights or Options where the Board is satisfied that the Performance Conditions applicable to those Performance Rights or Options have been satisfied on a pro rata basis over the period from the Grant Date to the date where:
 - (i) a Court orders a meeting to be held in relation to a proposed compromise or arrangement for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies; or
 - (ii) any person becomes bound or entitled to acquire Shares under:
 - (A) section 414 of the Corporations Act (upon a scheme of arrangement being approved); or

(B) Chapter 6A of the Corporations Act (compulsory acquisition following a Takeover Bid).

- (b) If no determination is made or if the Board determines that some or all of the Participant's Performance Rights or Options will not vest, those Performance Rights or Options will automatically lapse, unless the Board determines otherwise.

12. Adjustments

12.1 Board power

- (a) Prior to the issue of Shares to a Participant in accordance with rule 10.1, the Board may make any adjustments it considers appropriate to the terms of a Performance Right or Option granted to that Participant in order to minimise or eliminate any material advantage or disadvantage to a Participant resulting from a corporate action such as a capital raising or capital reconstruction.
- (b) Without limiting rule 12.1(a), if:
 - (i) Shares are issued pro rata to the Company's shareholders generally by way of a bonus issue (other than an issue in lieu of dividends or by way of a dividend reinvestment) involving capitalisation of reserves of distributable profits;
 - (ii) Shares are issued pro rata to the Company's shareholders generally by way of a rights issues; or
 - (iii) any reorganisation (including consolidation, subdivision, reduction or return) of the issued capital of the Company is effected, the number of Performance Rights or Options, or the number of Shares to which each Participant is entitled upon vesting of Performance Rights or vesting and exercising of Options, or any amount payable on exercise of Options (or both the number and amount payable if appropriate) will be adjusted in the manner determined by the Board, having regard to the Listing Rules and the general principle set out in rule 12.1(a).

12.2 Additional Performance Rights or Options on same terms

Where additional Performance Rights and/or Options are granted to the Participant under this rule 12, such Performance Rights or Options will be subject to the same terms and conditions as the original Performance Rights and/or Options granted to the Participant (including without limitation, any Performance Conditions) unless the Board determines otherwise.

12.3 Notice of adjustment

The Board must, as soon as reasonably practicable after making any adjustments under this rule 12, give notice in writing of the adjustment to any affected Participant.

13. Withholding

13.1 Reimbursement

If the Company is obliged, or reasonably believes it may have an obligation, as a result of or in connection with:

- (a) the grant of Performance Rights and/or Options to a Participant, or the vesting of such Performance Rights and/or Options; or
- (b) the issue of Shares to, or on behalf of, a Participant upon vesting of Performance Rights or vesting and exercise of Options, to account for income tax or employment taxes under any wage, withholding or other arrangements or for any other tax, social security contributions or levy or charge of a similar nature, then the Company is entitled to be reimbursed by the Participant for the amount or amounts so paid or payable.

13.2 Discretion

Where rule 13.1 applies, the Company is not obliged to grant the Performance Rights and/or Options or to issue Shares to the Participant unless the Company is satisfied that arrangements have been made for reimbursement. Those arrangements may include, without limitation, the sale, on behalf of the Participant, of Shares issued or transferred to the Participant and where this happens, the Participant will also reimburse the costs of any such sale.

14. Amendments

14.1 Power to make amendments

Subject to rule 14.2, the Board may at any time by resolution:

- (a) amend or add to (**amend**) all or any of the provisions of the Plan;
- (b) amend the terms or conditions of any Performance Right or Option granted under the Plan; or
- (c) suspend or terminate the operation of the Plan.

14.2 Restrictions on amendments

Without the consent of the Participant, no amendment may be made to the terms of any Performance Right or Option already granted which, in the opinion of the Board, materially reduces the rights of a Participant in respect of that Performance Right or Option, other than an amendment introduced primarily:

- (a) for the purpose of complying with or conforming to present or future legislation governing or regulating the maintenance or operation of the Plan or similar Plans, in any jurisdiction in which Invitations have been made;
- (b) to correct any manifest error or mistake;
- (c) to take into consideration possible adverse tax implications in respect of the Plan arising from, amongst others, adverse rulings, changes to tax legislation and/or changes in the interpretation of tax legislation by a court of competent jurisdiction; or
- (d) to enable the Company to comply with the Applicable Laws.

14.3 Notice of amendments

As soon as reasonably practicable after making any amendment under rule 14.1, the Board will give notice in writing of the amendment to any affected Participant.

14.4 Retrospective effect

- (a) The Board may determine that any amendment to the Rules or the terms of the Performance Rights or Options granted under the Plan be given retrospective effect.
- (b) Amendments to the Rules or the terms and conditions upon which Performance Rights or Options granted under the Plan by the Board will be of immediate effect unless otherwise determined by it.

15. Participants based overseas

15.1 Overseas transfers

If a Participant is transferred to work in another jurisdiction and, as a result of that transfer, the Participant would:

- (a) suffer a tax disadvantage in relation to their Performance Rights or Options, which is demonstrated to the satisfaction of the Board; or
- (b) become subject to restrictions on their ability to Deal with the Performance Rights or Options, or to hold or Deal in the Shares or the proceeds of the Shares acquired on vesting or exercise, because of the security laws or exchange control laws of that jurisdiction to which he or she is transferred,

then if the Participant continues to hold an office or employment with the Company, the Board may decide that the Performance Rights and/or Options will vest on a date it chooses before or after the transfer takes effect. The Performance Rights and/or Options will vest to, or on behalf of, the Participant to the extent permitted by the Board and will not lapse as to the balance.

15.2 Non-Australian residents

When a Performance Right and/or Option is granted under the Plan to a person who is not a resident of Australia, the provisions of the Plan apply subject to such alterations or additions as the Board determines having regard to any Applicable Laws, matters of convenience, desirability or similar factors which may have application to the Participant or to the Company in relation to the Performance Right and/or Option.

16. Miscellaneous

16.1 Rights and obligations of Participant

- (a) Unless the subject of an express provision in an employment contract, the rights and obligations of any Eligible Executive under the terms of their office, employment or contract with the Company are not affected by their participation in the Plan.
- (b) These Rules will not form part of, and are not incorporated into, any contract of any Eligible Executive (whether or not he or she is an employee of the Company).
- (c) The grant of Performance Rights and/or Options on a particular basis in any year does not create any right or expectation of the grant of Performance Rights and/or Options on the same basis, or at all, in any future year.

- (d) No Participant has any right to compensation for any loss in relation to the Plan, including:
 - (i) any loss or reduction of any rights or expectations under the Plan in any circumstances or for any reason (including lawful or unlawful termination of employment or the employment relationship);
 - (ii) any exercise of a discretion or a decision taken in relation to a grant of Performance Rights and/or Options or in relation to the Plan, or any failure to exercise a discretion under these Rules; or
 - (iii) the operation, suspension, termination or amendments of the Plan.

16.2 Board to administer

- (a) The Plan is administered by the Board which has power to:
 - (i) determine appropriate procedures for administration of the Plan consistent with these Rules including implementing an employee share trust for the purposes of delivering and holding Shares on behalf of Participants upon the vesting of Performance Rights or Options or exercise of Options; and
 - (ii) delegate to any one or more persons for such period and on such conditions as it may determine the exercise of any of its powers or discretions arising under the Plan.
- (b) Except as otherwise expressly provided in the Plan and the Listing Rules, the Board has absolute and unfettered discretion to act or refrain from acting under or in connection with the Plan, or any Performance Rights or Options under the Plan, and in the exercise of any power or discretion under the Plan.

16.3 Board power to waive

Notwithstanding any other provisions of the Plan, the Board may at any time waive in whole or in part any terms or conditions (including any Performance Condition) in relation to any Performance Rights and/or Options granted to any Participant.

16.4 Dispute or disagreement

In the event of any dispute or disagreement as to the interpretation of the Plan, or as to any question or right arising from or related to the Plan or to any Performance Rights and/or Options granted under it, the decision of the Board is final and binding.

16.5 Approved leave of absence

Subject to Applicable Laws, at the discretion of the Board, a Participant who is granted an approved leave of absence and who exercises his or her right to return to work under any applicable award, enterprise agreement, other agreement, statute or regulation before the vesting of a Performance Right or vesting and exercise of an Option under the Plan will be treated for those purposes as not having ceased to be such an employee.

16.6 Notices

- (a) Any notice or other communication under or in connection with the Plan may be given by personal delivery or by sending the same by post or facsimile, in the case of a company to its registered office, and in the case of an individual to the individual's last notified address, or, where a Participant is a director or

employee of the Company, either to the Participant's last known address, email address or to the address of the place of business at which the Participant performs the whole or substantially the whole of the duties of the Participant's office or employment.

- (b) Where a notice or other communication is given by post, it is deemed to have been received 48 hours after it was put into the post properly addressed and stamped. Where a notice or other communication is given by facsimile or email, it is deemed to have been received on completion of transmission.

16.7 Data protection

By participating in the Plan, the Participant consents to the holding and processing of personal data provided by the Participant to the Company for all purposes relating to the operation of the Plan. These include, but are not limited to:

- (a) administering and maintaining Participant records;
- (b) providing information to trustees of any employee benefit trust, registrars, brokers or third party administrators of the Plan; and
- (c) providing information to future purchasers of the Company or the business in which the Participant works.

16.8 Governing Law

The Plan and any Performance Rights, Options and Shares granted under it are governed by the laws of New South Wales and the Commonwealth of Australia.

Confidential

Execution Copy

DATED 13 December 2010

IMMUTEP S.A.
- and -
GLAXO GROUP LIMITED

*LICENCE & RESEARCH
COLLABORATION AGREEMENT*

Certain information marked [***] has been excluded from the exhibit because it is not material and would likely cause competitive harm to the company if publicly disclosed.

THIS AGREEMENT dated the day of December 2010 (the “**Effective Date**”)

BETWEEN:

- (1) **IMMUTEP S.A.**, a company organized under the laws of France with its registered offices at Parc Club Orsay, 2, rue Jean Rostand, 91893 ORSAY, France (“**Immutep**”); and
- (2) **GLAXO GROUP LIMITED**, a company existing under the laws of England and Wales, having its registered office at Glaxo Wellcome House, Berkeley Avenue, Greenford, Middlesex, UB6 0NN, England (“**GSK**”).

BACKGROUND

Immutep is a biotechnology company, which has developed expertise in relation to the Monoclonal Antibody with LAG-3 positive (LAG-3+) cell depleting activity (as defined below).

GSK possesses expertise in the pharmaceutical research, development, manufacturing and commercialization of human pharmaceuticals, and GSK is interested in researching and developing the Monoclonal Antibody as a drug product;

GSK desires to obtain an exclusive licence to the Monoclonal Antibody and other related technologies and know-how owned or controlled by Immutep, and Immutep is willing to grant such a licence on the terms set out in this Agreement; and

In addition to the above licence, Immutep and GSK desire to engage in a collaborative effort pursuant to which Immutep shall carry out certain research with regard to the Monoclonal Antibody in the Field.

NOW, THEREFORE, in consideration of the mutual covenants set out below in this Agreement, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1 DEFINITIONS

As used in this Agreement and the Schedules to this Agreement the following capitalized terms, whether used in the singular or plural, shall have the meanings set out below:

- 1.1** “**Acceptance**” means, with respect to a Marketing Authorisation Application filed for a Licensed Product, (a) in the United States, the receipt by GSK of written notice from the FDA in accordance with 21 CFR 314.101(a)(2) that such Marketing Authorisation Application is officially “filed”, (b) in the European Union, receipt by GSK of written notice of acceptance by the EMA of a Marketing Authorisation Application for filing under the centralized European procedure; provided, that if the centralized filing procedure is not used, then Acceptance shall be determined upon the acceptance of such Marketing Authorisation Application by a Regulatory Authority in the first of the following countries: UK, France, Germany, Italy or Spain.
- 1.2** “**Affiliate**” means any partnership, corporation or other entity which is directly or indirectly Controlling, Controlled by or under common Control with or of a Party for so long as such Control exists.
- 1.3** “**Alliance Manager**” has the meaning assigned to such term in Clause 6.11.

- 1.4 **“Applicable Laws”** means the applicable provisions of any and all national, supranational, regional, state and local laws, treaties, statutes, rules, regulations, administrative codes, guidances, ordinances, judgments, decrees, directives, injunctions, orders, permits (including Marketing Approvals) of or from any court, arbitrator, mediator, Regulatory Authority or governmental agency or authority having jurisdiction over or related to the subject item.
- 1.5 **“Business Day”** means any day other than a Saturday or Sunday on which banking institutions in London, England are open for business.
- 1.6 **“Calendar Quarter”** means the period beginning on the Effective Date and ending on the last day of the calendar quarter in which the Effective Date falls, and thereafter, each successive period of three (3) consecutive calendar months ending on March 31, June 30, September 30 or December 31.
- 1.7 **“Calendar Year”** means the period beginning on the Effective Date (or, with respect to the year in which a Licensed Product is first launched, the date of the First Commercial Sale of such Licensed Product in the first country in which a First Commercial Sale occurs) and ending on December 31st of the calendar year in which the Effective Date (or such First Commercial Sale) falls, and thereafter, each successive period of twelve (12) consecutive calendar months commencing on January 1 and ending on December 31.
- 1.8 **“Change of Control”** shall mean either: (a) a sale of all or substantially all of the assets of Immutep in one or a series of integrated transactions not in the ordinary course of business to a Third Party; or (b) a transaction or series of transactions that results in the holders of outstanding voting securities of Immutep immediately prior to such transaction not beneficially owning, directly or indirectly, at least fifty percent (50%) of the combined outstanding voting power of the acquiring entity (or of Immutep if it is the surviving entity in any merger or consolidation), or its direct or indirect parent entity, immediately after such transaction or series of related transactions.
- 1.9 **“Collaboration IP”** means collectively, the Immutep Non-Licensed Arising IP, Immutep Licensed Arising IP, GSK Non-Licensed Arising IP, GSK Licensed Arising IP, Joint Non-Licensed Arising IP and the Joint Licensed Arising IP.
- 1.10 **“Collaboration Patents”** means collectively, the Immutep Licensed Arising Patents, the Immutep Non-Licensed Arising Patents, the GSK Licensed Arising Patents, the GSK Non-Licensed Arising Patents, the Joint Licensed Arising Patents and the Joint Non-Licensed Arising Patents.
- 1.11 **“Commercially Reasonable Endeavours”** means commercially reasonable endeavours in the conduct of each Party’s activities, as provided under the Agreement, in the research, development and commercialisation of the Licensed Product, such endeavours to be consistent with the endeavours and resources normally used by the respective Party in the exercise of its reasonable business discretion relating to a pharmaceutical product owned by it or to which it has exclusive rights, with similar product characteristics, which is of similar market potential at a similar stage in its development or product life, taking into account issues of scientific risk, patent coverage, safety and efficacy, product profile, the competitiveness of the marketplace, the proprietary position of the compound or product, the regulatory structure involved, the profitability of the applicable products (including pricing and reimbursement status likely to be achieved), and other relevant factors, including technical, legal, scientific and/or medical factors.
- 1.12 **“Confidential Information”** has the meaning assigned to such term in Clause 12.1.
- 1.13 **“Control,” “Controls,” “Controlled” or “Controlling”** means;
- 1.13.1 in respect of any partnership, corporation or other entity, the direct or indirect ownership of at least fifty percent (50%) of the outstanding shares or other voting rights of the subject entity having the power to vote on or direct the affairs of the entity, (or such lesser percentage which is the maximum allowed to be owned by a foreign corporation in a particular jurisdiction). Any other relationship which in fact results in actual control over the management, business and affairs of an entity shall also be deemed to constitute Control; and

1.13.2 in respect of any Patent, Know-How or other Intellectual Property whether owned by or licensed to an entity, the possession of the legal right and ability to grant the respective licenses or sublicenses as provided herein without violating the terms of any agreement or other arrangement with any Third Party;

and the expressions Controlling and Controlled by shall be interpreted accordingly.

- 1.14 **“Disclosing Party”** has the meaning assigned to such term in Clause 12.1.
- 1.15 **“EMA”** means the European Medicines Agency and any successor entity thereto.
- 1.16 **“Executive Officer”** has the meaning assigned to such term in Clause 6.7.
- 1.17 **“FDA”** means the U.S. Food and Drug Administration and any successor entity thereto.
- 1.18 **“Field”** means [***].
- 1.19 **“First Commercial Sale”** means, with respect to the Licensed Product, the first lawful sale, transfer or disposition for value of such Licensed Product in the Territory having received Acceptance; provided, that, the following shall not constitute a First Commercial Sale: (a) any sale to an Affiliate or Sub-licensee unless the Affiliate or Sub-licensee is the last entity in the distribution chain of the Licensed Product and is purchasing it for its own commercial use, (b) any use of such Licensed Product in clinical studies or other research or development activities, or disposal or transfer of such Licensed Product for a bona fide charitable purpose, (c) compassionate use, (d) so called “treatment IND sales” and “named patient sales”, (e) registration samples, and the like.
- 1.20 **“Good Data Management Practices”** has the meaning assigned to such term in Clause 4.3.3.
- 1.21 **“GSK Arising IP”** means GSK Non-Licensed Arising IP and the GSK Licensed Arising IP.
- 1.22 **“GSK Arising Patents”** means any and all Patents within the GSK Licensed Arising IP and the GSK Non-Licensed Arising IP.
- 1.23 **“GSK Background IP”** means any and all Intellectual Property which exists as of the Effective Date or is generated outside of the Agreement, which in either case is Controlled by GSK or its Affiliates.
- 1.24 **“GSK Licensed Arising IP”** has the meaning assigned to such term in Clause 9.3.1(d).
- 1.25 **“GSK Non-Licensed Arising IP”** means any Intellectual Property which is invented solely by GSK during the Research Programme, and which has not arisen directly from the use of the Merck-Serono IP.
- 1.26 **“GSK Programme IP”** mean any Intellectual Property made or generated pursuant to this Agreement, independently of the Research Programme.
- 1.27 **“Immutep Licensed Arising IP”** means any Intellectual Property which is invented solely by Immutep during the Research Programme, which has arisen directly from the use of the Merck-Serono IP.
- 1.28 **“Immutep Non-Licensed Arising IP”** means any Intellectual Property which is invented solely by Immutep during the Research Programme, which has not arisen directly from the use of the Merck-Serono IP.
- 1.29 **“Immutep Licensed Arising Patents”** means any and all Patents within the Immutep Licensed Arising IP.

- 1.30 **“Immutep Non-Licensed Arising Patents”** means any and all Patents within the Immutep Non-Licensed Arising IP.
- 1.31 **“Immutep Background IP”** means any and all Intellectual Property, which shall exclude the Merck-Serono IP, as of the Effective Date which (a) is Controlled by Immutep or its Affiliates; and (b) relates to the Monoclonal Antibody or otherwise is necessary for the research and development of the Monoclonal Antibody and/or the Licensed Product, and/or the commercialization of the Licensed Product.
- 1.32 **“Immutep Background Patents”** means any and all Patents within the Immutep Background IP as of the Effective Date, including Monoclonal Antibody Patents.
- 1.33 **“Immutep Intellectual Property”** means any Intellectual Property owned or Controlled by Immutep or its Affiliates as of the Effective Date and during the Term collectively, the Immutep Background IP, Immutep Know-How, the Immutep Non-Licensed Arising IP, the Immutep Licensed Arising IP, the Immutep interest in the Joint Non-Licensed Arising IP and the Immutep interest in the Joint Licensed Arising IP, all of which shall exclude the Merck-Serono IP.
- 1.34 **“Immutep Know-How”** means any Know-How owned or Controlled by Immutep or its Affiliates as of the Effective Date and/or during the Research Term.
- 1.35 **“IND”** means any investigational new drug application filed with the FDA pursuant to Part 312 of Title 21 of the U.S. Code of Federal Regulations, including any amendments thereto. References herein to IND shall include, to the extent applicable, any comparable filing(s) outside the U.S. (such as a Clinical Trial Application in the European Union).
- 1.36 **“Indemnitee”** has the meaning assigned to such term in Clause 14.3.
- 1.37 **“Indication”** means a distinct disease category (for example, cancer versus inflammation) and does not mean a different type or subpopulation within the same primary disease (for example, colon cancer versus breast cancer) which shall be determined in reference to the version of the World Health Organization ICD-10 applicable as of the Effective Date such distinction to be derived from the distinct chapters I-XXII contained therein. Each chapter sub-heading shall be treated as one indication. By way of example, as of the date of this Agreement, the applicable ICD- 10 refers to “Diseases of the musculoskeletal system and connective tissue (M00- M99)” which is understood by the Parties to be a chapter heading. “Arthropathies (M00-M25)” is understood by the Parties to be a sub-chapter heading.
- 1.38 **“INSERM Agreement”** means the agreement entered into between Inserm Transfert, Universite de Nantes and Immutep effective as of 30 April, 2007, concerning the management and exploitation of a jointly filed patent application regarding an anti-LAG-3 monoclonal antibody and its use in the treatment of certain diseases, as amended, attached hereto at Schedule 8.
- 1.39 **“INSERM Research Collaboration Agreement”** entered into between INSERM and Immutep dated February 22, 2006 (INSERM TRANSFERT reference number 04170A10), as amended, as attached hereto at Schedule 9.
- 1.40 **“INSERM TRANSFERT”** means the limited company organized under the laws of France, whose registered headquarters is located at 7 rue Watt, 75013 PARIS, France, acting as delegate of Institut National de la Santé et de la Recherche Médicale (hereinafter referred to as “INSERM”), as laid out in more detail in the INSERM Agreement.
- 1.41 **“Institut Gustave Roussy Agreement”** means the licence agreement by and between Institut Gustave Roussy, INSERM and ARES TRADING SA pursuant to which ARES Trading SA has the right to license certain patents and patent applications relating to LAG-3 and know-how related thereto as stated in the first recital of the Merck-Serono Agreement.

- 1.42 **“Intellectual Property”** means Patents, Know-How, utility models, and other like forms of protection, copyrights, database rights, rights in databases, trade names, trade or service marks (whether registered or unregistered), domain names, design rights (whether registered or unregistered), including all applications for registration for the foregoing and all other similar proprietary rights as may exist anywhere in the world.
- 1.43 **“Invoice”** means any invoice submitted to GSK by Immutep under this Agreement.
- 1.44 **“Joint Licensed Arising IP”** has the meaning assigned to such term in Clause 9.3.1(f).
- 1.45 **“Joint Licensed Arising Patents”** means any and all Patents within the Joint Licensed Arising IP.
- 1.46 **“Joint Non-Licensed Arising IP”** means any Intellectual Property which is invented during the Research Programme which has not arisen directly from the use of the Merck-Serono IP, and which is not separable into either Immutep Non-Licensed Arising IP, or GSK Non-Licensed Arising IP (for patent applications, to the extent that a single claim spans subject matter falling under both Immutep Non-Licensed Arising IP or GSK Non-Licensed Arising IP).
- 1.47 **“Joint Non-Licensed Arising Patents”** means any and all Patents within the Joint Non-Licensed Arising IP.
- 1.48 **“Joint Patent Subcommittee”** or **“JPS”** has the meaning set out in Clause 6.10.
- 1.49 **“Joint Steering Committee”** or **“JSC”** has the meaning set out in Clause 6.1.
- 1.50 **“Know-How”** means unpatented technical, scientific and other know-how, materials and information, trade secret, knowledge, technology of a Party that is maintained as a trade secret and is not generally known except by way of any breach of this Agreement by either Party, including, but not limited to, the items set out in Schedule 7, ideas, concepts, inventions, discoveries, data, formulae, specifications, information, materials, models, assays, analytical processes and SOPs, materials relating to assays, analytical systems or processes, procedures for experiments and tests and results of experimentation and testing, results of research and development including laboratory records, data relating to pharmacology of products (including data relating to toxicology, bioavailability, metabolism, metabolites and pharmacokinetics), clinical trial data, case report forms, data analyses, reports or summaries and information contained in submissions to and information from ethical committees and Regulatory Authorities, procedures, data and reports relating to the development, supply and manufacture of drug substance and drug products. The fact that a part of a compilation of data is generally known except by way of any breach of this Agreement by either Party shall not prevent the compilation of data as such, or any one or more of the other elements of the compilation from being Know- How, if, in the latter case, such remaining portions or elements are still being maintained as a trade secret.
- 1.51 **“LAG-3”** means the protein termed Lymphocyte Activation Gene-3, also known as CD223, (Swiss-Prot: P18627, Genbank: NM_002286 (human ortholog)) or any variant thereof.
- 1.52 **“Licensed Product”** means any one product containing the Monoclonal Antibody as a therapeutically active ingredient, in final form for sale by prescription, over-the- counter, or any other method.
- 1.53 **“Losses”** has the meaning set out in Clause 14.1.
- 1.54 **“Managed Patents”** means Monoclonal Antibody Patents, Immutep Non-Licensed Arising Patents, Immutep Licensed Arising Patents, Joint Non-Licensed Arising Patents and the Joint Licensed Arising Patents.
- 1.55 **“Materials”** has the meaning set out in Clause 4.12

- 1.56 **“Marketing Approval”** means all regulatory approvals, licenses, registrations or authorizations of any federal, state or local regulatory agency, department, bureau or other governmental entity, necessary for the manufacturing, use, storage, import, transport and sale, and in the European Union, where necessary, pay or approval of price and/or reimbursement for Licensed Products in a regulatory jurisdiction.
- 1.57 **“Marketing Authorisation Application”** means, with respect to the Licensed Product, an NDA and all amendments and supplements thereto with respect to a pharmaceutical product necessary for Regulatory Approval of a pharmaceutical product in the United States and any marketing authorisation application or other equivalent application filed with any other applicable Regulatory Authority.
- 1.58 **“Member”** has the meaning set out in Clause 6.3.
- 1.59 **“Merck-Serono Agreement”** means the licence agreement between Ares Trading S.A. and Immutep, effective as of December 9, 2002 as amended, attached at Schedule 10.
- 1.60 **“Merck-Serono Know-How”** means any and all Know-How within the Merck- Serono IP the details of which are attached hereto at Schedule 7.
- 1.61 **“Merck-Serono IP”** means the Merck-Serono Know-How and the Merck-Serono Patents.
- 1.62 **“Merck-Serono Patents”** means any and all Patents within the Merck-Serono IP the details of which are attached at Schedule 6.
- 1.63 **“Monoclonal Antibody”** means any monoclonal antibody, fragment, modifications or derivative thereof, which binds to LAG-3 and causes [***].
- 1.64 **“Monoclonal Antibody Patents”** means those Patents listed in Schedule 4; any extensions, registrations, confirmations, reissues, supplementary protection certificates, re-examinations and renewals thereof; any provisional applications, substitutions, continuations, continuations-in-part, divisionals and renewals thereof; any validations and revalidations; and any foreign counterparts of any of the foregoing.
- 1.65 **“NDA”** means a New Drug Application (as more fully defined in Title 21 of the U.S. Code of Federal Regulations, Clause 314.50 *et seq.* or its successor regulation) filed with the FDA, or the analogous application filed with any other Regulatory Authority outside the United States (including the EMA), and all amendments and supplements thereto.
- 1.66 **“Net Sales”** means with respect to any Licensed Product, the gross invoiced sales price, exclusive of sales taxes (such as value added tax or its equivalent) of such product sold by either GSK, its Affiliates or Sub-licensees (in each case, the **“Selling Party”**), in finished product form, packaged and labelled for sale, under this Agreement in arm’s length sales to Third Parties, less the following deductions, if not previously deducted, which are actually incurred, allowed, paid, accrued or specifically allocated to the Third Party customer by the Selling Party (to the extent actually taken by such Third Party customer) on such sales for:
[***].

Any of the deductions listed above that involves a payment by GSK shall be taken as a deduction in the Calendar Quarter in which the payment to Immutep is incurred. For purposes of calculating the Net Sales of bundled products, deductions shall be apportioned across all products in the bundle on a fair and reasonable basis, provided that the percentage rebate or discount apportioned to the Licensed Product shall not exceed the percentage rebate or discount applied in total to the bundled products.

Sales between GSK and its Affiliates or Sub-licensees shall be excluded from the computation of Net Sales and no payments will be payable on such sales, except where any such Affiliate or Sub-licensee is the last entity in the distribution chain for the product and is purchasing it for its own commercial use. In addition, Licensed Product provided to patients for compassionate use will not be included in Net Sales. The Parties agree that, in the event that either Party proposes that this definition of Net Sales be amended to reflect changes required by the adoption of new accounting standards applicable to a Selling Party, whether due to merger, acquisition, business combination or other similar transaction with, by or into another entity or required by law, the other Party shall consider such proposal reasonably and in good faith.

- 1.67 “Orphan Indication”** means an Indication so defined by any applicable Regulatory Authority anywhere in the Territory.
- 1.68 “Party”** means either GSK or Immutep and Parties means both of them;
- 1.69 “Patents”** mean:
- 1.69.1 issued and unexpired letters patent, including patent extensions, paediatric extensions, supplementary protection certificates and any other rights, registrations, confirmations, reissues, re-examinations and renewals thereof;
 - 1.69.2 patent applications pending approval, including all provisional applications, substitutions, continuations, continuations-in-part, divisional, validations, revalidations and renewals thereof, and
 - 1.69.3 foreign counterparts of any of the foregoing.
- 1.70 “Patent Costs”** means the reasonable fees and expenses paid to outside legal counsel, and filing, maintenance and other reasonable out-of-pocket expenses paid to Third Parties, including official fees and renewal fees paid to patent offices, in connection with the prosecution and maintenance of Patents.
- 1.71 “Payment Report”** has the meaning assigned to such term in Clause 8.11.1.
- 1.72 “Phase I Clinical Trial”** means a clinical trial of a pharmaceutical product candidate that generally provides for the first introduction into humans of such product with the primary purpose of determining safety, metabolism and pharmacokinetic properties and clinical pharmacology of such product candidate.
- 1.73 “Phase II Clinical Trial”** means a clinical trial of a pharmaceutical product on human subjects which is a controlled dose-ranging study designed to evaluate the efficacy and safety of a product in the target patient population.
- 1.74 “Phase III Clinical Trial”** means one or more clinical trials on sufficient numbers of subjects, which trial(s) are designed to (a) establish that a drug is safe and efficacious for its intended use; (b) define warnings, precautions and adverse reactions that are associated with the drug in the dosage range to be prescribed; and (c) provide substantial evidence of efficacy necessary to satisfy requirements for Regulatory Approvals (such as a combined Phase II/Phase III study).

- 1.75 “**Receiving Party**” has the meaning assigned to such term in Clause 12.1.
- 1.76 “**Regulatory Approval**” means, with respect to any particular jurisdiction, any and all approvals (excluding price and reimbursement approvals), licenses, registrations, or authorizations of any country, federal, supranational, state or local regulatory agency, department, bureau or other government entity that are necessary for the manufacture, use, storage, import, transport or sale of a product in such jurisdiction.
- 1.77 “**Regulatory Authority**” or “**Regulatory Authorities**” means the FDA in the U.S. and any other regulatory authority(ies) in any country in the Territory that holds responsibility for granting Marketing Approval for a product in such country(ies), in each case together with any successor(s) thereto.
- 1.78 “**Research Plan**” means the research plan mutually agreed by Immutep and GSK, which defines the activities to be performed by Immutep under the Research Programme. An initial Research Plan is attached hereto as Schedule 1. Any subsequent amendments to the Research Plan shall be agreed by the JSC.
- 1.79 “**Research Programme**” means any programme of discovery, identification, research, characterization, modification and optimization carried out by Immutep with the principal goal to investigate the potential for therapeutic intervention utilizing the Monoclonal Antibody in the Field, as mutually agreed by the Parties and set out in the Research Plan.
- 1.80 “**Research Term**” means the period commencing on the Effective Date and ending on the earliest of;
[***].
- 1.81 “**Safety Concern**” means any of (i) the FDA or any equivalent Regulatory Authority has issued an order or decree permanently prohibiting the further clinical use of the Licensed Product and/or Monoclonal Antibody, and/or terminate the IND under 21 CFR 312.44 on grounds of safety (or equivalent grounds under other Applicable Laws), other than as a result of any failure of GSK or its Affiliates to comply with any applicable requirement of regulations 21 CFR 312.50 or 21 CFR 312.56 (or equivalent grounds under other Applicable Laws of other countries); or (ii) a clinical hold has been imposed by the FDA or any other equivalent Regulatory Authority whereby the clinical trial has been definitively converted to “inactive status” under 21 CFR 312.45 on grounds of safety (or equivalent grounds under other Applicable Laws).
- 1.82 “**Subcommittee**” has the meaning assigned to such term in Clause 6.9.
- 1.83 “**Sub-licensee**” means any Third Party or any Affiliate thereof to which a license is granted by a Party under Intellectual Property or Know-How owned or Controlled by the other Party in accordance with the terms of this Agreement in respect of the rights pursuant to the research, development and commercialisation of the Monoclonal Antibody and/or the Licensed Product.
- 1.84 “**Term**” has the meaning assigned to such term in Clause 15.1.
- 1.85 “**Territory**” means all of the countries and territories of the world.
- 1.86 “**Third Party**” means any entity other than Immutep, GSK or an Affiliate of Immutep or GSK.

- 1.87** “**Transferee**” has the meaning assigned to such term in Clause 4.12.
- 1.88** “**Transferor**” has the meaning assigned to such term in Clause 4.12.
- 1.89** “**United States**” or “**U.S.**” means the United States of America and its territories and possessions.
- 1.90** “**Valid Claim**” means a claim in an issued, in force and unexpired patent that (a) has not been finally cancelled, withdrawn, abandoned or rejected by any administrative agency or other body of competent jurisdiction not subject to further appeal, (b) has not been revoked, held invalid, or declared unpatentable or unenforceable in a decision of a court or other body of competent jurisdiction that is unappealable or unappealed within the time allowed for appeal, and (c) has not been rendered unenforceable through disclaimer, abandonment, withdrawal, dedication to the public, allowing to lapse through non-payment of renewal fees or otherwise. For clarity, a claim within a pending patent application shall not be a Valid Claim.
- 1.91** “**VAT**” means the tax imposed by Council Directive 2006/112/EC of the European Community and any national legislation implementing that directive together with legislation supplemental thereto and in particular, in relation to the United Kingdom, the tax imposed by the Value Added Tax Act of 1994 or other tax of a similar nature imposed elsewhere instead of or in addition to value added tax.
- 1.92** In this Agreement:
- 1.92.1 all references to a particular Clause or Schedule shall be a reference to that Clause or Schedule in or to this Agreement as it may be amended from time to time pursuant to this Agreement;
 - 1.92.2 the headings are inserted for convenience only and shall be ignored in construing this Agreement;
 - 1.92.3 words importing the masculine gender shall include the feminine and vice versa and words in the singular include the plural and vice versa;
 - 1.92.4 words denoting persons shall include any individual, partnership, company, corporation, joint venture, trust association, organisation or other entity, in each case whether or not having separate legal personality;
 - 1.92.5 the words “include”, “included” and “including” are to be construed without conveying any limitation to the generality of the preceding words;
 - 1.92.6 reference to any statute or regulation includes any modification or re- enactment of that statute or regulation; and
 - 1.92.7 any reference to notices or consent being sought or given in writing shall require the consent or notice to be signed by an appropriately authorised person and shall not include consents or notices conveyed by email.

2 GRANT OF LICENCES

2.1 GSK Licence

- 2.1.1 Subject to the terms and conditions of this Agreement, Immutep hereby grants to GSK:
- (a) an exclusive royalty-bearing licence (even as to Immutep, except as set forth in Clause 2.1.3(b) and Clause 2.2) under the Immutep Intellectual Property;
 - (b) an exclusive royalty-bearing sub-licence (even as to Immutep except as set forth in Clause 2.1.3(b) and Clause 2.2) under the Merck-Serono IP,

only to research, develop, make, have made, use, offer to sell, sell and import the Monoclonal Antibody and the Licensed Products in the Territory for use in the Field. For the avoidance of doubt, nothing in this Clause 2.1.1 shall be deemed to grant GSK any right for GSK to research, develop, make, have made, use, offer to sell, sell and import any compounds covered or claimed in the Immutep Intellectual Property, and/or the Merck-Serono IP other than the Monoclonal Antibody and/or the Licensed Product.

- 2.1.2 GSK shall have the right to grant sub-licences under the rights and licences granted to it under Clause 2.1.1, without seeking the prior written consent of Immutep.
- 2.1.3 The rights granted to GSK pursuant to Clause 2.1.1 shall not include:
 - (a) the rights of INSERM and the parties to the INSERM Agreement other than Immutep pursuant to the INSERM Agreement to the extent that the obligations of Immutep to GSK pursuant to Clause 2.1.1 and Clause 7 are not otherwise affected; and
 - (b) the rights of Immutep under the Immutep Intellectual Property and Merck- Serono IP to the extent that the obligations of Immutep to GSK pursuant to Clause 2.1.1 and Clause 7 are not affected.

2.2 Immutep Rights and Obligations

- 2.2.1 Notwithstanding Clause 2.1, Immutep shall have a non-transferable right under the Immutep Intellectual Property solely to the extent necessary or useful to discharge its obligations in relation to the Research Programme.
- 2.2.2 GSK hereby grants to Immutep a non-exclusive licence to use the GSK Background IP and GSK Arising IP solely to the extent necessary or useful to discharge Immutep's obligations in relation to the Research Programme. This licence shall not be sublicenseable without the prior consent of GSK, which may be withheld.

2.3 **Sublicensing.** To the extent either Party is permitted to grant sub-licences under the licences granted to it under this Clause 2, such Party shall have the right to grant such sub-licences through multiple tiers of Sub-licensees; provided that:

- 2.3.1 any such sub-licence is consistent with and subject to the terms of this Agreement and shall terminate automatically upon termination of the corresponding licence hereunder; and
- 2.3.2 neither Party shall be relieved of its obligations pursuant to this Agreement as a result of such sub-licence;
- 2.3.3 each such Party permitted to grant sub-licenses shall procure a written agreement from any Sub-licensee that its rights under:
 - (a) such sub-licence shall comply in all respects with such Party's obligations under this Agreement; and
 - (b) such sub-licence shall comply in all respects with such Party's obligations under the Merck-Serono Agreement or under the INSERM Agreement, as applicable.
- 2.3.4 where GSK grants a sub-licence under the Immutep Intellectual Property and/or the Merck Serono IP to a Third Party, GSK shall ensure that:
 - (a) any such Sub-licensee shall not be granted rights that exceed the scope of the rights granted to GSK under this Agreement with respect to the Immutep Intellectual Property and/or Merck Serono IP;
 - (b) prior to the execution of any sub-licence agreement relating to the Immutep Intellectual Property, GSK shall provide IMMUTEP with notification of the identity and address of the Sub-Licensee, as well as such terms of the licence as GSK deems reasonably necessary, for approval by INSERM, which shall not be withheld except if INSERM TRANSFERT gives written demonstration that the prospective licence to Sub-Licensee affects its legitimate interests. After [***] of the above-mentioned notification, the absence of response from IMMUTEP shall be considered as an approval; and

- (c) promptly following the execution of any sub-licence agreement with any Sub-licensee, GSK shall provide IMMUTEP with a signed copy of the sub-licence agreement with such provisions redacted which GSK deems reasonably necessary. Any information disclosed to IMMUTEP shall constitute the Confidential Information of GSK, however IMMUTEP is hereby duly authorised by GSK to provide INSERM TRANSFERT with a signed copy of such sub-licence agreement provided that IMMUTEP notifies INSERM that such sub-licence agreement constitutes the Confidential Information of IMMUTEP as defined in the INSERM Agreement.
- 2.4 No Implied Licenses.** No licence or other right is or shall be created or granted hereunder by implication, estoppel or otherwise. All such licences and rights are or shall be granted only as expressly provided in this Agreement.
- 2.5 In Licenses.** The licenses granted by IMMUTEP to GSK under this Agreement are subject to the terms and conditions of the Merck-Serono Agreement and of the INSERM Agreement that IMMUTEP provides to GSK hereunder in Schedule 8 and in Schedule 10. GSK, as a Sub-licensee, agrees to be bound by the terms and conditions of the Merck-Serono Agreement (as attached in Schedule 10) only to the extent that they are applicable to a Sub-licensee. For clarity, GSK does not agree to be bound by any subsequent amendment to the Merck-Serono Agreement from the Effective Date.

3 RIGHTS AND OBLIGATIONS OF GSK

- 3.1.1 GSK will use Commercially Reasonable Endeavours to develop and commercialise one (1) Licensed Product under its licence in Clause 2.1. This obligation shall not prevent GSK from exercising any right to develop and commercialise additional Licensed Product(s) claimed by the Immute Intellectual Property under the terms of this Agreement.
- 3.1.2 GSK shall have full control, authority and responsibility for the development of the Licensed Product in the Field within the Territory.
- 3.1.3 GSK shall have full control, authority and responsibility for manufacturing the Monoclonal Antibody and the Licensed Product in the Field within the Territory.
- 3.1.4 GSK shall have full control, authority and responsibility for the commercialisation of the Licensed Product in the Field within the Territory (which shall for the avoidance of doubt include the full control, authority and responsibility to make, have made, market, use, import, offer to sell, and sell the Licensed Product). GSK shall have final decision-making authority, in its sole discretion, relating to the commercialisation of the Licensed Product in the Field in the Territory, including pricing and reimbursement for the Licensed Product, product advertising and promotional materials, the Licensed Product packaging, sales force training and all interactions with Regulatory Authorities regarding the commercialisation of the Licensed Product including as applicable those related to recall or market withdrawal of the Licensed Product. All Regulatory Approvals shall be owned and held by GSK, its Affiliates or Sub-licensees both during and after the Term. GSK shall have sole authority and responsibility for distributing and booking all sales in the Territory.
- 3.1.5 Notwithstanding any other provision of this Agreement, GSK shall have the right, in its sole discretion, immediately and permanently to discontinue development, manufacture and commercialisation of the Licensed Product without further payment to Immute (except any payment accruing prior to this time and unpaid) or to take other reasonable action, including, without limitation instituting a recall of the Licensed Product. In such event that GSK decides to terminate the development and/or commercialisation of the Monoclonal Antibody and/or Licensed Product, then such decision shall be taken in accordance with Clause 3.4 and the provisions of Clause 15 shall apply.

- 3.2 Development Costs.** GSK, its Affiliates and/or Sub-licensees, as applicable, shall bear all costs for the development of the Licensed Product in the Field and for the manufacture and commercialisation of the Licensed Product in the Field within the Territory.
- 3.3 Reports.** GSK shall provide reasonable progress updates to Immutep on the status of the Licensed Product within [***] of the end of each Calendar Year which shall constitute Confidential Information of GSK. Immutep shall have the right to provide INSERM TRANSFERT and Ares Trading SA with information derived from such reasonable progress updates, as required under the INSERM Agreement and the Merck-Serono Agreement respectively, and such information shall constitute Confidential Information of GSK provided however, that with respect to the obligations of Immutep under the Merck-Serono Agreement, Immutep shall not disclose to Ares Trading S.A. any Confidential Information of GSK including the items contained in this Clause 3.3 without the prior written approval of GSK.
- 3.4 Cessation of Development.** In the event that GSK formally decides by way of a public statement or a documented decision by a GSK internal research and development investment committee to cease all development, manufacture and/or commercialisation of all Licensed Products and/or this Agreement, it shall so notify Immutep as soon as reasonably practicable thereafter. Such notification in accordance with this Clause 3.4 shall be deemed to be a notice of termination in respect of all the Licensed Products in accordance with Clause 15.

4 RESEARCH COLLABORATION

- 4.1 Overview.** Pursuant to this Agreement and as further provided in this Clause 4, during the Research Term Immutep will undertake an agreed collaborative Research Programme as laid out in the Research Plan, under the supervision of the JSC. The primary goal of the Research Programme is to investigate the potential for therapeutic intervention utilising the Monoclonal Antibody in the Field, for further development and commercialisation by GSK under the licence granted to GSK pursuant to Clause 2.1 above.
- 4.2 Research Plan.** An initial outline Research Plan has been agreed by the Parties and is attached hereto as Schedule 1 to the Agreement. The Research Plan may be supplemented or amended from time to time pursuant to Clause 6.1.2.
- 4.3 Conduct of Research Plan.**
- 4.3.1 Immutep shall use its Commercially Reasonable Endeavours to undertake all the activities allotted to it in the Research Plan, and to complete such activities in accordance with any timelines set out in the Research Plan. Immutep shall perform its activities under the Research Plan at all times in material compliance with all Applicable Laws and in accordance with good scientific and clinical practices. For clarity, Immutep shall use personnel with all necessary skills and experience as are required to accomplish efficiently and expeditiously the objectives of the Research Programme as set forth in the Research Plan in good scientific manner and in compliance with all material respects with all Applicable Laws.
- 4.3.2 Without limiting the above, Immutep further agrees to perform its activities under the Research Plan at all times in material compliance with those GSK policies identified in this Agreement.

- 4.3.3 Immutep acknowledges the importance to GSK of ensuring that the Research Programme is undertaken in accordance with the following good data management practices (“**Good Data Management Practices**”):
- (i) Data is being generated using sound scientific techniques and processes;
 - (ii) Data is being accurately recorded in accordance with good scientific practices by persons conducting Research Programme hereunder;
 - (iii) Data is being analyzed appropriately without bias in accordance with good scientific practices;
 - (iv) Data and results are being recorded in accordance with GSK guidelines in a GSK lab notebook (provided by GSK), and such lab notebooks are being stored securely and can be easily retrieved, and
 - (v) Data trails exist to easily demonstrate and/or reconstruct key decisions made during the conduct of the Research Programme, presentations made about the Research Programme and conclusions reached with respect to the Research Programme.
- 4.3.4 Immutep agrees that it shall carry out the Research Programme and collect and record any data generated therefrom in a manner consistent with the specific requirements set forth in the Research Plan. At any time during the term of this Agreement, GSK may request changes to the specific requirements set forth in the Research Plan, where GSK reasonably believes such changes are required to ensure that the Research Programme is undertaken in compliance with Good Data Management Practices.
- 4.3.5 GSK shall be permitted, in its sole discretion and at no additional charge to GSK, to undertake on-site compliance audits of Immutep’s Good Data Management Practices, as provided for in the Research Programme, on providing Immutep with [***] written notice of GSK’s intent to do so and subject to all personnel conducting such audit signing a confidentiality undertaking acceptable to Immutep, abiding by all of Immutep’s site access rules and not disrupting or interfering with Immutep’s day-to-day business.
- 4.3.6 If GSK determines during the audit that Immutep has not conducted the Research Programme under Good Data Management Practices, GSK will inform Immutep and Immutep will have [***] to rectify the identified issue. If Immutep does not or is unable to rectify the issues identified by GSK, GSK may chose to terminate the Research Programme on [***] written notice to Immutep. Termination of the Research Programme by GSK, shall not entitle GSK to terminate this Agreement pursuant to Clause 15.2.1.
- 4.3.7 If Immutep commits a material breach of any of Immutep’s obligations pursuant to this Clause 4, and fails to cure such material breach within [***] of receipt of a written notice from GSK as to the material breach and requiring remedy, or if cure cannot be reasonably effected within such [***] period, delivery by Immutep of a plan for curing such material breach that is sufficient to effect a cure within a reasonable timeframe, with assurances acceptable to GSK, Immutep shall thereafter carry out the plan and cure the material breach within the agreed timeframe. If Immutep has not cured the material breach accordingly, then, GSK may terminate the Research Programme immediately upon notice to Immutep.. Termination of the Research Programme by GSK, shall not entitle GSK to terminate this Agreement pursuant to Clause 15.2.1.

4.4 Termination of the Research Programme.

- 4.4.1 GSK may terminate the Research Programme pursuant to Clause 15.2.1 and Clause 15.2.2 and/or pursuant to a Change of Control, and such termination shall not affect this Agreement, which shall continue to remain in full force and effect. Upon such termination of the Research Programme, Immutep shall provide a final report in accordance with Clause 4.6 and shall return to GSK, or destroy, all Confidential Information of GSK, in accordance with Clause 4.7. For clarity, the licence granted to GSK pursuant to Clause 2.1 of this Agreement shall survive the termination of the Research Programme and continue on the terms of this Agreement.
- 4.4.2 Immutep may terminate the Research Programme without cause upon the provision of a [***] written notice to GSK and upon the expiry or termination of the Research Programme, Immutep shall provide a final report in accordance with Clause 4.6 and shall return to GSK, or destroy, all Confidential Information of GSK, in accordance with Clause 4.7. If Immutep terminates the Research Programme within [***] following any payment made by GSK to Immutep pursuant to Clause 4.5, Immutep shall re-imburse to GSK prorata temporis the most recent payment made by GSK to Immutep pursuant to Clause 4.5.

4.5 Costs of Research. Subject to the remainder of this Clause 4.5 and the provisions of Clause 16 or unless expressly agreed to the contrary in writing by the unanimous agreement of all JSC Members, Immutep shall be responsible for the costs that it incurs in performing the activities allotted to it in the Research Plan. Notwithstanding, GSK shall pay to Immutep [***] within [***] following receipt by GSK of an Invoice from Immutep on or after the Effective Date. GSK shall subsequently pay to Immutep [***] within [***] following receipt by GSK of an Invoice from Immutep on or after the first annual anniversary of the Effective Date. However, if GSK terminates the Research Programme pursuant to this Agreement after the first payment of [***] and prior to the first anniversary, GSK shall not be required to pay Immutep the second payment of [***].

4.6 Reports. Immutep shall provide reasonable progress updates to the JSC on the status of its activities under the Research Plan, including as and where appropriate summaries of data generated and a timetable for completion of relevant activities. Immutep shall use reasonable endeavours to provide any such written summaries to JSC members at least [***] in advance of the applicable JSC meeting. At the completion of the Research Programme, Immutep shall submit to GSK a final report within [***] following the completion of the Research Programme acceptable to GSK in all respects. For clarity, the information summaries and reports provided to GSK under this Clause 4.6 shall constitute the Confidential Information of GSK.

4.7 Provision of Information. Immutep will provide to GSK all information that is generated in the course of its activities under the Research Plan, or otherwise in relation to the Monoclonal Antibody generated by Immutep. The provision of all such information shall be performed in a timely manner to allow for disclosure to regulatory authorities in accordance with all regulatory deadlines, promote compliance with the timelines set forth in any agreed plan, and in order to facilitate each Party's decision-making in connection with the JSC meetings and to monitor the obligations of Immutep. Within [***] following the termination or expiry of the Research Programme, Immutep shall return to GSK or destroy, at GSK's request, all Confidential Information of GSK except that Immutep shall be permitted to retain one copy of all Confidential Information of GSK so that any continuing legal obligations may be determined.

- 4.8 Subcontracting.** Immutep may, as far as is set out in the Research Plan, fulfil its obligations under the Research Plan through sub-contractors, in accordance with the provisions of this Clause 4.8, however, if Immutep plans to subcontract its obligations under the Research Plan, it shall obtain GSK's prior written consent, which may be withheld. Immutep acknowledges that the appointment of a subcontractor shall not relieve it of its obligation to carry out, or procure the carrying out of that part of the Research Programme or this Agreement;
- 4.8.1 Any subcontractor engaged by Immutep to perform an obligation set forth in this Agreement shall meet the qualifications required by Immutep for the performance of the subcontracted work. For clarity, any subcontractor to be engaged under this Agreement shall not be appointed by Immutep unless they possess all necessary skills and experience as are required to efficiently and expeditiously accomplish the subcontracted responsibilities to such standards as are necessary to comply with its obligations under this Agreement. Notwithstanding the preceding, Immutep shall remain responsible and obligated for such activities and shall in all cases retain or obtain exclusive Control (i.e., either ownership or an exclusive, sub- licensable licence) of any and all Intellectual Property created by (or used with Immutep's permission by) such subcontractor directly related to such subcontracted activity, at the sole cost and expense of Immutep. For clarity, Immutep shall procure that any subcontractor appointed under this Agreement shall be held to confidentiality undertakings equivalent to those enforceable against Immutep under this Agreement.
- 4.9 Ethical Care of Animals.**
- 4.9.1 Immutep agrees to comply with all relevant statutes, legislation, regulations and guidelines for the care, welfare and ethical treatment of animals used in research in the country where the research is being performed. In conducting any research involving the use of animals, Immutep further agrees to comply with the "3R" Principles - reducing the number of animals used, replacing animals with non-animal methods whenever possible and refining the research techniques used. All work must be conducted in adherence to the core principles for animals on research studies identified below. Local customs, norms, practices or laws may be additive to the core principles, but Immutep agrees to comply, as a minimum, with these core principles:
- (a) Access to species appropriate food and water,
 - (b) Access to species specific housing, including species appropriate temperature and humidity levels,
 - (c) Access to humane care and a program of veterinary care,
 - (d) Ability to demonstrate species specific behaviour,
 - (e) Adherence to principles of replacement, reduction and refinement in the design of *in vivo* studies,
 - (f) Study design reviewed by institutional ethical review panel,
 - (g) Commitment to minimizing pain and distress during *in vivo* studies, and
 - (h) Work performed by appropriately trained staff;
- 4.9.2 Immutep shall permit GSK to conduct reasonable inspections (not audits) if announced in advance by written notice, in order for GSK to confirm adherence to the above principles and guidelines. To the extent that any material deficiencies are identified as the result of such inspection, Immutep shall endeavour in good faith to take reasonable and practical corrective measures to remedy any such material deficiencies.

4.10 Use of Human Tissue.

- 4.10.1 Immutep represents and warrants that any human biological samples used in the Research Programme have been obtained and will be stored and used in accordance with all relevant laws including, but not limited to, the Human Tissue Act 2004 or the equivalent French regulations (including but not limited to L. n°2004-800 et L. n° 94-654), and any generally accepted ethical guidelines in particular the MRC Guidelines entitled “Human Tissue and Biological Samples for use in Research” regarding the collection, use and transport of human tissue.

4.11 Ethical Standards.**4.11.1 Human Rights**

- (a) Unless otherwise required or prohibited by law, the Immutep warrants, to the best of its knowledge, that in relation to the performance of this Agreement:
 - (i) it does not employ engage or otherwise use any child labour in circumstances such that the tasks performed by any such child labour could reasonably be foreseen to cause either physical or emotional impairment to the development of such child;
 - (ii) it does not use forced labour in any form (prison, indentured, bonded or otherwise) and its employees are not required to lodge papers or deposits on starting work;
 - (iii) it provides a safe and healthy workplace, presenting no immediate hazards to its employees. Any housing provided by Immutep to its employees is safe for habitation. Immutep provides access to clean water, food, and emergency healthcare to its employees in the event of accidents or incidents in the workplace;
 - (iv) it does not discriminate against any employees on any ground (including race, religion, disability or gender).
 - (v) it does not engage in or support the use of corporal punishment, mental, physical, sexual or verbal abuse and does not use cruel or abusive disciplinary practices in the workplace;
 - (vi) it pays each employee at least the minimum wage, or a fair representation of the prevailing industry wage, (whichever is the higher) and provides each employee with all legally mandated benefits;
 - (vii) it complies with the laws on working hours and employment rights in the countries in which it operates;
 - (viii) it is respectful of its employees right to join and form independent trade unions and freedom of association.
- (b) Immutep agrees that it is responsible for controlling its own supply chain and that it shall encourage compliance with ethical standards and human rights by any subsequent supply of goods and services that are used by Immutep when performing its obligations under this Agreement.
- (c) Immutep shall ensure that it has ethical and human rights policies and an appropriate complaints procedure to deal with any breaches of such policies.

- 4.12 Transfer of Materials.** In the event that either GSK or Immutep (the “**Transferor**”) agrees to transfer any biopharmaceutical, biological or chemical material (“**Material**”) to Immutep or GSK (as the case may be) (the “**Transferee**”) for use within the Research Programme such transfer shall take place in accordance with the following provisions:

- 4.12.1 Such transfer shall be recorded using the material transfer record form set out in Schedule 5, which the Transferor shall complete and submit to the Transferee for counter-signature prior to the transfer of the material. GSK and Immuteip agree that one member of the JSC from each Party together with any further individual notified by the JSC (as the case may be) to the other shall be authorised to execute such form on behalf of the respective Party.
- 4.12.2 Both Parties warrant that they have the full right and authority to transfer the Materials to the Transferee for use within the Research Programme.
- 4.12.3 Materials and related information provided by Transferor will remain the property of Transferor or remain under the control of Transferor and will be kept securely by Transferee and will not be provided by Transferee, without the prior written consent of Transferor to any Third Party.
- 4.12.4 The Transferee shall only use the Material for the purpose of the performing the applicable work as laid out under the Research Plan detailed in Schedule 1 and use the Materials in accordance with all applicable laws, regulations and governmental guidelines.
- 4.12.5 The Transferee shall not, save as necessary for the conduct of work as laid out under the Research Plan, use the Material in any human or animal subjects.
- 4.12.6 The Transferee acknowledges that the Material is experimental in nature and provided "as is" and that the Transferor makes no representation or extends no warranty of any kind with respect to the Material and hereby disclaims all warranties, either express or implied, including, but not limited to, any warranty of merchantability, fitness for a particular purpose or that their use does not or will not infringe any patent rights of third parties.
- 4.12.7 The Transferee shall use the Material at its own risk and in accordance with applicable laws and regulations and any safety instructions provided by the Transferor.
- 4.12.8 The Transferee shall at the election of the Transferor following completion of the purpose for which the Material was transferred destroy or return the Material.

5 TECHNOLOGY TRANSFER TO GSK

- 5.1 Immuteip will as soon as reasonably practicable, provide to GSK at no cost to GSK, and to the extent GSK reasonably requires for the exercise by GSK of the rights granted under Clause 2 as follows:
 - 5.1.1 Within [***] following the Effective Date, all Immuteip Background IP and Merck-Serono IP relating to the Monoclonal Antibody and the Research Programme, (which will include such of the tech transfer requirements set out in Schedule 3 to the extent that such information is in Immuteip's possession and Control at the Effective Date) in an electronically editable format suitable for electronic Common Technical Document (eCTD) submission (where available to Immuteip in such format at the Effective Date) or as otherwise agreed between the Parties, together with any analytical methodologies (including applicable reference standards, test methods and specifications), the Monoclonal Antibody manufacturing processes, regulatory documentation (paper or electronic, as agreed between the Parties), filings and correspondence, patent information, all preclinical and clinical data and reports (in PDF format) in Immuteip's possession and Control at the Effective Date; and

- 5.1.2 such Know-How relating to the manufacture of the Monoclonal Antibody as is in the possession and Control of Immutep and as may reasonably be required by GSK for the manufacture of the Monoclonal Antibody;
- 5.1.3 technology transfer services sufficient to facilitate a smooth transfer of such information, materials and data as set out in this Clause 5;
- 5.1.4 Immutep obtains all necessary consents and approvals required by any person or entity to disclose to GSK any research data generated under or in connection with the INSERM Research Collaboration Agreement related to the Monoclonal Antibody; and
- 5.1.5 Notwithstanding anything to the contrary contained herein, the Merck- Serono Know-How transferred to GSK shall be subject to the provisions of Clause 12 of this Agreement and GSK shall treat such Know-How as the Confidential Information of Immutep.

6 GOVERNANCE OF THE RESEARCH COLLABORATION AND THE DEVELOPMENT PROGRAMME

- 6.1 Promptly and in any event within [***] after the Effective Date, the Parties shall establish and convene a committee (the “**Joint Steering Committee**” or “**JSC**”), which shall oversee and manage the progress of the Research Programme and provide a forum to review development matters. The JSC shall survive the expiry or early termination of the Research Term and shall continue until no Licensed Product is under development, provided however, that GSK shall have the option to terminate the JSC upon a Change of Control of Immutep. In particular the JSC shall have responsibility for:
 - 6.1.1 reviewing the results of the Research Programme and monitoring their overall progress;
 - 6.1.2 approving any supplements or modifications to the Research Plan; and
 - 6.1.3 monitoring and approving the exchange of relevant information and Materials between the Parties as required for the performance of the Research Plan using the Material Transfer Record Form in Schedule 5;
 - 6.1.4 attempting to resolve any disputes regarding proposed publications containing Confidential Information;
 - 6.1.5 facilitating communication and providing a forum to review development matters pertaining to any Licensed Product. Such review shall include, upon GSK’s reasonable request, input by Immutep into GSK regulatory reports during the development of any Licensed Product; and
 - 6.1.6 such other responsibilities as may be assigned to the JSC pursuant to this Agreement or as may be mutually agreed upon by the Parties from time to time; provided, however that the JSC shall not have the power to amend or modify this Agreement other than the Research Plan.
- 6.2 Notwithstanding the above,
 - 6.2.1 GSK shall have final decision making authority on all decisions relating to the termination of the Research Programme, provided that GSK’s rights relating to termination are exercised in accordance with Clause 15.
 - 6.2.2 For the avoidance of doubt, except in relation to the activities to be performed under the Research Plan, GSK shall have the sole decision making authority in relation to any decisions taken in respect of the research, development, manufacture and commercialization of any Licensed Product. For clarity, GSK shall make all decisions regarding the development of any Licensed Product independently of the JSC.

- 6.3 Membership.** The JSC shall be comprised of an equal number of representatives from each of the Parties (the “**Members**”). The exact number of such representatives from each Party shall be two (2), or such other number as the Parties may mutually agree. Each Party may replace any or all of its representatives on the JSC at any time upon written notice to the other Party in accordance with Clause 17. Any Member of the JSC may designate a substitute to attend and perform the functions of that Member at any meeting of the JSC. Each Party may, in its reasonable discretion, invite non-Member representatives of such Party to attend meetings of the JSC, as a non-voting participant, provided that such persons are bound by the confidentiality obligations of Clause 12. A chairperson shall be appointed by GSK to oversee the operation of the JSC and the preparation of the minutes as set forth in Clause 6.6 (the “**Chairperson**”).
- 6.4 Meetings of the JSC.** During the Research Term, the JSC shall meet once each Calendar Quarter, or more or less frequently as the Parties may mutually deem appropriate. At least half of the meetings of the JSC in any Calendar Year shall be held in person, unless the Parties mutually agree otherwise, and such in person meetings shall alternate between UK-based offices of GSK and the France-based offices of Immuteq, or such other place as the Parties may agree. The members of the JSC also may convene or be polled or consulted from time to time by means of telecommunications, video conferences, electronic mail or correspondence, as deemed necessary or appropriate. Outside of the Research Term, the JSC shall meet annually within [***] of the receipt of the annual progress report from GSK under Clause 4.6, whether remotely by teleconference or in person, as may be determined by the Parties from time to time.
- 6.5 Decision-making.** Except as otherwise expressly provided in this Agreement, decisions of the JSC shall be made by unanimous vote of a quorum of the Members, with each Party having one (1) vote. The presence of at least two (2) Members representing each Party (i.e. a total of at least four (4) Members) shall constitute a quorum. The Members shall use their reasonable endeavours to reach agreement on any and all matters to be determined or resolved by the JSC. In the event of any disagreement at the JSC, GSK shall have sole decision making authority on all decisions relating to the progress or direction of the Research Programme, provided that GSK shall only use its sole decision making authority to supplement or modify the Research Plan where such supplement or modification does not materially increase the activities to be performed by Immuteq under the Research Plan, or materially increase their cost, or take the Research Programme outside of the scope as described in Clause 4.1.
- 6.6 Minutes.** The Parties shall be alternately responsible for preparing and circulating minutes within [***] after each meeting setting forth in respect of the Research Programme, amongst other things, a list of topics of discussion at the meeting and a list of any actions, decisions or determinations approved and a list of any issues and actions to be resolved pursuant to Clause 6.7, such that the Party who did not prepare the agenda at the previous meeting shall prepare the agenda for the subsequent meeting. With the sole exception of specific items of the meeting minutes to which the Members cannot agree and which are escalated as provided in Clause 6.7, the Parties shall ensure that the definitive minutes of all JSC meetings are finalized within [***] of the date of the relevant meeting of the JSC. If at any time during the preparation and finalization of the JSC minutes, the Parties do not agree on any issue with respect to the minutes, such issue shall be resolved by the escalation process as provided in Clause 6.7. The decision resulting from the escalation process shall be recorded in amended minutes for such meeting.

- 6.7 Dispute Resolution by Executive Officers.** At any time, if the JSC is unable to reach a consensus decision and the subject matter of such decision is not subject to GSK's sole decision-making authority (and not subject to referral to the Senior IP Representatives pursuant to Clause 10.1, within [***] (or sooner if required) after it has met and attempted to reach such decision, then either Party may, by written notice to the other, have such matter referred to the Chief Executive Officer of Immute, and the Senior Vice President of Biopharmaceutical R&D of GSK, or such other person designated by GSK (being an employee of GSK or an Affiliate of GSK and more senior than the most senior GSK Member of the JSC) from time to time (collectively, the "**Executive Officers**"), for resolution. The Executive Officers shall meet promptly to discuss the matter submitted and to determine a resolution. If the Executive Officers are unable to determine a resolution in a timely manner, which shall in no case be more than [***] after the matter was referred to them, then GSK shall have the deciding vote on the matter.
- 6.8 Limitation on Final Decision-Making Authority.** In no event shall GSK exercise its final decision-making authority in a manner that would have the effect of modifying, amending or would otherwise be in conflict with, the terms or provisions of this Agreement (including applicable definitions).
- 6.9 Subcommittee(s).** From time to time, the JSC, acting unanimously, may establish one or more subcommittees to oversee particular activities, as it deems necessary or advisable (each, a "**Subcommittee**"). Each Subcommittee shall consist of such number of members as the JSC determines is appropriate from time to time; provided that, unless the JSC shall unanimously agree otherwise, each Party shall have the same number of representatives on each Subcommittee. Such members shall be individuals with expertise and responsibilities in one or more of the areas of preclinical development, clinical development, Patents, process sciences, manufacturing, regulatory affairs, product development or product commercialization, as applicable to the stage of development of the project or activity. Except as otherwise expressly provided in this Agreement, decisions of a Subcommittee shall be made by unanimous vote of a quorum of the members of the Subcommittee, with each Party having one (1) vote.
- 6.10 The Joint Patent Subcommittee.** Promptly after the first JSC meeting, the Parties shall establish a Joint Patent Subcommittee (a "**JPS**") to oversee the Immute Background Patents, the Collaboration Patents and the subject matter of Clause 8.8 only. The JPS shall be comprised of two (2) representatives (or such other number of representatives as the Parties may agree) from each of GSK and Immute. The JPS will report to the JSC and will serve as the forum to review and discuss and receive, in the first instance, matters relating to the Immute Background Patents, the Collaboration Patents and the subject matter of Clause 8.8 in accordance with the provisions of Clause 9 and the other relevant provisions of this Agreement. The JPS shall survive the expiry or early termination of the Research Term and continue for the Term of this Agreement.
- 6.11 Alliance Managers.** Either Party may appoint one (1) alliance manager to serve as the point person for communications between the Parties on matters arising under this Agreement (an "**Alliance Manager**"). Each Alliance Manager shall be primarily responsible for promoting communications and collaboration between the Parties and internally within the Parties. Each Alliance Manager shall also be responsible for:
- 6.11.1 facilitating coordination among the various functional representatives of Immute or GSK, as appropriate;
 - 6.11.2 providing single-point communication for seeking consensus; and
 - 6.11.3 each Alliance Manager may attend all JSC and JPS meetings and any other Subcommittee meetings of any other Subcommittee that may be convened under the Agreement, in each case as a non-voting participant, provided that such Alliance Managers are bound by the confidentiality obligations of Clause 12.

7 EXCLUSIVITY

- 7.1** Except as permitted by the Research Programme, for so long as there is any Monoclonal Antibody or Licensed Product in research, development and/or commercialization, as applicable, by GSK or any of its respective Affiliates, Sub- licensees or permitted assignees at any time, during the Term of this Agreement, Immutep shall not:
- 7.1.1 develop or commercialise, either independently or with any Third Party; or
 - 7.1.2 offer any right or licence under Immutep Intellectual Property, to any Affiliate or any Third Party except in accordance with this Agreement,

in each case above, with respect to any molecule, including a Monoclonal Antibody, or fragment thereof, that has the effect of [***] for any Indication in the Field within the Territory.

8 MILESTONES AND ROYALTIES; PAYMENTS

- 8.1 Upfront Payment to Immutep.** In part consideration for the licences granted by Immutep to GSK within the Field pursuant to Clause 2, GSK shall pay a one-time- only fee of [***] no later than [***] after receipt by GSK of an Invoice from Immutep issued on or after the Effective Date.
- 8.2 Milestone Payments for Achievement of Milestone Events.** In part consideration for the licences granted by Immutep to GSK pursuant to Clause 2, GSK shall pay to Immutep in accordance with Clause 8.3 each of the milestone payments as set out below, if the relevant milestone event is achieved with respect to the Licensed Product as indicated in the table below:

<u>Milestone [***]</u>	<u>1st Indication</u>	<u>2nd Indication</u>
First dose in Phase I Clinical Trial (step A)	[***]	[***]
First dose in Phase II Clinical Trial (step B)	[***]	[***]
First dose in Phase III Clinical Trial (step C)	[***]	[***]
Acceptance of a Marketing Authorisation Application in the U.S. in respect of a Licensed Product	[***]	[***]
Acceptance of Marketing Authorisation Application in respect of a Licensed Product by the EMA or in the first of the following countries: UK, France, Germany, Italy and Spain	[***]	[***]
First Commercial Sale in the U.S. in respect of a Licensed Product	[***]	[***]
First Commercial Sale in respect of a Licensed Product in the first of the following countries: the UK, France, Germany, Italy and Spain.	[***]	[***]

8.2.1 For the avoidance of doubt, milestone payments shall only be payable once according to the table in Clause 8.2 above for each of the first two indications and no payment shall be due for any milestone event which is not achieved. Milestone payments shall not be payable for any Indication which is an Orphan Indication. However, milestone payments shall be payable in respect of the first and second Indications which are not Orphan Indications. The maximum therefore payable under Clause 8.2 above is [***]. Milestone payments are not creditable and non-refundable.

- 8.3 Payment of Milestone Payments.** GSK shall notify Immutep of the achievement of a milestone event within [***] of its achievement. GSK shall pay Immutep the relevant milestone payment within [***] of receipt by GSK of an Invoice from Immutep following the achievement of such milestone. If, for any reason, GSK omits any one or more of the milestone events outlined in step A, step B and step C in the table contained in Clause 8.2, GSK shall pay to Immutep such missed milestone payment at such time as the subsequent milestone event occurs.
- 8.4 Royalty Payments to Immutep.** As a further consideration for the licences granted by Immutep to GSK under Clause 2, GSK shall pay to Immutep royalties on annual Net Sales of the Licensed Product during a Calendar Year, on a Licensed Product-by-Licensed Product and country-by-country basis at the following rates, in accordance with and subject to the provisions of this Clause 8.4 and Clauses 8.5 through Clause 8.17:

[***]	[***]
[***]	[***]
[***]	[***]

- 8.4.1 [***].
- 8.4.2 [***].

- 8.5 Royalty Term.** GSK’s obligation to pay royalties with respect to a Licensed Product will continue on a country-by-country and Licensed Product-by-Licensed Product basis from the First Commercial Sale of the Licensed Product in that country until [***].

- 8.6 Know-How Royalty.** In those countries of the Territory in which there is no Valid Claim within the Immutep Background Patents, Merck-Serono Patents or Collaboration Patents owned or jointly owned or Controlled by Immutep which claims the composition of matter or method of use of the Licensed Product sold in such country, but Immutep possesses Know-How, including Merck-Serono Know-How necessary to enable GSK to research and develop the Monoclonal Antibody and/or the Licensed Product as contemplated under this Agreement, then GSK shall pay to Immutep a royalty which shall be reduced by [***] from the royalties agreed pursuant to Clause 8.4 which would be payable if there was a Valid Claim which claims the composition of matter or method of use of the Licensed Product sold provided that such royalty shall only be payable for [***] from the date of First Commercial Sale on a country-by-country basis.
- 8.7 Royalty on Pending Claims.** In those countries of the Territory in which there is no Valid Claim within the Immutep Background Patents or the Collaboration Patents which claims the composition of matter or method of use of the Licensed Product sold in such country, but any pending patent application has been maintained no more than:
- 8.7.1 [***] from the date of filing of the earliest priority patent application to which such pending patent application is entitled, in the case of Immutep Background IP, or
- 8.7.2 [***] from the date of filing of the earliest priority patent application to which such pending patent application is entitled, in the case of the Collaboration IP,
- and such pending application issues before the end of the periods specified in Clause 8.7.1 or Clause 8.7.2 respectively, claiming the composition of matter or method of use of the Licensed Product sold in such country, GSK shall pay to Immutep an amount equal to the additional [***] of amounts due as set forth in Clause 8.4 in accordance with Clause 8.5, to the amount already paid to Immutep under Clause 8.6, that would have otherwise been due as if such pending application had been issued at the time of the First Commercial Sale of the Licensed Product in such countries. If a claim in such pending application does not issue during the periods specified in Clause 8.7.1 or Clause 8.7.2 respectively, this shall not affect the royalty rates payable by GSK to Immutep for such Licensed Product in such country pursuant to Clause 8.6. Should a claim in such pending application issue after the period specified in Clause 8.7.1 or Clause 8.7.2 respectively, GSK shall pay to Immutep, from the date of issue, the amounts due as set forth in Clause 8.4 in accordance with Clause 8.5.
- 8.8 Third Party Intellectual Property.** On a country-by-country basis, if GSK obtains a licence under any Patent covering in whole or in part any invention wholly or partly claimed by the Monoclonal Antibody Patents which would, in the absence of such licence, be infringed by GSK's activities under this Agreement, GSK shall:
- 8.8.1 Be entitled to offset [***] of the royalties in any Calendar Quarter paid to such Third Parties against the royalties due to Immutep under Clause 8.4 or Clause 8.7.
- 8.8.2 In the event that the royalties paid to any such Third Party in a Calendar Quarter pursuant to this Clause 8.8 exceeds the amount by which GSK may credit and offset its payments to Immutep in a Calendar Quarter, GSK shall be entitled to carry forward the excess to offset royalties due to Immutep in any future Calendar Quarter.

- 8.8.3 The right to offset against the royalties due to Immuteq (pursuant to Clause 8.4 or Clause 8.7) contained in this Clause 8.8 shall apply in respect of any right or rights GSK obtains pursuant to the INSERM Agreement and/or the Merck-Serono Agreement, whether on account of Immuteq's insolvency, liquidation or otherwise (including but not limited to the transfer of the rights and obligations under the INSERM Agreement and/or the Merck-Serono Agreement to GSK).

8.9 Minimum Royalty Payment to Immuteq.

- 8.9.1 Nothing contained in Clause 8.6, Clause 8.7, Clause 8.8.1 and Clause 8.8.2 shall have the effect of reducing the royalties paid to Immuteq under Clause 8.4 to less than [***] of the royalty payment under Clause 8.4 on annual, country-by-country, aggregate Net Sales of the Licensed Product. For clarity, this restriction shall not affect the operation of Clause 8.8.3 which may have the effect of reducing the royalties paid to Immuteq under Clause 8.4 to less than [***] to the extent and to the level of the additional costs GSK is required to incur in becoming a direct licensee under the INSERM Agreement and the Merck-Serono Agreement. For further clarity, the effect of any royalty reduction pursuant to this Clause 8.9 shall not result in any additional payment from Immuteq to GSK.

- 8.10 Disagreement regarding Valid Claim and other Patent matters.** In the event there is any disagreement between the Parties under this Clause 8 as to whether any Valid Claim covers any composition of matter or method of use or otherwise covers any Licensed Product pursuant to Clause 8.4, Clause 8.5, Clause 8.6 and/or Clause 8.7, or as to whether any Valid Claim covers any invention claimed by the Monoclonal Antibody Patents pursuant to Clause 8.8, the Parties shall attempt to resolve such dispute first through the JPS which shall endeavour in good faith to resolve this and all other Patent matters under its authority in the first instance, and then, if the JPS cannot agree, then via the process of escalation as provided in Clause 10.1 (with the exception that GSK shall not have the deciding vote in respect of matters raised under this Clause 8.10). In the event that the Senior IP Representatives cannot agree a resolution to the disagreement, then the parties shall proceed to dispute resolution pursuant to Clause 18.

8.11 Commencement of Royalty Payments.

- 8.11.1 Beginning with the Calendar Quarter in which the First Commercial Sale occurs for a Licensed Product and for each Calendar Quarter thereafter, royalties shall be payable by GSK to Immuteq pursuant to this Clause 8.11.1 within [***] following the end of each such Calendar Quarter. Each royalty payment shall be accompanied by a report (the "**Payment Report**") in respect of the preceeding Calendar Quarter summarizing the number, description and aggregate Net Sales of such Licensed Product sold during such Calendar Quarter on a country-by- country basis in British Pounds Sterling and the calculation of royalties due. Notwithstanding the foregoing, once a First Commercial Sale has occurred, in the event that no royalties are payable in respect of a given Calendar Quarter, GSK shall submit a royalty report so indicating.
- 8.11.2 Beginning with the Calendar Year in which the First Commercial Sale occurs for a Licensed Product and for each Calendar Year thereafter, in respect of the preceeding Calendar Year, solely for the five (5) countries with the highest level of Net Sales, a statement of deductions applied to determine Net Sales for such five (5) countries shall be provided to Immuteq pursuant to this Clause 8.11.2 within [***] following the end of each such Calendar Year.

- 8.12 Currency and Timing of Payments.** All payments due to Immutep under this Agreement shall be made in British Pounds Sterling, subject to Clause 8.12.2, within the relevant period, or if no period is stipulated, within [***] after receipt of the relevant Invoice.
- 8.12.1 In the event that GSK receives payment in respect of Net Sales in a currency other than British Pounds Sterling, the relevant royalties payable shall be calculated in British Pounds Sterling at the rate of exchange in line with the method utilised for calculating exchange rates by GSK's group reporting system and published accounts, in which cumulative year-to-date average rates are calculated as the average of the preceding 31st of December spot rate plus the closing spot rates of each of the relevant months to the date at the end of the period for which the calculation is applicable. For clarity, the following example illustrates such a calculation: The cumulative average rate for the five (5) months to May would be computed by taking the sum of the spot rates of the preceding 31st of December, plus the month-end spot rates for each of the five (5) months to May, and divided the sum by six (6). For further clarity, at the Effective Date, GSK current group reporting system utilises rates of exchange quoted by Reuters.
- 8.12.2 Upon Immutep's request, notwithstanding anything else in this Clause 8.12, upon making any payment that is due under this Agreement to Immutep, GSK shall transfer the British Pounds Sterling equivalent amount of the amount payable to Immutep in Euros, utilising the current spot rate GSK is able to obtain on the open market, from British Pounds Sterling to Euros and net of any conversion fees or charges (should any such conversion fees or charges be applicable).
- 8.12.3 All payments shall be made by electronic wire transfer of immediately available funds directly to an account of Immutep as designated by them or to any other account which Immutep may specify by written notice.
- 8.13 Late Payments.** If any payment due by one Party to another Party pursuant to this Agreement is overdue then such Party shall pay interest thereon (before and after any judgment) at an annual rate (but with interest accruing on a daily basis) of [***] on the due date of payment (or on the next Business Day if the due date is not a Business Day), such interest to be pro-rated for the number of days from the date upon which payment of such sum became due until payment thereof in full together with such interest; provided, however, that in no event shall such rate exceed the maximum legal annual interest rate. The payment of such interest shall not limit a Party from exercising any other rights it may have as a consequence of the lateness of any payment. Interest shall be payable except in the following circumstances:
- 8.13.1 where payments are disputed or are pending resolution; and/or
- 8.13.2 where the payment has been delayed by a Party due payment (for instance due to invalid or late changes to bank details, non-compliant invoices, etc).
- 8.14 Records Retention.** Commencing with the First Commercial Sale of a Licensed Product in the Territory, GSK shall keep complete and accurate records of Net Sales for a period of [***] after the year in which such sales occurred, such records to be in sufficient detail to permit Immutep to confirm the completeness and accuracy of the information presented in each Payment Report.

- 8.15 Audits.** For a period of [***] after the year in which such sales of a Licensed Product occurred, at the request and expense of Immutep, GSK shall permit an independent, certified public accountant of nationally recognized standing appointed by Immutep, and reasonably acceptable to GSK, at reasonable times and upon [***] notice, but in no case more than once [***], to examine such records as may be necessary for the sole purpose of verifying the calculation and reporting of Net Sales and the correctness of any royalty payments made under this Agreement for any period within the preceding [***]. The independent, certified public accountant shall disclose to Immutep only the royalty amounts relating to the Net Sales of the Licensed Product, which it believes to be due and payable under this Agreement to Immutep and shall disclose no other information revealed in such audit however, for the sole purpose of complying with its obligations under the Merck-Serono Agreement, nothing in this Clause 8.15 shall prevent Immutep from receiving a fully detailed audited report from such certified public accountant and from disclosing such report. Any and all records examined by such independent, certified public accountant shall be deemed GSK's Confidential Information which may not be disclosed by said independent, certified public accountant to any other person (including Immutep), except in accordance with this Clause 8.15. If, as a result of any inspection of the books and records of GSK, it is shown that a payment to Immutep under this Agreement was less than the amount which should have been paid, then GSK shall make all payments required to be made to eliminate the discrepancy within [***]. Immutep shall pay for such audit, except that, in the event that the audit found a royalty payment to be at least [***] less than the amounts that should have been paid during the year in question, GSK shall pay the reasonable costs of the audit.
- 8.16 VAT and Indirect Taxes.** All sums payable by GSK hereunder are exclusive of any sales, value added taxes and other applicable indirect taxes or duties. The Parties agree that, where appropriate, the Parties shall provide each other with a valid tax invoice, and against the production of such invoice, the Parties shall pay the amount of any such tax to the other Party. Should such amounts of tax be refunded subsequently by the fiscal authorities, the Party receiving the refund shall immediately notify the other Party and refund these monies within [***] of receipt.
- 8.17 Tax Withholding.** Any tax paid or required to be withheld by GSK for the benefit of Immutep on account of any payments payable to Immutep under this Agreement shall be deducted from the amount of any payments otherwise due. GSK shall secure and send to Immutep proof of any such taxes withheld and paid by GSK for the benefit of Immutep, and shall, at Immutep's request, provide reasonable assistance to Immutep in recovering such taxes. Immutep warrants that it is resident for tax purposes in France and that it is entitled to relief from United Kingdom income tax under the terms of the double tax agreement between the United Kingdom and France. Immutep shall notify GSK immediately in writing in the event that Immutep ceases to be entitled to such relief. Pending receipt of formal certification from the United Kingdom Inland Revenue, GSK may pay royalty income and any other payments under this Agreement to Immutep by deducting tax at a rate specified in the double tax treaty between the United Kingdom and France Immutep agrees to indemnify and hold harmless GSK against any loss, damage, expense or liability arising in any way from a breach of the above warranties or any future claim by a United Kingdom tax authority or other similar body alleging that GSK was not entitled to deduct withholding tax on such payments at source at the treaty rate.
- 8.18 No Further Payments.** GSK shall not be required to make any further payments to Immutep or Third Parties except as expressly provided for under this Agreement.

- 8.19 Payments Made by Affiliates.** Immutep agrees that any payment that GSK is required to make under this Agreement may be paid by either GSK or any of its Affiliates, as GSK may so determine.

9 OWNERSHIP OF INTELLECTUAL PROPERTY AND PATENT RIGHTS

- 9.1 Excluded Intellectual Property.** Except for those rights expressly granted under or pursuant to the provisions of this Agreement, nothing herein shall be construed as creating, granting or conveying to one Party any licence, right, title or other interest in or to any Intellectual Property owned or Controlled by the other Party or its Affiliates: (i) existing prior to the Effective Date; or (ii) independently discovered and developed during the Term of this Agreement by such other Party or its Affiliates other than in performance of its obligations under this Agreement and without use of such other Party's Intellectual Property or other Confidential Information.
- 9.2 GSK Programme Intellectual Property.** GSK shall have exclusive ownership of any GSK Programme IP. Immutep hereby irrevocably and unconditionally waives any present or future right, claim and/or interest to any Intellectual Property invented pursuant to this Agreement independently of the Research Collaboration.
- 9.3 Arising Intellectual Property from the Research Programme.**
- 9.3.1 Ownership of all right, title and interest in any Intellectual Property which is invented in the performance of the Research Programme shall be determined as follows:
- (a) Immutep shall have exclusive ownership of any Immutep Non-Licensed Arising IP;
 - (b) Immutep shall have exclusive ownership of any Immutep Licensed Arising IP;
 - (c) GSK shall have exclusive ownership of any GSK Non-Licensed Arising IP;
 - (d) Ownership of any Intellectual Property which is invented solely by GSK during the Research Programme, which has arisen directly from the use of the Merck-Serono IP shall vest exclusively in Immutep provided however, that this right shall then be subject to GSK's further rights under Clause 9.4 ("**GSK Licensed Arising IP**");
 - (e) Immutep and GSK shall jointly own any Joint Non-Licensed Arising IP;
 - (f) Ownership of any Intellectual Property which is invented during the Research Programme which has arisen directly from the use of the Merck-Serono IP, and which is not separable into either Immutep Licensed Arising IP or GSK Licensed Arising IP (for patent applications, to the extent that a single claim spans subject matter falling under both Immutep Licensed Arising IP or GSK Licensed Arising IP) shall vest exclusively in Immutep; provided however, that this right shall then be subject to GSK's further rights under Clause 9.4 ("**Joint Licensed Arising IP**"); and
 - (g) Ownership of any Intellectual Property arising from the Research Programme shall vest exclusively in Immutep, provided that the Intellectual Property is conceived by the Research Plan as attached as of the Effective Date as Schedule 1 without further inventive contribution by GSK.
- 9.4 Assignment of Immutep Intellectual Property.**
- 9.4.1 To the extent that any GSK Licensed Arising IP and/or the Joint Licensed Arising IP is capable of prospective assignment, Immutep now assigns such GSK Licensed Arising IP and a joint interest in the Joint Licensed Arising IP to GSK; and to the extent any GSK Licensed Arising IP and any GSK interest in the Joint Licensed Arising IP cannot be prospectively assigned, Immutep will immediately assign such GSK Licensed Arising IP and any

GSK interest in the Joint Licensed Arising IP to GSK as and when such GSK Licensed Arising IP and any GSK interest in the Joint Licensed Arising IP is created provided however that all such GSK Licensed Arising IP and Immutep's joint interest in the Joint Licensed Arising IP assigned to GSK shall continue to be deemed "Collaboration Patents" for the purpose of Clause 8.5.

- 9.5 Inventorship; Divisional Patent applications.** Inventorship shall be determined for the purposes of this Agreement on a claim-by-claim basis in accordance with the patent laws applicable in the USA. In the event that a Patent contains claims that are jointly invented and claims that are invented solely by one Party or it would otherwise be desirable to separate claims, then the Parties shall, where it is reasonable and practical to do so, use reasonable endeavours to file one or more divisional applications separating out the affected claims.
- 9.6 Joint Arising Intellectual Property.**
- 9.6.1 Both Immutep's right title and interest in the Joint Licensed Arising IP, the Joint Non-Licensed Arising IP and GSK's right title and interest in the Joint Licensed Arising IP and the Joint Non-Licensed Arising IP shall be subject to the rights and licences granted in this Agreement and in particular the following Clause 9.6.2 shall apply.
- 9.6.2 Subject to any licenses granted hereunder and Clause 7, each Party shall have a non-exclusive right under the relevant Joint Licensed Arising IP and the Joint Non-Licensed Arising IP to exploit compounds and/or products that are not, or do not include, the Monoclonal Antibody or Licensed Product and neither Party shall have any obligation to account to the other for profits, or to obtain any approval of the other Party to license, assign, mortgage or exploit Joint Licensed Arising IP and the Joint Non-Licensed Arising IP by reason of joint ownership, and may otherwise undertake all activities a sole owner might undertake with respect to such Joint Licensed Arising IP and the Joint Non-Licensed Arising IP without the consent of and without accounting to the other joint owner, except as otherwise provided in this Agreement, or as the Parties may otherwise agree in writing.
- 9.7 Patent Term Extension.** GSK shall control the filing of any application for patent term extension or supplementary protection certificate relating to a Licensed Product in the Territory and Immutep shall agree to cooperate and provide input in the filing for applications and to do all such acts, provide and sign all documents or copies thereof which may be reasonably necessary or desirable for the filing of any application for patent term extension relating to a Licensed Product in the Territory. For clarity, GSK shall at all times, in fulfilling its obligations under this Clause 9.7, use its sound commercial judgment with regard to the Licensed Product.

10 MANAGEMENT OF PATENT RIGHTS

- 10.1 Prosecution, Maintenance and Defence of Managed Patents.** GSK shall be responsible for, and undertake, the preparation, filing, prosecution, maintenance and extension of Managed Patents. GSK shall bear the worldwide Patent Costs incurred in relation to the Managed Patents. GSK shall, in a timely manner via the JPS, solicit Immutep's advice and review of the nature and text of any Managed Patent and prosecution matters related thereto, including any correspondence between GSK and any government Intellectual Property or Patent authorities, agencies or other government bodies, in reasonably sufficient time prior to filing thereof. In the event that the JPS members are unable to agree on any matter relating to the filing, prosecution or maintenance of any Managed Patent, the JPS members shall, by

written notice to the other, refer such matter to such senior representative with responsibility for intellectual property matters as designated by Immunetp from time to time, and a senior representative of GSK Global Patents, or such other person designated by GSK from time to time (collectively, the “**Senior IP Representatives**”), for resolution. The Senior IP Representatives shall meet promptly to discuss the matter submitted and to determine a resolution. If the Senior IP Representatives are unable to determine a resolution in a timely manner, which shall in no case be more than [***] after the matter was referred to them, then GSK shall have the deciding vote on the matter. For clarity, GSK shall at all times, in fulfilling its obligations under this Clause 10.1, use its sound commercial judgment with regard to the Licensed Product.

If a decision is made, prior or subsequent to filing any Managed Patent anywhere in the world, not to file, prosecute or maintain or to significantly reduce the scope of such Managed Patent or claims encompassed by such Managed Patent in any country of the world or Territory, as the case may be, GSK shall give Immunetp notice thereof within a reasonable period prior to allowing such Managed Patent or such claims encompassed by such Managed Patent to reduce (the scope of such Managed Patent claims), permit such Managed Patent to lapse or become abandoned or unenforceable, and Immunetp shall thereafter have the right, at its sole expense and in its own name, to prepare, file, prosecute and maintain such Managed Patent or claims encompassed by such Managed Patent in such country provided that Immunetp grants to GSK a non-exclusive, subject to royalty payment under Clause 8.4 of this Agreement, worldwide licence under such Managed Patent assumed by Immunetp, as soon as it has been assumed by Immunetp. For the avoidance of doubt, no breach nor breaches of this Clause 10.1 shall give rise to a right to terminate this Agreement unless the breaches are material, occur persistently over a significant period of time and cause significant loss of the scope of Patent protection.

- 10.2 Prosecution, Maintenance and Defence of GSK Arising Patents.** GSK shall have the sole right, at its cost, to prepare, file, prosecute, maintain and extend GSK Arising Patents throughout the world. To the extent that any such Patent claims subject matter that arose in the performance of the Research Programme, GSK shall in a timely manner solicit Immunetp’s advice and review of the nature and text of any such Patent in reasonably sufficient time prior to filing thereof, and GSK shall give due consideration to Immunetp’s comments related thereto. For the avoidance of doubt, no breach nor breaches of this Clause 10.2 shall give rise to a right to terminate this Agreement or any Research Program unless the breaches are material, occur persistently over a significant period of time and cause significant loss of the scope of Patent protection.
- 10.3 Patent Listing.** GSK shall be responsible for performing all patent listing acts and requirements for any Licensed Product with respect to which GSK has the exclusive rights pursuant to Clause 2 to develop and commercialize, and that have become the subject of a Marketing Authorisation Application submitted to any applicable Regulatory Authority, such acts and requirements to include all so-called “Orange Book” listings required under the Hatch-Waxman Act, all so called “Patent Register” listings as required in Canada, all listings and other acts required of the reference product sponsor under the Biologicals Price Competition and Innovation Act of 2009 (42 USC 262), or any foreign equivalents thereof. Prior to such listings, the Parties will meet, through the JPS, to evaluate and identify all applicable Patents, and GSK shall have the right to review, where reasonable, original records relating to any invention for which Patents are being considered by the JPS for any such listing. Notwithstanding the preceding sentence, GSK will retain final decision-making authority as to the listing of all applicable Patents for such Licensed Product and all

other acts pertaining to such patent listings as required by law, statute or regulation, regardless of which Party owns such Patent Right, and any such final decision made in good-faith on the matter shall not be subject to any further review under Clause 18 or otherwise under this Agreement. For the avoidance of doubt, any decision made by GSK under this Clause 10.3 shall not be used to determine, as between the Parties, whether a Patent contains any Valid Claim or whether any Licensed Product is covered by any Valid Claim within the Immutep Background IP or Collaboration IP.

10.4 Notification. Each Party shall promptly provide written notice to the other Party during the Term of any of the following:

- 10.4.1 any known infringement or suspected infringement by a Third Party of any Immutep Background IP or Collaboration IP;
- 10.4.2 any certification received under the Hatch-Waxman Act (i.e., a Paragraph IV Certification under 21 U.S.C. Section 355 and 21 C.F.R. Part 314) or any foreign equivalents with respect to the Licensed Product(s) and/or in relation to any Immutep Background IP or Collaboration IP;
- 10.4.3 any application submitted by a subsection (k) applicant under the Biologicals Price Competition and Innovation Act of 2009 (42 USC 262) or any foreign equivalents with respect to the Licensed Product and/or in relation to any Immutep Background IP or Collaboration IP;
- 10.4.4 any patent-related challenge, such as opposition, interference, re-examination, re-issue, revocation, non-entitlement, invalidity or unenforceability, commenced by a Third Party in respect of any Immutep Background IP or Collaboration IP;
- 10.4.5 any misappropriation or misuse by a Third Party of Immutep Background IP or Collaboration IP.

10.5 Infringement in Territory. In respect of the Immutep Intellectual Property licensed to GSK pursuant to Clause 2, the Joint Licensed Arising IP and the Joint Non- Licensed Arising IP GSK shall have the initial right, but not the obligation, using counsel of its choice at its own cost to bring suit under, or to defend against, as appropriate, the matters listed in Clause 10.4 above to the extent such matters affect GSK's licensed rights hereunder. GSK shall have sole control of any decisions or other aspects of such action (including any settlement), subject to this Clause 10.5 and Clause 10.6, and Immutep shall, upon request, give to GSK such reasonable assistance as GSK may reasonably request, including by signing or executing any necessary documents and consenting to its name being used in the proceedings; provided that GSK shall reimburse Immutep for any reasonable out-of-pocket expenses incurred while providing such assistance. GSK shall keep Immutep reasonably informed of the progress of the action and shall consider the comments and observations of Immutep in prosecuting the action. If GSK does not institute any such action within [***] of a notice from Immutep requiring confirmation from GSK of whether action will be taken (or such shorter period where there is an earlier deadline for taking action), then Immutep shall have the right, but not the obligation, at its own cost, to commence proceedings regarding such matter. Immutep shall, subject to this Clause 10.5 and Clause 10.6, have sole control of any decisions or other aspects of the action (including any settlement) and GSK shall, upon request, give to Immutep such reasonable assistance as Immutep may reasonably request provided that Immutep shall reimburse GSK for any reasonable out-of-pocket expenses incurred while providing such assistance and that nothing in this Clause 10.5 shall oblige GSK to lend its name to, or be joined in, any proceedings commenced by Immutep pursuant to the foregoing.

- 10.6 Settlement.** Neither GSK nor Immuteq shall, without the prior written consent of the other Party, make any admission or enter into a settlement, consent to judgement or other voluntary final disposition in connection with any such proceedings under this Clause 10 that: (i) extends, or purports to extend, the settling Party's rights under the Immuteq Background IP or Collaboration IP beyond the rights granted pursuant to this Agreement; (ii) makes any admission regarding wrongdoing or inequitable conduct by the other Party, its Affiliates or Sub-licensees; (iii) makes any admission regarding the invalidity, unenforceability, scope of claims or absence of infringement of any Patent owned by the other Party or regarding the existence or relevance of any prior art relating to any such Patent; (iv) subjects the other Party to an injunction or other equitable relief; or (v) obligates the other Party to make a monetary payment; (vi) puts the other Party in breach of any contractual commitment to a Third Party which has been disclosed to the settling Party; (vii) except to the extent permitted under Clauses 10.1 to 10.4, results in the amendment of any Immuteq Background IP or Collaboration IP; (viii) except to the extent permitted under Clauses 10.1 to 10.4, diminishes the other Party's right, title or other ownership interest in or to the Immuteq Background IP or the Collaboration IP; or (ix) surrenders subject matter or dedicates any subject matter to the public in respect of any Patent owned by the other Party, in all cases without the prior written consent of the other Party, which consent shall not be unreasonably withheld or delayed.
- 10.7 Recovery.** Any damages or award (including any award of costs) made in the proceedings shall first be applied to the reimbursement of the legal costs of GSK (and of Immuteq if Immuteq has participated in or has taken over the conduct of the proceedings). Any excess amounts shall be treated as follows: (i) if GSK has taken over the conduct of the proceedings, then such excess amounts shall be treated as Net Sales; or (ii) if Immuteq has taken over conduct of the proceedings, then such excess amounts shall be equally shared between GSK and Immuteq.
- 10.8 Trademarks.** GSK shall be responsible for the selection of all trademarks which it employs in connection with the Licensed Product in the Territory and shall own and control such trademarks. GSK shall be responsible for registration and maintenance of all such trademarks. Nothing in this Agreement shall be construed as a grant of rights, by licence or otherwise, to Immuteq to use such trademarks or any other trademarks owned by GSK for any purpose. GSK shall own such trademarks and shall retain such ownership upon termination or expiration of this Agreement.

11 REGULATORY & PHARMACOVIGILANCE

- 11.1 Pharmacovigilance.** GSK shall be responsible for the timely reporting of product quality complaints, adverse events and product safety data related to the Monoclonal Antibody and Licensed Product to the appropriate Regulatory Agency or other health authorities. GSK shall maintain a global adverse event database for the Monoclonal Antibody and Licensed Product. GSK shall respond effectively in a timely manner to all safety issues with respect to the Monoclonal Antibody and Licensed Product, and to all requests made by any Regulatory Authority in the Territory.
- 11.2 Ownership of Regulatory Filings.** GSK shall own and maintain all regulatory filings for the Monoclonal Antibody and the Licensed Product filed pursuant to this Agreement, including all INDs.

12 CONFIDENTIALITY

- 12.1 Confidentiality; Exceptions.** Except to the extent expressly authorized by this Agreement or otherwise agreed in writing, the Parties agree that, during the Term and for a period of [***] thereafter, the receiving Party (the "**Receiving Party**") shall keep confidential and shall not publish or otherwise disclose or use for any purpose other than as provided for in this Agreement any confidential and

proprietary information and materials, patentable or otherwise (including, this Agreement, trade secrets, Know-How, inventions or discoveries, formulae, methods, materials, processes, techniques and information relating to a Party's past, present and future marketing, financial, and research and development activities of any product or potential product or useful technology of the Disclosing Party and the pricing thereof) (collectively, "**Confidential Information**"), in any form (written, oral, photographic, electronic, magnetic, or otherwise), which is disclosed or made available to it by the other Party (the "**Disclosing Party**") or otherwise received or accessed by a Receiving Party in the course of performing its obligations or exercising its rights under this Agreement, except to the extent that it can be established by the Receiving Party that such Confidential Information:

- 12.1.1 was in the lawful knowledge and possession of the Receiving Party prior to the time it was disclosed or made available to, or learned by, the Receiving Party, or was otherwise developed independently by the Receiving Party without reference to or use of the Disclosing Party's Confidential Information, as evidenced by written records kept in the ordinary course of business or other documentary proof of actual use by the Receiving Party;
- 12.1.2 was available to the public generally or otherwise part of the public domain at the time of its disclosure to the Receiving Party;
- 12.1.3 became available to the public generally or otherwise part of the public domain after its disclosure and other than through any act or omission of the Receiving Party;
- 12.1.4 was disclosed to the Receiving Party, other than under an obligation of confidentiality to or at the direction of the Disclosing Party, by a Third Party who had no obligation not to disclose such information to others;
- 12.1.5 where the Disclosing Party provides its consent, which shall not be unreasonably withheld;
- 12.1.6 where such Confidential Information is covered by the obligations Immutep owes to Ares Trading SA in accordance with the Merck-Serono Agreement, and Immutep is required to disclose to Ares Trading SA, provided that Immutep shall procure that Ares Trading SA shall maintain the Confidential Information in accordance with the provisions of this Clause 12 for the Term of this Agreement; or
- 12.1.7 where such Confidential Information of Immutep is required to be disclosed in accordance with this Agreement.

12.2 Press Release; Disclosure of Agreement. Promptly after the Effective Date, either or both Parties may issue mutually agreed public announcements of the execution of this Agreement, and either Party may make subsequent public disclosure of the content of such press release in the same context without further approval of the other Party. Neither Party shall be free to issue any other press release or similar public announcement regarding the Agreement or its subject matter (it being understood that publication in scientific journals, presentation at scientific conferences and meetings and the like are intended to be covered by Clause 12.3 and not subject to this Clause 12.2), except with the other Party's consent as may be required under this Agreement, further except that GSK shall be permitted to make subsequent public disclosures provided it has informed Immutep of the content of such disclosure in advance of such planned disclosure date. The principles to be observed by Immutep and GSK in any such permitted public disclosures with respect to this Agreement or its subject matter shall be: accuracy, the requirements of confidentiality under this Clause 12, and the normal business practice in the pharmaceutical industry for disclosures by companies of comparable size and comparable regulatory requirements to GSK and Immutep, respectively.

12.3 Publications.

- 12.3.1 **Publications by Immutep.** During the Term, Immutep may publish or present data or results that it generates in the performance of the Research Programme in scientific journals or conferences, subject to the prior review and comment by GSK, as follows: Immutep shall provide GSK with the opportunity to review any such proposed abstract, manuscript or presentation by delivering a copy thereof to GSK no less than thirty (30) days before its intended submission for publication or presentation. GSK shall have [***] from its receipt of any such abstract, manuscript or presentation in which to notify Immutep in writing of any specific objections to the disclosure of Confidential Information of either Party. In the event GSK objects to the disclosure in writing within such [***] period:
- (a) Immutep shall not submit the publication or abstract or make the presentation containing the objected-to information until the Parties have agreed to such content;
 - (b) Immutep shall delete from the proposed disclosure any Confidential Information of GSK upon the request of GSK; and
 - (c) if GSK determines that such abstract, manuscript or presentation contains patentable subject matter which would be either Immutep Background IP or Collaboration IP, Immutep shall delay such publication for up to an additional [***] to enable the pursuit of appropriate Patent protection. Once any such abstract or manuscript is accepted for publication, Immutep will provide GSK with a copy of the final version of the manuscript or abstract.
- 12.3.2 **Publications by GSK.** GSK may publish or present data or results including but not limited to abstracts, manuscripts or presentations, relating to the Monoclonal Antibody and/or the Licensed Product in scientific journals or at scientific conferences. In the event GSK wishes to publish or present results utilising the Immutep Licensed Arising IP, Joint Licensed Arising IP and the GSK Licensed Arising IP, GSK shall provide a copy of the proposed written publication or an outline of a proposed oral disclosure at least [***] prior to submission for publication or presentation. For clarity, Immutep shall not have the right to comment, contribute or affect in any way the aforementioned abstracts, manuscripts or presentations, relating to the Monoclonal Antibody and/or the Licensed Product published or presented by GSK.
- 12.3.3 **General.** Notwithstanding Clauses 12.3.1 and 12.3.2, once an abstract, manuscript or presentation has been reviewed by a Party in accordance with Clause 12.3, the same content included in such abstract, manuscript or presentation does not have to be provided again to the other Party for review for a later submission for publication, except if there is any change at all to the proposed disclosure, in which case, the prior review of the other Party shall be required. In any permitted publication or presentation by a Party, the other Party's contribution shall be duly recognized, and co-authorship shall be determined in accordance with customary standards. Furthermore, with respect to any proposed abstracts, manuscripts or summaries of presentations by investigators or other Third Parties having the right to do so, such materials shall be subject to review under this Clause 12.3 to the extent that GSK or Immutep (as the case may be) has the right to do so.

- 12.4 Remedies.** Each Party shall be entitled to seek, in addition to any other right or remedy it may have at law or in equity, a temporary injunction, without the posting of any bond or other security, enjoining or restraining the other Party from any violation or threatened violation of this Clause 12.
- 12.5 Use of Name.** Neither GSK nor its Affiliates, nor its Sub-licensees shall use the “INSERM” name or “ARES Trading SA” name or the name of their Affiliates, in any publicity or advertising without the prior written consent of INSERM or ARES Trading SA, except where required under the terms of this Agreement. This provision shall not prevent GSK nor its Affiliates, nor its Sub-licensees from any disclosure under this Clause 12.5 as required by applicable law.

13 REPRESENTATIONS AND WARRANTIES

- 13.1 Representations and Warranties of Both Parties.** Each Party hereby represents and warrants to the other Party, as of the Effective Date, that:
- 13.1.1 such Party is duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation and has full corporate power and authority to enter into this Agreement and to carry out the provisions of this Agreement;
 - 13.1.2 such Party has taken all necessary action on its part to authorize the execution and delivery of this Agreement and the performance of all of its obligations under this Agreement;
 - 13.1.3 this Agreement has been duly executed and delivered on behalf of such Party and constitutes its legal, valid and binding obligation, enforceable against it in accordance with the terms of this Agreement (subject to the effects of bankruptcy, insolvency or other laws of general application affecting the enforcement of creditor rights, to judicial principles affecting the availability of specific performance and to general principles of equity, whether enforceability is considered a proceeding at law or equity);
 - 13.1.4 the execution, delivery and performance of this Agreement or the grant of any rights or licenses by such Party to the other Party does not conflict with and is not inconsistent with the terms or conditions of any agreement, instrument or understanding, oral or written, to which it is a Party or by which it is bound; or violate any law or regulation of any court, governmental body or administrative or other agency having jurisdiction over such Party;
 - 13.1.5 no government authorization, consent, approval, license, exemption of or filing or registration with any court or governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, under any applicable laws, rules or regulations currently in effect, is or will be necessary for, or in connection with, the transaction contemplated by this Agreement, or for the performance by it of its obligations under this Agreement; and
 - 13.1.6 it has not, to its knowledge, employed or used a contractor or consultant that has employed any individual or entity debarred by the FDA (or subject to a similar sanction of EMA) or, to its knowledge, any individual who or entity which is the subject of an FDA debarment investigation or proceeding (or similar proceeding of EMA), in the conduct of the research and development of the Monoclonal Antibody as of the Effective Date.
- 13.2 Representations and Warranties of Immutep.** Immutep hereby represents and warrants to GSK, as of the Effective Date, that:
- [***].

13.3 Immutep Covenants. Immutep hereby covenants to GSK that:

- 13.3.1 all employees, consultants and agents of Immutep or its Affiliates working in or otherwise involved in the Research Programme, or otherwise in relation to the Monoclonal Antibody, shall be under the obligation to assign all right, title and interest in and to their inventions conceived and discoveries made within the scope of their employment, whether or not patentable, if any, to Immutep as the sole owner thereof;
- 13.3.2 Immutep shall at all times perform its activities pursuant to this Agreement in compliance in all material respects with good laboratory and clinical practices, in each case to the extent customary for any particular activity and as applicable under the laws and regulations of the country and the state and local government wherein such activities are conducted.
- 13.3.3 it shall not during the Term grant to any Third Party (i) any right or licence or (ii) any lien, mortgage or security interest or any other similar interest that would give the holder the right to convert the interest into ownership, relating to any of the Immutep Background IP or Collaboration IP that would conflict with, restrict or otherwise limit the scope of any of the rights pertaining to the Monoclonal Antibody.

13.4 GSK Covenants. GSK hereby covenants to Immutep that;

- 13.4.1 all employees, consultants and agents of GSK or its Affiliates working under this Agreement shall be under the obligation to assign all right, title and interest in and to their inventions conceived and discoveries made within the scope of their employment, whether or not patentable, if any, to GSK as the sole owner thereof; and
- 13.4.2 it or its Affiliate, as applicable, shall at all times retain sufficient Control over the GSK Arising IP and GSK Background IP to be able to grant the licences to Immutep provided for in this Agreement.

13.5 Compliance with Laws.

- 13.5.1 Each Party shall perform its obligations under this Agreement in a manner that complies with all applicable international, national and local laws in relation to, or otherwise relevant to, its obligations under this Agreement.
- 13.5.2 Each Party hereby represents, warrants and covenants that it will not, under any circumstances, and at all relevant times, make, or cause or authorise

any third party acting on its behalf to make, directly or indirectly, any prohibited bribes, offers, promises or payments of money, or anything of value, to any official (including but not limited to government officials, government employees, any political party or political party official, any candidate for political office, or any person otherwise acting in an official capacity) pursuant to all applicable laws (including but not limited to laws prohibiting bribery or corruption and export control laws, currency exchange laws, customs laws and tax laws), or any other third party, for the purpose of influencing such party's acts or decisions or in order to obtain or retain business or secure an unfair business advantage for either party in performing its duties and obligations pursuant to this Agreement. Immutep acknowledges receipt of the 'Prevention of Corruption – Third Party Guidelines' as attached at Schedule 2 and agrees to perform its obligations under the Agreement in accordance with the principles set out therein.

- 13.5.3 Each Party expressly agrees that this Agreement is the result of arms length negotiations and that neither Party has entered into this Agreement with a corrupt motive to obtain or retain business or to secure an unfair business advantage.
- 13.5.4 Each Party hereby warrants and undertake that they shall at all material times keep and maintain accurate and up to date accounting records to ensure that all transactions relating to this Agreement are sufficiently documented.
- 13.6 **Disclaimer.** EXCEPT AS OTHERWISE EXPRESSLY SET OUT IN THIS AGREEMENT, NEITHER PARTY MAKES ANY REPRESENTATION OR EXTENDS ANY WARRANTY OF ANY KIND WITH RESPECT TO ANY TECHNOLOGY, GOODS, SERVICES, RIGHTS OR OTHER SUBJECT MATTER OF THIS AGREEMENT AND EACH PARTY INCLUDING HEREBY DISCLAIMS ALL WARRANTIES, EITHER EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR THAT ANY PATENTS ARE VALID OR ENFORCEABLE OR THAT THEIR EXERCISE DOES NOT OR WILL NOT INFRINGE ANY PATENT RIGHTS OF THIRD PARTIES.

14 INDEMNIFICATION; INSURANCE

- 14.1 **Indemnification by GSK.** GSK shall indemnify, defend and hold harmless Immutep and its Affiliates and its and their respective directors, officers, employees and agents, from and against [***];
- 14.2 **Indemnification by Immutep.** Immutep shall indemnify, defend and hold harmless GSK, its Affiliates, its Sub-licensees and their respective directors, officers, employees and agents, from and against [***].
- 14.3 **Procedure.** In the event that either Party or other person entitled to indemnification under Clause 14.1 or Clause 14.2 (in any case, an “**Indemnatee**” and, collectively, a Party’s “**Indemnitees**”) is seeking such indemnification, such Indemnatee shall promptly notify, in writing, the indemnifying Party of the Third Party Claim as soon as reasonably practicable after such Indemnatee receives notice of such Third Party Claim, such notice to contain a description of the Third Party Claim and the nature and amount of such Loss (to the extent that the nature and amount of such Loss is known at such time); provided that:
 - 14.3.1 each Party may provide such notice on its behalf and on behalf of its Indemnitees to the other Party; and

14.3.2 in the event of a delay in providing such notice, the indemnifying Party shall not be liable for any Losses that would not have occurred if such notice had been provided promptly.

Each Indemnitee shall thereafter furnish promptly to the indemnifying Party copies of all papers and official documents received in respect of the Third Party Claim or any Losses and shall permit the indemnifying Party to assume direction and control of the defence of the Third Party Claim (including the sole right to settle it at the sole discretion of the indemnifying Party, taking into consideration in good faith any reasonable concerns or objections raised by the Indemnitee; provided that such settlement does not impose any obligation on, or otherwise adversely affect, the Indemnitee or other Party). If the indemnifying Party assumes the defence of a Third Party Claim, except as provided in Clause 14.4, the indemnifying Party shall not be liable to the other Party or any of its Indemnitees for any legal expenses subsequently incurred by such other Party or Indemnitee(s) in connection with the analysis, defence or settlement of the Third Party Claim. In the event that it is judicially

determined (in a final, non-appealable decision) or otherwise agreed by the Parties, that the indemnifying Party is not obligated to indemnify, defend or hold harmless any Indemnitee(s) from and against the Third Party Claim, the other Party shall reimburse the indemnifying Party for any and all actual costs and expenses (including the reasonable fees of attorneys and other professionals) and any Losses actually paid by the indemnifying Party in its defence of the Third Party Claim with respect to such Indemnitee(s).

- 14.4 Participation in Defence.** Any Indemnitee seeking indemnity under this Agreement shall be entitled to participate in, but not control, the defence of such Third Party Claim and to employ counsel of its choice for such purpose; provided, however, that such employment shall be at the Indemnitee's own expense unless:

- 14.4.1 the employment thereof has been specifically authorized by the indemnifying Party in writing;
- 14.4.2 the indemnifying Party has failed to assume the defence and employ counsel (in which case the other Party shall control the defence); or
- 14.4.3 the named Parties to such Third Party Claim include both the indemnifying Party and the Indemnitee and the Indemnitee reasonably concludes, that the indemnifying Party and the Indemnitee have conflicting interests that make separate counsel with respect to such Third Party Claim advisable.

- 14.5 Cooperation.** The Party seeking indemnification shall, and shall cause each of its Indemnitees to:

- 14.5.1 cooperate as reasonably requested (at the expense of the indemnifying Party) in the defence of the applicable Third Party Claim; and
- 14.5.2 undertake all reasonable steps to mitigate any Losses with respect to such Third Party Claim.

14.6 Insurance.

- 14.6.1 **Immutep's Insurance Obligations.** Immutep shall maintain or ensure that it is covered by, at its sole cost, with effect from the Effective Date and during the Term thereafter, adequate insurance against liability and other risks associated with its activities and liabilities contemplated under this Agreement, including but not limited to its indemnification obligations herein, in such amounts and on such terms as are customary for prudent practices for companies of comparable size to Immutep in the pharmaceutical or biopharmaceutical industry.
- 14.6.2 **GSK's Insurance Obligations.** GSK hereby represents and warrants to Immutep that it is self-insured against liability and other risks associated with its activities and obligations under this Agreement in such amounts and on such terms as are customary for prudent practices for global pharmaceutical companies and agrees that it shall remain so insured throughout the Term. GSK shall furnish to Immutep evidence of such self- insurance, upon request.

- 14.7 LIMITATION OF CONSEQUENTIAL DAMAGES.** EXCEPT FOR A BREACH OF CLAUSE 12 (CONFIDENTIALITY) OR FOR ANY CLAIMS OF A THIRD PARTY WHICH ARE SUBJECT TO INDEMNIFICATION UNDER THIS CLAUSE 14, NEITHER IMMUTEP NOR GSK, NOR ANY OF THEIR RESPECTIVE AFFILIATES, SUB-LICENSEES, SUCCESSORS OR ASSIGNEES WILL BE LIABLE TO THE OTHER PARTY TO THIS AGREEMENT, ITS AFFILIATES OR ANY OF THEIR SUB-LICENSEES FOR ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL, SPECIAL, RELIANCE, EXEMPLARY OR PUNITIVE DAMAGES OR, LOST DATA OR COST OF PROCUREMENT OF SUBSTITUTE GOODS OR SERVICES, WHETHER LIABILITY IS ASSERTED IN CONTRACT, TORT (INCLUDING NEGLIGENCE AND STRICT PRODUCT LIABILITY), INDEMNITY OR CONTRIBUTION, AND IRRESPECTIVE OF WHETHER THAT PARTY OR ANY REPRESENTATIVE OF THAT PARTY HAS BEEN ADVISED OF, OR OTHERWISE MIGHT HAVE ANTICIPATED THE POSSIBILITY OF, ANY SUCH LOSS OR DAMAGE.

- 14.8 LIMITATION.** NEITHER GSK NOR IMMUTEP LIMITS OR EXCLUDES ITS LIABILITY FOR FRAUD, FRAUDULENT CONCEALMENT OR FRAUDULENT MISREPRESENTATION, NOR FOR DEATH OR PERSONAL INJURY ARISING FROM ITS NEGLIGENCE.

15 TERM AND TERMINATION

- 15.1 Term; Expiration.** This Agreement shall become effective as of the Effective Date and, unless earlier terminated pursuant to this Clause 15 or by mutual agreement of the Parties, shall continue in force and effect until [***].
- 15.2 Termination by GSK.** In addition to any other remedies available at law or in equity, GSK may immediately terminate this Agreement in accordance with the following provisions of this Clause 15.2:
- 15.2.1 Material Breach.** Immutep commits a material breach of any of the terms of this Agreement, including a breach of Immutep's obligations pursuant to Clause 7, but excluding a breach of Immutep's obligations pursuant to Clause 4 (which shall not be considered a material breach, except Clauses 4.12.4, a breach of which shall constitute a material breach for the purposes of this Clause 15.2.1) and fails to cure such material breach within [***] of receipt of a written notice from GSK as to the material breach and requiring it to be remedied, or, with respect to any breach other than a breach of a payment obligation, notwithstanding Immutep's on-going obligation to perform the terms of this Agreement, if cure cannot be reasonably effected within such [***] period, delivery by Immutep of a plan for curing such material breach that is sufficient to effect a cure within a reasonable timeframe, with assurances acceptable to GSK, and shall thereafter carry out the plan and cure the material breach within the agreed timeframe. If Immutep has not cured the material breach accordingly, then GSK may terminate this Agreement immediately upon notice to Immutep. In the event of a good faith dispute with respect to the existence of a material breach, the effect of the notice of termination shall be suspended until such time as the dispute is resolved pursuant to Clause 18. The failure to disclose information which is prohibited by Applicable Laws shall not constitute a material breach of this Agreement pursuant to this Clause 15.2.1.
- 15.2.2 Insolvency.** Immutep is unable to pay its debts within the meaning of S. 123 of the Insolvency Act 1986 or any other equivalent law in any country (including for the avoidance of doubt, the law of France) or shall convene a meeting of its creditors or if a proposal shall be made for a voluntary arrangement within Part I of the Insolvency Act 1986 or any other equivalent law in any country (including for the avoidance of doubt, the law of France) or a proposal for any other composition, scheme or arrangement with (or assignment for the benefit of) its creditors or a receiver,

administrative receiver or similar officer is appointed over all or a substantial part of its undertaking or assets or if a petition is presented or a meeting is convened for the purpose of considering a resolution or other steps are taken for its winding (other than for the purposes of reconstruction or amalgamation and whether by the presentation of a winding up petition or otherwise) or for the making of an administration order.

15.2.3 [***].

15.3 Termination by Immutep.

15.3.1 In addition to any other remedies available at law or in equity, Immutep may immediately terminate this Agreement in accordance with the following provisions of this Clause 15.3:

15.3.2 **Material Breach.** GSK commits a material breach of any of the terms of this Agreement and fails to cure such material breach within [***] of receipt of a written notice from Immutep as to the material breach and requiring it to be remedied, or, with respect to any breach other than a breach of a payment obligation, notwithstanding GSK's on-going obligation to perform the terms of this Agreement, if cure cannot be reasonably effected within such [***] period, delivery by GSK of a plan for curing such material breach that is sufficient to effect a cure within a reasonable timeframe, with assurances acceptable to Immutep, and shall thereafter carry out the plan and cure the material breach within the agreed timeframe. If GSK has not cured the material breach accordingly, then, Immutep may terminate this Agreement immediately upon notice to GSK. In the event of a good faith dispute with respect to the existence of a material breach other than with respect to GSK's payment obligations pursuant to Clause 8, the effect of the notice of termination shall be suspended until such time as the dispute is resolved pursuant to Clause 18, provided further that the resolution of such dispute is promptly commenced and diligently pursued by GSK. In the event of a good faith dispute with respect to the existence of a breach of GSK's payment obligations pursuant to Clause 8, the cure period shall be suspended upon initiation of a mediation and until such time as the dispute is resolved pursuant to Section 18.

15.3.3 **Insolvency.** GSK is unable to pay its debts within the meaning of S. 123 of the Insolvency Act 1986 or any other equivalent law in any country or shall convene a meeting of its creditors or if a proposal shall be made for a voluntary arrangement within Part I of the Insolvency Act 1986 or a proposal for any other composition, scheme or arrangement with (or assignment for the benefit of) its creditors or a receiver, administrative receiver or similar officer is appointed over all or a substantial part of its undertaking or assets or if a petition is presented or a meeting is convened for the purpose of considering a resolution or other steps are taken for its winding (other than for the purposes of reconstruction or amalgamation and whether by the presentation of a winding up petition or otherwise) or for the making of an administration order.

15.3.4 **No Challenge.** In the event that GSK or any of its Affiliates, anywhere in the world, institutes, prosecutes or otherwise participates in (or in any way knowingly and intentionally aids any Third Party in instituting, prosecuting or participating in), at law or in equity or before any administrative or

regulatory body, including the U.S. Patent and Trademark Office or its foreign counterparts, any claim, demand, action or cause of action for declaratory relief, damages or any other remedy, or for an injunction, injunction or any other equitable remedy, including any interference, re-examination, opposition or any similar proceeding, alleging that any claim in a Monoclonal Antibody Patent is invalid, unenforceable or otherwise not patentable, Immutep shall have the right to terminate the licence granted to GSK under such challenged Patent, on a patent-by-patent basis provided that:

- (a) GSK receives written notice from Immutep as to the action Immutep requires to be resolved under this Clause 15.3.4; and
- (b) GSK shall have a period no less than [***] to either: (i) resolve such action under this Clause 15.3.4 or (ii) deliver a plan reasonably necessary for resolving such action under this Clause 15.3.4. In the event that GSK delivers a plan for resolving the aforementioned action, Immutep shall not be entitled to terminate the licence granted to GSK under such challenged Patent until such plan has been implemented by GSK in its entirety.
- (c) following the receipt of a written notice from Immutep as to the action Immutep requires to be rectified under this Clause 15.3.4, and GSK fails to rectify or cure such action pursuant to this Clause 15.3.4 within [***] and the delivery by GSK of a plan for curing such material breach that is sufficient to effect a cure within a reasonable timeframe, with assurances acceptable to GSK, and shall thereafter carry out the plan and cure the material breach within the agreed timeframe. If GSK has not cured the material breach accordingly, then, Immutep may terminate the licence granted to GSK under such challenged Patent immediately upon notice to GSK. In the event of a good faith dispute with respect to the existence of a material breach, the effect of the notice of termination shall be suspended until such time as the dispute is resolved pursuant to Clause 18, provided further that the resolution of such dispute is promptly commenced and diligently pursued by GSK.

16 CONSEQUENCES OF TERMINATION

16.1 Upon any termination or expiration of this Agreement:

- 16.1.1 **General.** Such termination or expiration of this Agreement shall: (i) be without prejudice to any other damage or legal redress that a Party may be entitled to, and (ii) shall not release a Party from any indebtedness, liability or other obligation incurred under this Agreement by such Party prior to the date of termination or expiration of this Agreement.
- 16.1.2 **Expiration of Financial Obligations.** On the expiration of all royalty obligations with respect to the Licensed Product that is being commercialised by GSK in a particular country, if any, subject to the terms and conditions of this Agreement, GSK shall have a perpetual, non-exclusive, fully-paid and royalty-free right and licence, with the right to grant sublicenses, under all of Immutep's rights in and to the Immutep Background IP, Collaboration IP and/or Managed Patents assumed by Immutep under Clause 10.1 to continue to make, have made, use, sell, offer to sell and import the Monoclonal Antibody and the Licensed Product in the Field in such country.

- 16.1.3 **Termination.** All licenses granted to GSK and Immutep, as applicable, under this Agreement shall, save as provided in Clause 16.1.4 and subject to Clause 16.1.4, terminate on a country-by-country basis to the extent that they relate to a country GSK has selected for the termination of its rights under this Agreement.
- 16.1.4 **GSK Continuing Rights.** Upon the termination of this Agreement by GSK pursuant to Clause 15.2.1 or Clause 15.2.2, GSK shall continue to have the exclusive right to research, develop and commercialise the Monoclonal Antibody and/or the Licensed Product and the covenant of Immutep in Clause 7, together with the licence granted in Clause 2.1 shall continue in full force and effect subject only to the payment by GSK of the applicable amounts set out in Clause 8. If GSK terminates this Agreement pursuant to Clause 15.2.1 and/or Clause 15.2.2, GSK shall then decrease any milestone and royalty payment payable to Immutep in respect of the Licensed Product by fifty percent (50%), for so long as GSK has the right to commercialise such Licensed Product on the terms set out under this Agreement and Immutep shall:
- (a) immediately upon termination of this Agreement, assign to GSK all of the Immutep Licensed Arising IP, Immutep Non-Licensed Arising IP, the Immutep interest in the Joint Licensed Arising IP and the Immutep interest in the Joint Non-Licensed Arising IP, and the Immutep Know-How; and
 - (b) use all reasonable endeavours to procure as soon as reasonably practicable that GSK becomes a direct licensee pursuant to the INSERM Agreement and the Merck-Serono Agreement with such rights as to enable GSK to fulfil its rights and obligations under this Agreement as it exists prior to its termination in accordance with this Clause 16.1.4.
- 16.1.5 **Return of Information.** Subject to Clause 16.1.3, with respect to surviving licenses and all related Know-How, regulatory documentation and clinical data, each Party shall, at the request of the other Party, return, or destroy (upon the requesting Party's request) all Confidential Information of the other Party in its possession, save for one copy of each document containing Confidential Information which may be retained for purposes of assessing on-going compliance with the provisions of Clause 12.
- 16.1.6 **Survival.** The following rights and obligations shall survive such termination or expiration: (i) the confidentiality obligations set forth in Clause 12; (ii) all then-existing payment obligations owed by GSK to Immutep pursuant to Clause 8 and all obligations for record-keeping and accounting records in accordance with the terms of this Agreement; (iii) the Parties' rights with respect to the ownership of intellectual property as set forth in Clauses 9 and 10; (iv) the obligations on indemnity pursuant to Clause 14.2; and (v) the Parties' rights and immunities pursuant to the disclaimers set forth in Clauses 14.7 and 14.8.
- 16.1.7 **Immutep Rights Upon Termination.** If GSK terminates this Agreement without cause pursuant to Clause 15.2.3 or if Immutep terminates this Agreement pursuant to Clause 15.3.2 and Clause 15.3.3, at Immutep's request, all rights and licenses granted to GSK relating to the Monoclonal Antibody, the Immutep Intellectual Property, or the Merck-Serono IP, shall terminate and revert back to Immutep and all respective obligations of GSK shall terminate accordingly upon such termination.
- 16.1.8 **Further Immutep Rights Upon Termination.** Immutep shall not have any further rights in respect of the development or commercialisation of the Monoclonal Antibody and/or Licensed Product if a Safety Concern exists on the date of termination of this Agreement. In the event that a Safety Concern does not exist:

- (a) the Parties shall negotiate in good faith, for a period of up to [***] from the date of termination, a royalty that Immutep, its Affiliates or Sub-licensees would pay to GSK on Net Sales (the definition of which shall apply to this Clause 16.1.8 (a) *mutatis mutandis*) of the Licensed Product, for the right to use or have used, develop, manufacture, import, sell and offer to sell Licensed Product in the Field, in the Territory, the level of such royalty to reflect each of: (i) the investment by GSK in the development of such Monoclonal Antibody and/or Licensed Product, (ii) the extent of the clinical studies performed by GSK with such Monoclonal Antibody and/or Licensed Product, and (iii) the stage of development of such Monoclonal Antibody and/or Licensed Product.
 - (b) GSK shall grant to Immutep a non-exclusive licence under the GSK Background IP, the GSK Non-Licensed Arising IP, the GSK Licensed Arising IP, GSK Programme IP, and GSK Licensed Arising IP and Immutep's interest in the Joint Licensed Arising IP assigned to GSK pursuant to Clause 9.4.1 solely for the purpose to use or have used, develop, manufacture, import, sell and offer to sell the Licensed Product (with the right to grant sublicenses solely for the purpose to use or have used, develop, manufacture, import, sell and offer to sell the Licensed Product).
 - (c) GSK shall transfer to Immutep ownership at Immutep's sole cost, of all Regulatory Approvals and applications for such Regulatory Approvals reasonably required by Immutep to use or have used, develop, manufacture, import, sell and offer to sell the Licensed Product.
 - (d) GSK shall provide Immutep with copies of GSK clinical data and GSK technology reasonably required by Immutep to use or have used, develop, manufacture, import, sell and offer to sell the Licensed Product as manufactured, formulated and, if applicable, approved at the date of termination.
- 16.1.9 **Continuation of Clinical Studies.** In the event that the Agreement terminates during any clinical trial sponsored by GSK pertaining to the Monoclonal Antibody and/or the Licensed Product, GSK shall at its own expense continue such clinical trials as required by Applicable Laws and ethical standards.
- 16.2 Supplies of Licensed Products After Termination.** In the event that this Agreement is terminated after First Commercial Sale of the Licensed Product, GSK and its Affiliates and permitted Sub-licensees shall have the right, for a period of [***] following such termination, to sell in the Field in the Territory stocks of Licensed Products existing at the time of such termination for which Marketing Authorisation in the Territory has been granted, subject to all applicable payment and other related obligations in this Agreement, until such stock is exhausted. Upon expiration of such [***] period (or such other period as the Parties shall agree) the Parties shall agree how to deal with any and all quantities of any Licensed Products in GSK's possession or control.
- 16.3 Accrued Rights; Surviving Provisions of the Agreement.**
- 16.3.1 Except as provided in Clauses 16.1.7 through Clause 16.3 or as otherwise expressly stated under this Agreement, expiration or termination of this Agreement (in its entirety or with respect to any particular Research Program) shall be without prejudice to any rights or remedies provided at law or equity that either Party may otherwise have. Such expiration or termination shall not relieve either Party from obligations that are expressly indicated under Clause 16.3.2 to survive expiration or termination of this Agreement.

- 16.3.2 In addition to the provisions of this Agreement that survive termination of this Agreement by operation of the provisions of Clause 16, Clause 1, Clause 8.14, Clause 8.15, the remainder of Clause 8 to the extent that payments are outstanding, Clauses 9, 12, 18 and 19 (except 19.1) shall survive any termination or expiration of this Agreement in its entirety for any reason, in accordance with the respective terms stated therein and for the duration stated therein, and where no duration is stated, shall survive indefinitely.

17 NOTICES

- 17.1** Any notice to be given pursuant to this Agreement shall be in writing in the English language and shall be delivered by overnight courier, by registered, recorded delivery or certified mail (postage prepaid) or by facsimile confirmed by registered, recorded delivery or certified mail (postage prepaid) to the address or facsimile number of the recipient Party set out below or such other address or facsimile number as a Party may from time to time designate by written notice to the other Party.

Address of Immutep

Immutep S.A.
Parc Club Orsay
2 rue Jean Rostand
91893 Orsay cedex
France
Fax: +33 1 69078221
For the attention of the Président Directeur Général

Address of GSK

GlaxoSmithKline
980 Great West Road
Brentford, Middlesex TW8 9GS
United Kingdom
Fax: +44 20 8047 6897
For the attention of Legal Operations, Business Development Transactions

and to:

GlaxoSmithKline
709 Swedeland Road
UW2318
King of Prussia, PA 19406
USA
Fax No: +1 610 270 6299
For the attention of the Senior Vice President, Worldwide Business Development and R&D Finance

- 17.2** Any notice given pursuant to this Clause 17 shall be deemed to have been received:
- 17.2.1 in the case of delivery by courier or sending by mail on the day of receipt provided receipt occurs on a Business Day of the recipient Party or otherwise on the next following Business Day of the recipient; or

17.2.2 in the case of facsimile, on acknowledgement by the recipient facsimile receiving equipment on a Business Day if the acknowledgement occurs before 5.00 pm local time of the recipient and in any other case on the next following Business Day.

- 17.3 Any notice that is required in this Agreement to be given in writing shall include notices by fax or post but shall not include any notice by e-mail.

18 DISPUTE RESOLUTION

- 18.1 **Dispute Resolution.** Prior to the commencement of any litigation with respect to this Agreement, the Executive Officer or designates of the Party considering commencement of such litigation shall notify the Executive Officer or designate of the other Party that such litigation is being contemplated. The Parties' Executive Officers shall make themselves available to discuss the dispute, difference or question, as the case may be (the "**Unresolved Matter**"), and use good faith efforts to resolve such Unresolved Matter within the [***] following the delivery of such notice. Notwithstanding the provisions of this Clause 18.1 or of Clause 18.2, each Party shall be free to seek temporary injunctive relief in court as the situation may necessitate based upon any irreparable harm which may ensue while awaiting the resolution of any proceeding authorized under this Clause 18.
- 18.2 If the Unresolved Matter is not resolved within such [***] period, the Parties agree to submit it for non-binding mediation (with the understanding that the role of the mediator shall not be to render a decision but to assist the Parties in reaching a mutually acceptable resolution) in London UK (or such other location as may be mutually agreed upon by the Parties. If the Unresolved Matter is not resolved within such [***] of the delivery of such notice either Party may, subject to Clause 18.3, make such applications to court as it sees fit. For clarity, the Parties understand and agree that no matter which is subject to the final decision-making authority of a Party as expressly set forth in Clause 6.2 or Clause 10.3 shall be subject to any review under this Clause 18.2 or otherwise under this Agreement or in court or by any other legal tribunal or proceeding at law or in equity. The mediation is non-binding and Parties shall not be obliged to accept or follow any recommendation of the mediator.
- 18.3 **Governing Law.** This Agreement and any dispute arising from the performance or breach hereof shall be governed by and construed and enforced in accordance with the laws of England and the Parties, hereby irrevocably submit to the exclusive jurisdiction of the English Courts.

19 MISCELLANEOUS

- 19.1 **Assignment.** Neither this Agreement nor any right or obligation hereunder shall be assignable by either Party to any third party without the prior written consent of the other Party, which shall not be unreasonably withheld, conditioned or delayed. Notwithstanding the foregoing, either Party may assign this Agreement and the rights, affirmative obligations and interests of such Party, in whole or in part, without any consent of the other Party, to an Affiliate, or to a Third Party that acquires all or substantially all of the business or assets of such Party to which this Agreement pertains (whether by merger, reorganization, acquisition, sale or otherwise) and agrees in writing to be bound by the terms and conditions of this Agreement. No assignment shall be valid or effective unless and until the assignee or transfer shall agree in writing to be bound by the provisions of this Agreement.
- 19.2 **Force Majeure.** No Party shall be held liable or responsible to the other Party nor be deemed to be in default under, or in breach of any provision of, this Agreement for failure or delay in fulfilling or performing any obligation of this Agreement when

such failure or delay is due to *force majeure*, and without the fault or negligence of the Party so failing or delaying. For purposes of this Agreement, *force majeure* is defined as causes beyond the reasonable control of the Party, including: acts of God; acts, regulations, or laws of any government; war; civil commotion; destruction of production facilities or materials by fire, flood, earthquake, explosion or storm; labour disturbances; and failure of public utilities or common carriers. In such event Immuteq or GSK, as the case may be, shall promptly notify the other Party of such inability and of the period for which such inability is expected to continue. The Party giving such notice shall thereupon be excused from such of its obligations under this Agreement as it is thereby disabled from performing for so long as it is so disabled for up to a maximum of [***], after which time Immuteq and GSK, will meet to agree a mutually-acceptable way forward. To the extent possible, each Party shall use reasonable endeavours to minimize the duration of any *force majeure*.

- 19.3 Waiver.** Neither Party may waive or release any of its rights or interests in this Agreement except in writing. The failure of either Party to assert a right under this Agreement or to insist upon compliance with any term or condition of this Agreement shall not constitute a waiver of that right or excuse a similar subsequent failure to perform any such term or condition. No waiver by either Party of any condition or term in any one or more instances shall be construed as a continuing waiver of such condition or term or of another condition or term.
- 19.4 Severability.** If any provision of this Agreement is held invalid, illegal or unenforceable in any jurisdiction, the Parties shall negotiate in good faith a valid, legal and enforceable substitute provision that most nearly reflects the original intent of the Parties. All other provisions of this Agreement shall remain in full force and effect in such jurisdiction and shall be liberally construed in order to carry out the intentions of the Parties as nearly as may be possible. Such invalidity, illegality or unenforceability shall not affect the validity, legality or enforceability of such provision in any other jurisdiction.
- 19.5 Entire Agreement; Amendment.** This Agreement, together with its Schedules, set out all the covenants, promises, agreements, warranties, representations, conditions and understandings between the Parties with respect to the subject matter hereof and supersedes and terminates all prior agreements and understandings, written or oral, between the Parties with respect to such subject matter. No subsequent alteration, amendment, change or addition to this Agreement shall be binding upon the Parties unless reduced to writing and signed by an authorized representative of each Party.
- 19.6 Independent Contractors.** Nothing in this Agreement shall be construed to create any relationship of employer and employee, agent and principal, partnership or joint venture between the Parties. Each Party is an independent contractor. Neither Party shall assume, either directly or indirectly, any liability of or for the other Party. Neither Party shall have the authority to bind or obligate the other Party, and neither Party shall represent that it has such authority.
- 19.7 Further Actions.** Each Party shall execute, acknowledge and deliver such further instruments, and do all such other acts, as may be necessary or appropriate in order to carry out the expressly stated purposes and the clear intent of this Agreement.
- 19.8 Parties in Interest.** All of the terms and provisions of this Agreement shall be binding upon, and shall inure to the benefit of and be enforceable by the Parties and their respective successors and their respective permitted assigns.
- 19.9 Construction of Agreement.** The terms and provisions of this Agreement represent the results of negotiations between the Parties and their representatives, each of which has been represented by counsel of its own choosing and neither of which has acted under duress or compulsion, whether legal, economic or otherwise. Accordingly, each of the Parties hereby waives the application in connection with the

interpretation and construction of this Agreement of any rule of law to the effect that ambiguous or conflicting terms or provisions contained in this Agreement shall be interpreted or construed against the Party whose attorney prepared the Agreement as executed or any earlier draft of this Agreement.

- 19.10 Third Parties.** Except where expressly stated in this Agreement to the contrary no person who is not a Party to this Agreement (or his successors or permitted assignees under this Agreement) has any rights under the Contracts (Rights of Third Parties) Act 1999 or otherwise to enforce or enjoy the benefit of any term of this Agreement.
- 19.11 Fees and Expenses.** Each Party shall pay its respective legal and other fees and expenses associated with the preparation and negotiation of this Agreement.
- 19.12 Supremacy.** In the event of any conflict or uncertainty between the terms of this Agreement and any Schedules hereto, the terms of the main body of this Agreement, that is Clauses 1 to 19 inclusive, shall supersede and control.
- 19.13 Counterparts.** This Agreement may be signed in counterparts, each and every one of which shall be deemed an original, notwithstanding variations in format or file designation which may result from the electronic transmission, storage and printing of copies of this Agreement from separate computers or printers. Facsimile signatures and signatures transmitted via pdf shall be treated as original signatures.
- 19.14 Binding Effect.** This Agreement will be binding upon and inure to the benefit of the Parties hereto and their respective successors and permitted assigns.

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Confidential

Execution Copy

IN WITNESS WHEREOF, and intending to be legally bound hereby, the Parties, have executed, or caused this Agreement to be executed by their duly authorized representatives, as of the Effective Date.

IMMUTEP S.A.

By: _____

Name:

Title:

GLAXO GROUP LIMITED

By: _____

Name:

Title:

SCHEDULES 1- 10

[***]

Significant Subsidiaries of Immute Limited

The following corporations are wholly owned subsidiaries of Immute Limited:

Immute USA Inc., a Delaware corporation.

Immute GmbH, a German corporation.

Immute Australia Pty Ltd, an Australian corporation.

Immute IP Pty Ltd, an Australian corporation.

Immute S.A.S., a French corporation.

**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 company 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 company 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 company, 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 company'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 company'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 company'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 company's auditors and the audit committee of the company'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 company'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 company's internal control over financial reporting.

Date: September 23, 2019

/s/ Marc Voigt

Marc Voigt
Chief Executive Officer
Chief Financial Officer

**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 “Company”), hereby certifies that, to the best of his knowledge:

1. The Company’s Annual Report on Form 20-F for the period ended June 30, 2019, 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 Company.

Date: September 23, 2019

/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 Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.