

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

**FORM 10-Q**

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

For the quarterly period ended September 30, 2024  
or

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number: 001-39992

**Immunocore Holdings plc**

(Exact name of registrant as specified in its charter)

<b>England and Wales</b> (State or other jurisdiction of incorporation or organization)	<b>Not Applicable</b> (I.R.S. Employer Identification No.)
<b>92 Park Drive Milton Park</b> <b>Abingdon, Oxfordshire, United Kingdom</b> (Address of principal executive offices)	<b>OX14 4RY</b> (Zip Code)

**+44 1235 438600**

(Registrant's telephone number, including area code)

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

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
<b>American Depositary Shares, each representing one ordinary share, nominal value £0.002 per share</b>	<b>IMCR</b>	<b>The Nasdaq Stock Market LLC</b>
<b>Ordinary Share, nominal value £0.002 per share*</b>	*	<b>The Nasdaq Stock Market LLC*</b>

*\*Not for trading, but only in connection with the listing of the American Depositary Shares on The Nasdaq Stock Market LLC*

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, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Non-accelerated filer

Accelerated filer

Smaller reporting company

Emerging growth company

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

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

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

As of October 31, 2024, the registrant had 50,032,770 ordinary shares (including ordinary shares in the form of American Depositary Shares) outstanding, par value £0.002, shares consisting of (i) 49,298,373 voting ordinary shares and 734,397 non-voting ordinary shares.

## SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q (the "Quarterly Report"), contains forward-looking statements that involve substantial risks and uncertainties. In some cases, you can identify forward-looking statements by the words "may," "might," "will," "could," "would," "should," "expect," "intend," "plan," "objective," "anticipate," "believe," "estimate," "predict," "potential," "continue" and "ongoing," or the negative of these terms, or other comparable terminology intended to identify statements about the future. These statements involve known and unknown risks, uncertainties and other important factors that may cause our actual results, levels of activity, performance or achievements to be materially different from the information expressed or implied by these forward-looking statements. The forward-looking statements and opinions contained in this Quarterly Report are based upon information available to us as of the date of this Quarterly Report and, while we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all potentially available relevant information. Forward-looking statements include, but are not limited to, statements about:

- the therapeutic potential and expected clinical benefits of KIMMTRAK;
  - the safety, efficacy and clinical progress of our various ongoing clinical programs and any planned clinical programs, including those for tebentafusp, brenetafusp (previously IMC-F106C), IMC-P115C, IMC-T119C, IMC-R117C, IMC-M113V and IMC-I109V;
  - our ability to continue to generate revenues, which is dependent upon maintaining significant market acceptance among physicians, patients and healthcare payors;
  - our ability to maintain regulatory approval of KIMMTRAK for metastatic uveal melanoma ("mUM") in the United States, European Union and other territories, as well as our ability to obtain and maintain regulatory approval in additional indications, jurisdictions, and the timing thereof;
  - our expectations regarding the continued commercialization and marketing of KIMMTRAK for mUM, including expanding into and the related timing of reaching patients in additional indications and territories;
  - our ability to build a sustainable pipeline of new medicine candidates, including but not limited to future generations of KIMMTRAK and additional product candidates identified and developed using our ImmTAX platform;
  - our ability to continue successfully executing our sales and marketing strategy of KIMMTRAK in the United States, Europe and elsewhere, including continuing to successfully recruit and retain sales and marketing personnel and to successfully build the market for our medicines;
  - the rate and degree of market acceptance of our product candidates among physicians, patients, patient advocacy groups, third-party payors and the medical community and our ability and our distribution and marketing partners' ability to obtain coverage and adequate reimbursement and pricing for our medicines from government and third-party payors and risks relating to the success of our patient assistance programs;
  - the initiation, timing, progress and results of our ongoing clinical trials and any planned clinical trials, including the expansion arms of such trials, for tebentafusp in advanced melanoma and adjuvant uveal (or ocular) melanoma, brenetafusp, IMC-P115C, IMC-T119C, IMC-R117C, IMC-M113V, and IMC-I109V, and our research and development programs, including delays or disruptions in clinical trials, non-clinical experiments and investigational new drug application-enabling studies;
  - our estimates regarding the period of time for which our current capital resources will be sufficient to fund our continued operations, our future expenses, including the impact thereon of rising inflation, fluctuating exchange rates and other macroeconomic factors, and our future revenues and our needs for and ability to obtain additional financing;
  - our expectations regarding timing of regulatory filings for, or our ability to obtain regulatory approval of, our product candidates;
  - our ability to obtain accelerated approval for current and future product candidates from the U.S. Food and Drug Administration ("FDA"), the European Commission, or other comparable regulatory authorities in other jurisdictions;
  - our expectations regarding business disruptions affecting the initiation, patient enrollment, clinical trial site monitoring, development and operation of our current and proposed clinical trials, including as a result of a public health emergency or other global and macroeconomic factors, such as the war in Ukraine, the conflict in the Middle East, global geopolitical tensions, supply chain disruptions, and fluctuations in interest rates and inflation;
  - our business strategies and goals;
  - our plans to collaborate, or statements regarding our current collaborations, and our ability to find future partners and collaborators;
  - the performance of our third-party suppliers and manufacturers;
-

- our expectations regarding our ability to obtain, maintain and enforce intellectual property protection for our product candidates and our ability to operate our business without infringing, misappropriating or otherwise violating the intellectual property rights of others;
- our expectations regarding competition with respect to KIMMTRAK or any of our other current or future product candidates, as well as innovations by current and future competitors in our industry;
- our expectations regarding regulatory developments in the United States and other countries, including potential changes in healthcare laws and regulations;
- our financial performance and our ability to effectively manage our anticipated growth;
- our intent to repay in full the loan outstanding under our loan agreement with Pharmakon Advisors, LP;
- our ability to identify, recruit and retain qualified employees, including key commercial or management personnel; and
- whether we are classified as a Passive Foreign Investment Company ("PFIC") for current and future periods.

Any forward-looking statements in this Quarterly Report reflect our current views with respect to future events or to our future financial performance and involve known and unknown risks, uncertainties and assumptions that could cause our actual results and the timing of certain events to differ materially from future results expressed or implied by the forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those identified herein, and those discussed in the section titled "Risk Factors," set forth in Part II, Item 1A of this Quarterly Report, if any, our Annual Report on Form 10-K filed with the Securities and Exchange Commission ("SEC"), on February 28, 2024, and in our other SEC filings. As a result of these factors, we cannot assure you that the forward-looking statements in this Quarterly Report will prove to be accurate. Furthermore, if our forward-looking statements prove to be inaccurate, the inaccuracy may be material. In light of the significant uncertainties in these forward-looking statements, you should not regard these statements as a representation or warranty by us or any other person that we will achieve our objectives and plans in any specified time frame, or at all. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. You should, therefore, not rely on these forward-looking statements as representing our views as of any date subsequent to the date of this Quarterly Report.

---

## TABLE OF CONTENTS

<b>PART I – FINANCIAL INFORMATION</b>		<b>Page</b>
ITEM 1.	<a href="#">Financial Statements (unaudited)</a>	2
	<a href="#">Condensed Consolidated Balance Sheets as of September 30, 2024 and December 31, 2023</a>	2
	<a href="#">Condensed Consolidated Statements of Operations and Comprehensive Income (Loss) for the three and nine months ended September 30, 2024 and 2023</a>	3
	<a href="#">Condensed Consolidated Statements of Shareholders' Equity for the three and nine months ended September 30, 2024 and 2023</a>	4
	<a href="#">Condensed Consolidated Statements of Cash Flows for the nine months ended September 30, 2024 and 2023</a>	6
	<a href="#">Notes to the Condensed Consolidated Financial Statements</a>	7
ITEM 2.	<a href="#">Management's Discussion and Analysis of Financial Condition and Results of Operations</a>	16
ITEM 3.	<a href="#">Quantitative and Qualitative Disclosures about Market Risk</a>	31
ITEM 4.	<a href="#">Controls and Procedures</a>	32
<b>PART II – OTHER INFORMATION</b>		
ITEM 1.	<a href="#">Legal Proceedings</a>	33
ITEM 1A.	<a href="#">Risk Factors</a>	33
ITEM 2.	<a href="#">Unregistered Sales of Equity Securities and Use of Proceeds</a>	33
ITEM 3.	<a href="#">Defaults Upon Senior Securities</a>	33
ITEM 4.	<a href="#">Mine Safety Disclosures</a>	33
ITEM 5.	<a href="#">Other Information</a>	33
ITEM 6.	<a href="#">Exhibits</a>	33
	<a href="#">Signatures</a>	35

## PART I - FINANCIAL INFORMATION

## Item 1. Financial Statements

**Immunocore Holdings plc**  
**Condensed Consolidated Balance Sheets**  
 (Unaudited) (In thousands, except share and per share data)

	September 30, 2024	December 31, 2023
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 537,767	\$ 442,626
Marketable securities	363,515	—
Accounts receivable, net	63,659	52,093
Prepaid expenses and other current assets	36,446	29,600
Inventory, net	4,518	4,501
<b>Total current assets</b>	<b>1,005,905</b>	<b>528,820</b>
Property and equipment, net	9,160	9,215
Operating lease right of use assets, net	39,672	33,520
Deferred tax assets, net	12,663	10,973
Other non-current assets	17,238	14,473
<b>Total assets</b>	<b>\$ 1,084,638</b>	<b>\$ 597,001</b>
<b>Liabilities and shareholders' equity</b>		
<b>Current liabilities</b>		
Accounts payable	\$ 19,721	\$ 17,798
Accrued expenses and other current liabilities	197,224	119,835
Operating lease liabilities, current	1,097	1,388
Interest-bearing loans and borrowings, current	48,207	—
<b>Total current liabilities</b>	<b>266,249</b>	<b>139,021</b>
Accrued expenses, non-current	3,006	978
Deferred revenue, non-current	5,797	5,515
Operating lease liabilities, non-current	41,271	34,633
Interest-bearing loans and borrowings, non-current	390,488	48,011
<b>Total liabilities</b>	<b>\$ 706,811</b>	<b>\$ 228,158</b>
<b>Shareholders' equity</b>		
Ordinary shares (voting and non-voting), £0.002 par value, most recent authority to allot up to a maximum nominal value of £97,454 and £109,355 shares as of September 30, 2024 and December 31, 2023, respectively, and 50,025,620 and 49,725,649 shares issued and outstanding as of September 30, 2024 and December 31, 2023, respectively.	135	134
Deferred shares, £0.0001 par value, 5,793,501 shares authorized, issued and outstanding as of September 30, 2024 and December 31, 2023.	1	1
Additional paid-in capital	1,180,854	1,149,643
Accumulated deficit	(771,990)	(744,674)
Accumulated other comprehensive loss	(31,173)	(36,261)
<b>Total shareholders' equity</b>	<b>377,827</b>	<b>368,843</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 1,084,638</b>	<b>\$ 597,001</b>

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

**Immunocore Holdings plc**  
**Condensed Consolidated Statements of Operations and Comprehensive Income (Loss)**  
(Unaudited) (In thousands, except share and per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
<b>Revenue:</b>				
Product revenue, net	\$ 80,248	\$ 62,629	\$ 225,937	\$ 171,142
Collaboration revenue	—	2,221	213	8,124
<b>Total revenue</b>	<b>80,248</b>	<b>64,850</b>	<b>226,150</b>	<b>179,266</b>
<b>Cost and operating expenses:</b>				
Cost of product revenue	(448)	(276)	(2,401)	(837)
Research and development expense	(52,770)	(43,249)	(161,301)	(117,980)
Selling, general and administrative expense	(35,532)	(35,469)	(113,457)	(103,046)
<b>Loss from operations</b>	<b>(8,502)</b>	<b>(14,144)</b>	<b>(51,009)</b>	<b>(42,597)</b>
<b>Other income (expense):</b>				
Interest income	5,960	5,142	20,445	12,546
Interest expense	(4,290)	(1,321)	(11,806)	(3,845)
Foreign currency gain (loss)	3,963	11,246	1,049	(647)
Other income (expense), net	8,962	(192)	13,205	(706)
<b>Net income (loss) before income taxes</b>	<b>6,093</b>	<b>731</b>	<b>(28,116)</b>	<b>(35,249)</b>
Income tax benefit (expense)	2,643	175	800	(308)
<b>Net income (loss)</b>	<b>\$ 8,736</b>	<b>\$ 906</b>	<b>\$ (27,316)</b>	<b>\$ (35,557)</b>
<b>Other comprehensive income (loss):</b>				
Exchange differences on translation of foreign operations	3,247	(14,951)	5,088	(746)
<b>Total comprehensive income (loss)</b>	<b>11,983</b>	<b>(14,045)</b>	<b>(22,228)</b>	<b>(36,303)</b>
Basic net income (loss) per share	\$ 0.17	\$ 0.02	\$ (0.55)	\$ (0.73)
Basic weighted-average number of shares outstanding	50,021,939	49,134,037	49,971,267	48,671,732
Diluted net income (loss) per share	\$ 0.17	\$ 0.02	\$ (0.55)	\$ (0.73)
Diluted weighted-average number of shares outstanding	52,808,434	54,158,967	49,971,267	48,671,732

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

**Immunocore Holdings plc**  
**Condensed Consolidated Statements of Shareholders' Equity**  
(Unaudited) (In thousands, except share data)

	Ordinary Shares		Deferred Shares		Additional Paid-in Capital	Accumulated deficit	Accumulated other comprehensive income (loss)	Total Shareholders' Equity
	Shares	Amount	Shares	Amount				
<b>As of December 31, 2023</b>	<b>49,725,649</b>	<b>\$ 134</b>	<b>5,793,501</b>	<b>\$ 1</b>	<b>\$ 1,149,643</b>	<b>\$ (744,674)</b>	<b>\$ (36,261)</b>	<b>\$ 368,843</b>
Net loss	—	—	—	—	—	(24,436)	—	(24,436)
Other comprehensive income	—	—	—	—	—	—	897	897
Exercise of share options	280,436	1	—	—	5,212	—	—	5,213
Share-based compensation expense	—	—	—	—	9,017	—	—	9,017
<b>As of March 31, 2024</b>	<b>50,006,085</b>	<b>\$ 135</b>	<b>5,793,501</b>	<b>\$ 1</b>	<b>\$ 1,163,872</b>	<b>\$ (769,110)</b>	<b>\$ (35,364)</b>	<b>\$ 359,534</b>
Net loss	—	—	—	—	—	(11,616)	—	(11,616)
Other comprehensive income	—	—	—	—	—	—	944	944
Exercise of share options	11,521	—	—	—	297	—	—	297
Share-based compensation expense	—	—	—	—	9,978	—	—	9,978
<b>As of June 30, 2024</b>	<b>50,017,606</b>	<b>\$ 135</b>	<b>5,793,501</b>	<b>\$ 1</b>	<b>\$ 1,174,147</b>	<b>\$ (780,726)</b>	<b>\$ (34,420)</b>	<b>\$ 359,137</b>
Net income	—	—	—	—	—	8,736	—	8,736
Other comprehensive income	—	—	—	—	—	—	3,247	3,247
Exercise of share options	8,014	—	—	—	198	—	—	198
Share-based compensation expense	—	—	—	—	6,509	—	—	6,509
<b>As of September 30, 2024</b>	<b>50,025,620</b>	<b>\$ 135</b>	<b>5,793,501</b>	<b>\$ 1</b>	<b>\$ 1,180,854</b>	<b>\$ (771,990)</b>	<b>\$ (31,173)</b>	<b>\$ 377,827</b>

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

**Immunocore Holdings plc**  
**Condensed Consolidated Statements of Shareholders' Equity**  
**(Unaudited) (In thousands, except share data)**

	Ordinary Shares		Deferred Shares		Additional Paid-in Capital	Accumulated deficit	Accumulated other comprehensive (loss) income	Total Shareholders' Equity
	Shares	Amount	Shares	Amount				
<b>As of December 31, 2022</b>	<b>48,088,346</b>	<b>\$ 129</b>	<b>5,793,501</b>	<b>\$ 1</b>	<b>\$ 1,082,833</b>	<b>\$ (689,387)</b>	<b>\$ (54,673)</b>	<b>\$ 338,903</b>
Net loss	—	—	—	—	—	(19,449)	—	(19,449)
Other comprehensive income	—	—	—	—	—	—	7,434	7,434
Exercise of share options	291,063	1	—	—	6,157	—	—	6,158
Share-based compensation expense	—	—	—	—	8,258	—	—	8,258
<b>As of March 31, 2023</b>	<b>48,379,409</b>	<b>\$ 130</b>	<b>5,793,501</b>	<b>\$ 1</b>	<b>\$ 1,097,248</b>	<b>\$ (708,836)</b>	<b>\$ (47,239)</b>	<b>\$ 341,304</b>
Net loss	—	—	—	—	—	(17,014)	—	(17,014)
Other comprehensive income	—	—	—	—	—	—	6,771	6,771
Exercise of share options	561,940	2	—	—	11,556	—	—	11,558
Share-based compensation expense	—	—	—	—	8,821	—	—	8,821
<b>As of June 30, 2023</b>	<b>48,941,349</b>	<b>\$ 132</b>	<b>5,793,501</b>	<b>\$ 1</b>	<b>\$ 1,117,625</b>	<b>\$ (725,850)</b>	<b>\$ (40,468)</b>	<b>\$ 351,440</b>
Net income	—	—	—	—	—	906	—	906
Other comprehensive loss	—	—	—	—	—	—	(14,951)	(14,951)
Exercise of share options	1,349,910	1	—	—	10,375	—	—	10,376
Share-based compensation expense	—	—	—	—	8,199	—	—	8,199
<b>As of September 30, 2023</b>	<b>50,291,259</b>	<b>\$ 133</b>	<b>5,793,501</b>	<b>\$ 1</b>	<b>\$ 1,136,199</b>	<b>\$ (724,944)</b>	<b>\$ (55,419)</b>	<b>\$ 355,970</b>

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



**Immunocore Holdings plc**  
**Condensed Consolidated Statements of Cash Flows**  
**(Unaudited) (In thousands)**

	<b>Nine Months Ended September 30,</b>	
	<b>2024</b>	<b>2023</b>
<b>Cash flows from operating activities</b>		
Net loss	\$ (27,316)	\$ (35,557)
Adjustments for:		
Share-based compensation expense	25,523	25,278
Depreciation	3,038	3,058
Unrealized foreign exchange gains, net	(3,982)	(9)
Unrealized gains on marketable securities	(13,515)	—
Non-cash lease expense	1,352	1,210
Other	1,535	197
<b>Changes in assets and liabilities:</b>		
Increase in accounts receivable	(11,053)	(7,647)
(Increase) decrease in prepayments and other current assets	(5,910)	18,050
Increase (decrease) in accounts payable	1,388	(1,130)
Increase in accrued expenses	72,728	23,109
Decrease in deferred revenue	(1)	(6,010)
(Decrease) increase in operating lease liabilities	(1,208)	645
Increase in other operating assets	(4,515)	(2,676)
Increase in other operating liabilities	1,948	2,155
<b>Net cash provided by operating activities</b>	<b>40,012</b>	<b>20,673</b>
<b>Cash flows from investing activities</b>		
Purchase of marketable securities	(350,000)	—
Purchase of property and equipment	(1,589)	(4,608)
<b>Net cash used in investing activities</b>	<b>(351,589)</b>	<b>(4,608)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of convertible senior notes	402,500	—
Payments for debt issuance costs	(13,358)	—
Proceeds from exercise of share options	6,250	28,092
<b>Net cash provided by financing activities</b>	<b>395,392</b>	<b>28,092</b>
Increase in net cash and cash equivalents	83,815	44,157
Net foreign exchange difference on cash held	11,326	(2,491)
Cash and cash equivalents at beginning of period	442,626	402,472
Cash and cash equivalents at end of period	<b>\$ 537,767</b>	<b>\$ 444,138</b>
<b>Supplemental disclosure of cash flow and non-cash information</b>		
Cash received for interest, net	\$ 7,285	\$ 5,703
Cash paid for income taxes, net	\$ (352)	\$ (220)
Purchases of property and equipment in accounts payable	\$ 840	\$ 65

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

**Immunocore Holdings plc**  
**Notes to the Condensed Consolidated Financial Statements**  
**(Unaudited)**

**1. Description of business**

Immunocore Holdings plc (collectively with its subsidiaries, the "Company") is a public limited company incorporated in England and Wales and has the following wholly owned subsidiaries: Immunocore Limited, Immunocore LLC, Immunocore Commercial LLC, Immunocore Ireland Limited, Immunocore GmbH, and Immunocore Nominees Limited with operations based primarily in the United Kingdom and United States. The Company is pioneering and delivering transformative immunomodulating medicines to radically improve outcomes for patients with cancer, infectious diseases, and autoimmune diseases. Leveraging its proprietary, flexible, off-the-shelf ImmTAX (Immune mobilizing monoclonal TCRs Against X disease) platform, the Company's pipeline includes nine active clinical and preclinical programs in oncology, infectious diseases, and autoimmune diseases.

In January and April 2022, the Company received approval from the U.S. Food and Drug Administration ("FDA") and European Commission, ("EC"), respectively, for its lead product, KIMMTRAK, for the treatment of unresectable or metastatic uveal melanoma and has subsequently received approvals in further territories, and the Company continues to launch and seek approvals in additional territories. KIMMTRAK is now approved in 38 countries and the Company has commercially launched the product in the United States, Germany and France, among other territories.

**2. Summary of significant accounting policies**

*Basis of presentation*

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the U.S. ("U.S. GAAP"), for interim financial reporting and pursuant to the requirements for reporting on Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information required for the full annual financial statements and should be read in conjunction with the annual consolidated financial statements of the Company for the year ended December 31, 2023, included in the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission (the "SEC"), on February 28, 2024 ("Annual Report"). The accompanying condensed consolidated financial statements contain all normal recurring adjustments necessary to present fairly the financial position, results of operations, and cash flows for the interim periods reported. In the opinion of management, all adjustments considered necessary to present fairly the results of the interim periods have been included and consist only of normal and recurring adjustments. Certain information and footnote disclosures have been condensed or omitted as permitted under U.S. GAAP. The results for the three and nine months ended September 30, 2024 are not necessarily indicative of the results to be expected for the year ending December 31, 2024, any other interim periods, or any future year or period.

*Use of estimates*

The preparation of the condensed consolidated financial statements in conformity with U.S. GAAP requires management to make judgments, estimates and assumptions. These judgments, estimates and assumptions affect the reported assets and liabilities as well as income and expenses in the financial period.

The estimates and associated assumptions are based on information available when the condensed consolidated financial statements are prepared, historical experience and various other factors which are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources.

Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the Company's control. Actual results could differ from those estimates. Estimates are primarily made in relation to revenue recognition, estimation of operating lease incremental borrowing rates, share-based compensation expense, clinical accruals, and deferred tax asset valuation allowances.

*Significant accounting policies*

With the exception of the below policies, the significant accounting policies used in the preparation of these condensed consolidated financial statements as of and for the three and nine months ended September 30, 2024 are consistent with those described in Note 2. "Summary of Significant Accounting Policies" in the Company's Annual Report.

*Collaboration and supply agreements*

In February 2024, the Company entered into a clinical trial collaboration and supply agreement with Bristol Myers Squibb ("BMS"), to investigate the Company's ImmTAC bispecific TCR candidate targeting PRAME HLA-A02, brenetafusp (IMC-F106C), in combination with BMS's nivolumab, in first-line advanced cutaneous melanoma (the "BMS Agreement"). Under the terms of the BMS Agreement, the Company is sponsoring and funding the registrational Phase 3 clinical trial of brenetafusp in combination with nivolumab in first-line advanced cutaneous melanoma (PRISM-MEL-301), and BMS is providing nivolumab. Both parties will own the study data produced in the clinical trial, other than study data related solely to nivolumab, which will belong solely to BMS, or study data related solely to brenetafusp, which will belong solely to the Company. Given the terms of the BMS Agreement, the Company concluded that it is not within the scope of ASC 808 or ASC 606. Any relevant costs arising from the clinical trial are expensed as incurred and recorded in research and development expenses. The Company announced the randomization of the first patient in the PRISM-MEL 301 trial in June 2024. There has been no impact to the condensed consolidated financial statements as of September 30, 2024 relating to the Company's collaboration with BMS.

*Convertible senior notes*

The Company issued 2.5% Convertible Senior Notes due in 2030 in February 2024 (the "Notes"), and evaluated to determine whether they contain features that qualify as embedded derivatives in accordance with ASC 815. Embedded derivatives must be separately measured from the host contract if all the requirements for bifurcation are met. The assessment of the conditions surrounding the bifurcation of embedded derivatives depends on the nature of the host contract and the features of the derivatives. In accounting for the issuance of the Notes, the Company treats the instrument wholly as a liability, in accordance with ASC 470, as the conversion features do not require bifurcation as a derivative in accordance with ASC 815 and the Notes were not issued at a substantial premium. Costs directly associated with the borrowing have been capitalized and are netted against the corresponding debt liabilities in the Company's Condensed Consolidated Balance Sheets at issuance and amortized over the contractual term of the convertible debt instrument using the effective interest rate method.

See Note 5. "Current and non-current interest-bearing loans and borrowings" for additional information.

*Foreign currencies*

The reporting currency of the Company is the U.S. dollar. Effective January 1, 2024, the Company's ultimate parent adopted the U.S. dollar as its functional currency. Prior to January 1, 2024, the functional currency of the Company's ultimate parent was the British pound sterling. The functional currency of the Company's ultimate parent and each subsidiary is based on the currency of the economic environment in which they operate. The change in functional currency of the Company's ultimate parent is due to a change in the economic facts and circumstances of the entity due to the increased exposure to the U.S. dollar primarily as a result of the increased cash flows related to financing and investing activities that are now expected to occur going forward in this entity. The effect of the change in functional currency for the Company's ultimate parent was applied prospectively in the Condensed Consolidated Financial Statements effective January 1, 2024.

Upon consolidation, assets and liabilities of each subsidiary with a functional currency that differs to the Company's ultimate parent are translated into U.S. dollars at period-end exchange rates, and revenues and expenses are translated into U.S. dollars using average exchange rates for each reporting period. Translation adjustments are reflected as other comprehensive income (loss).

*Marketable securities*

Marketable securities consist of investment funds which are measured and reported at fair value determined using quoted market prices. The investment funds are primarily invested in U.S. investment-grade debt securities, including asset-backed and mortgage-backed securities. Marketable securities are available to the Company for use in current operations and are classified as current assets. Gains and losses from marketable securities are recognized in Other income (expense), net.

*Fair value measurements*

Where financial and non-financial assets and liabilities are measured at fair value, the Company uses appropriate valuation techniques for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

As of September 30, 2024 and December 31, 2023, the Company held \$410.2 million and \$331.0 million, respectively, of money market funds required to be measured at fair value on a recurring basis within cash and cash equivalents. In addition, as of September 30, 2024 and December 31, 2023, the Company held \$363.5 million and \$0 of marketable securities, respectively, including unrealized gains of \$13.5 million and \$0, respectively. The fair value of these cash equivalents and marketable securities is based on quoted prices from active markets (Level 1 inputs). Other financial instruments, although not recorded at fair value on a recurring basis, include cash, accounts receivable, accounts payable and debt obligations.

The fair value of borrowings under the Notes and Pharmakon Loan Agreement (disclosed in Note 5. "Current and non-current interest-bearing loans and borrowings") were based on Level 2 inputs, which include observable inputs estimated using discounted cash flows and market-based expectations for interest rates, credit risk, and the contractual terms of debt instruments. After initial recognition, borrowings are measured at amortized cost using the effective interest method.

#### *Recently issued and recently adopted accounting pronouncements*

In March 2024, the SEC issued Release No. 33-11275, *The Enhancement and Standardization of Climate-Related Disclosures for Investors*. The final rule requires registrants to provide climate-related disclosures in their annual reports and registration statements, beginning with annual reports for the year ending December 31, 2025, for calendar-year-end large accelerated filers. In April 2024, the SEC issued an order staying the final rule pending the completion of legal challenges to the final rule. The Company is currently assessing the impact of this final rule and the order to stay the rule on its disclosures.

### 3. Revenue

During the three and nine months ended September 30, 2024, the Company recognized \$80.2 million and \$225.9 million, respectively, (2023: \$62.6 million and \$171.1 million, respectively) of net product revenue relating to the sale of KIMMTRAK primarily in the United States and Europe after estimated deductions for rebates, chargebacks and returns, which are recognized in Accrued expenses and other current liabilities as set out in the Company's accounting policies included in the Annual Report.

Product revenue, net from the sale of KIMMTRAK is presented by country / region based on the location of the end customer below (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
United States	\$ 57,268	\$ 43,441	\$ 162,900	\$ 120,722
Europe	21,098	18,937	55,454	49,293
International	1,882	251	7,583	1,127
<b>Total product revenue, net</b>	<b>\$ 80,248</b>	<b>\$ 62,629</b>	<b>\$ 225,937</b>	<b>\$ 171,142</b>

Product revenue, net for the three and nine months ended September 30, 2024 included \$2.8 million and \$10.1 million respectively (2023: \$0.6 million and \$2.6 million, respectively), of partnered revenue under the Company's agreement with Medison Pharma Ltd ("Medison"), and such revenue is split between its European and international markets.

#### *Accounts receivable from contracts with customers*

Accounts receivable as of September 30, 2024 and December 31, 2023 was \$63.7 million and \$52.1 million, respectively. An allowance for lifetime expected credit losses on accounts receivable is measured using historical credit loss experience, conditions at the end of each reporting period, and reasonable and supportable forecasts that affect collectability. Expected credit losses as of September 30, 2024 and December 31, 2023 were immaterial.

*Accruals for rebates, chargebacks and returns*

Current and non-current accruals for rebates, chargebacks and returns as of September 30, 2024 were as follows (in thousands):

	<b>Rebates</b>	<b>Chargebacks</b>	<b>Returns</b>	<b>Total</b>
As of December 31, 2023	\$ 63,957	\$ 2,031	\$ 738	\$ 66,726
Provisions related to sales in the period	69,463	22,844	898	93,205
Adjustments related to sales in prior periods	12,642	—	—	12,642
Credits and payments made	(14,557)	(23,172)	(1,271)	(39,000)
As of September 30, 2024	<b>\$ 131,505</b>	<b>\$ 1,703</b>	<b>\$ 365</b>	<b>\$ 133,573</b>

Included in the above are non-current accruals for rebates, chargebacks and returns of \$2.3 million and \$0 as of September 30, 2024 and December 31, 2023, respectively, which are not expected to be paid in the twelve months from the balance sheet date.

For accruals for rebates, chargebacks and returns reported as of December 31, 2023 where the uncertainty remains unresolved, additional information in the three and nine months ended September 30, 2024 resulted in a change in estimate of \$1.4 million and \$12.6 million, respectively, net increase to the Company's total accrued revenue deductions as of September 30, 2024.

*Deferred revenue*

Non-current deferred revenue as of September 30, 2024 and December 31, 2023 relates to \$5.0 million received from Medison in the year ended December 31, 2023. The Company expects to recognize revenue for this combined performance obligation of supplying KIMMTRAK and granting Medison the exclusive right to distribute KIMMTRAK in South America with the sale of products following potential regulatory approvals in South America. The Company estimates that product revenue recognition of this non-current deferred revenue will commence after September 30, 2025.

**4. Accrued expenses and other current liabilities**

Accrued expenses and other current liabilities consisted of the following (in thousands):

	<b>September 30, 2024</b>	<b>December 31, 2023</b>
Rebates, chargebacks and returns	\$ 131,243	\$ 66,726
Clinical accruals	40,448	22,459
Employee related expenses	12,322	11,598
Commercial services	3,449	6,900
Contract manufacturing	3,436	4,356
Other taxation and social security	962	1,807
Other accruals	5,364	5,989
	<b>\$ 197,224</b>	<b>\$ 119,835</b>

See Note 3. "Revenue" for a breakdown of rebates, chargebacks and returns.

Clinical accruals primarily represent unbilled work undertaken by contract research organizations ("CROs") as part of the advancement of the Company's clinical programs.

## 5. Current and non-current interest-bearing loans and borrowings

Current and non-current interest-bearing loans and borrowings consisted of the following as of September 30, 2024 (in thousands):

	Principal Amount	Unamortized Debt Issuance Costs	Net Carrying Amount	Fair Value	
				Amount	Level
Convertible senior notes	\$ 402,500	\$ (12,012)	\$ 390,488	\$ 347,438	Level 2
Pharmakon loan	50,000	(1,793)	48,207	55,293	Level 2

Current and non-current interest-bearing loans and borrowings consisted of the following as of December 31, 2023 (in thousands):

	Principal Amount	Unamortized Debt Issuance Costs	Net Carrying Amount	Fair Value	
				Amount	Level
Convertible senior notes	\$ —	\$ —	\$ —	—	Not applicable
Pharmakon loan	50,000	(1,989)	48,011	46,100	Level 2

Interest expense consisted of the following (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Convertible senior notes				
Coupon interest	\$ 2,890	\$ —	\$ 6,997	\$ —
Amortization of debt issuance costs	511	—	1,343	—
Pharmakon loan	889	1,321	3,466	3,845
<b>Total interest expense</b>	<b>\$ 4,290</b>	<b>\$ 1,321</b>	<b>\$ 11,806</b>	<b>\$ 3,845</b>

On February 2, 2024, the Company completed a private offering (the "Offering") of \$402.5 million aggregate principal amount of Notes, including the exercise in full of the initial purchasers' option to purchase up to an additional \$52.5 million principal amount of Notes. The Notes were issued pursuant to an indenture, dated February 2, 2024 (the "Indenture") between the Company and U.S. Bank Trust Company, National Association, as trustee. The Company's net proceeds from the Offering of the Notes were \$ 389.1 million, after deducting issuance costs of \$13.4 million.

The Notes are senior, unsecured obligations of the Company and will mature on February 1, 2030, unless earlier converted, redeemed or repurchased. The Notes will accrue interest payable semi-annually in arrears on February 1 and August 1 of each year, beginning on August 1, 2024, at a rate of 2.50% per year.

Lender fees and issuance costs incurred with the Notes were \$13.4 million and are being amortized as interest expense on an effective interest rate method over the expected life of the Notes, through February 2030, at an effective interest rate of 3.06%.

Holders may convert all or any portion of their Notes at their option at any time prior to the close of business on the business day immediately preceding the maturity date. The Notes have an initial conversion rate of 10.5601 American Depositary Shares ("ADSs") per \$1,000 principal amount of the Notes, which will be subject to anti-dilution adjustments in certain circumstances. This represented an initial conversion price of \$94.70 per ADS. The number of shares that would be issuable assuming conversion of all of the Notes is 5,950,600 (assuming the maximum increase to the conversion rate in connection with a "make-whole fundamental change" (as defined in the Indenture)). Upon conversion, the Notes may be settled in shares of the Company's ordinary shares, cash or a combination of cash and shares of the Company's ordinary shares, at the Company's election. Upon the occurrence of a make-whole fundamental change (as defined in the Indenture), the Company may, in certain circumstances, be required to increase the conversion rate by a number of additional shares for a holder that elects to convert its Notes in connection with such make-whole fundamental change.

The Company may not redeem the Notes prior to February 5, 2027, except in the event of certain tax law changes as described below and in the Indenture. The Company may redeem for cash all or any portion of the Notes (subject to the partial redemption limitation described in the Indenture), at its option, on or after February 5, 2027 if the last reported sale price of the ADSs has been at least 130% of the conversion price for the Notes then in effect for at least 20 trading days (whether or not consecutive) during any 30 consecutive trading day period (including the last trading day of such period) ending on, and including, the trading day immediately preceding the date on which the Company provides notice of optional redemption, at a redemption price equal to 100% of the principal amount of the Notes to be redeemed, plus accrued and unpaid interest to, but excluding, the optional redemption date.

If, as a result of certain changes in the law of any relevant tax jurisdiction, the Company would be required to pay additional amounts (as defined in the Indenture) on the Notes, the Company may redeem the Notes in whole, but not in part, at a tax redemption price of 100% of the aggregate principal amount thereof, plus accrued and unpaid interest to, but excluding, the tax redemption date and all additional amounts, if any, which otherwise would be payable to the date of tax redemption. Upon the Company giving notice of a tax redemption, a holder may elect not to have its Notes redeemed, in which case the holder would not be entitled to receive any additional amounts with respect to its Notes after the tax redemption date.

If the Company undergoes a fundamental change, holders may require the Company to repurchase for cash all or any portion of their Notes at a repurchase price equal to 100% of the principal amount of the Notes to be repurchased, plus accrued and unpaid interest to, but excluding, the fundamental change repurchase date.

On November 8, 2022, the Company entered into the Pharmakon loan agreement (the "Pharmakon Loan Agreement"), providing for term loans to the Company in an aggregate principal amount of up to \$100 million to be funded in two tranches. The first tranche of \$50 million bears interest at a fixed rate of 9.75%, which is payable quarterly in arrears, with payments commencing in 2023. The Company was required to pay a further fee of \$1.25 million by June 2024, regardless of whether it elected to draw down on the second \$50 million tranche under the Pharmakon Loan Agreement. The Company elected not to exercise the option to draw down the second tranche and made the payment of \$1.25 million in the three months ended June 30, 2024. The Company intends to use a portion of its cash and cash equivalents to repay in full the loan outstanding under the Pharmakon Loan Agreement during the three months ending December 31, 2024. While the principal amount outstanding under the Pharmakon Loan Agreement is not yet due for repayment, we have classified the outstanding loan amount within current liabilities in the Condensed Consolidated Balance Sheet as of September 30, 2024, to reflect our intention to repay the loan.

The Company has pledged its total assets of \$1,084.6 million, presented in the Condensed Consolidated Balance Sheet as of September 30, 2024, as collateral for the \$50 million loan drawn down under the Pharmakon Loan Agreement. In the event the Company is unable to repay the loan, the pledged assets may instead be used to repay the outstanding amount of loan and interest.

The Company's borrowings under the Pharmakon Loan Agreement, contain customary representations and warranties and customary affirmative and negative covenants, including limitations on the Company's ability to dispose of assets, enter into merger, consolidation or acquisition transactions, and incur additional debt. The Company monitors these covenants and is in compliance as of the date of this Quarterly Report.

As of September 30, 2024, the contractual future principal payments due were as follows (in thousands):

2024	\$	-
2025		-
2026		6,250
2027		25,000
2028		18,750
2029 and thereafter		402,500
Total principal payments	\$	452,500
Less: debt issuance costs		(13,805)
<b>Total interest-bearing loans and borrowings</b>	<b>\$</b>	<b>438,695</b>

## 6. Share-based compensation

Under the Company's Equity Incentive Plan ("EIP"), the Company may grant market value options, share appreciation rights or restricted shares, restricted share units, performance share units and other share-based awards to the Company's employees. The Company's board members and consultants are eligible to receive awards under the Company's non-employee sub-plan to the EIP. Awards may be granted at such times as the Company may determine, but will generally be granted annually following the end of the financial year. Awards vest at such times and as specified in the award agreement, typically being over a four-year period although the Company retains the discretion to provide for other vesting schedules. If the participant violates the non-competition, non-solicitation, confidentiality or other similar restrictive covenant provisions of any employment contract, the right of the participant to receive these shares on vesting shall terminate immediately. The Company maintains discretion over the type and terms of equity awards granted. All awards lapse on the tenth anniversary from the date of grant, and they are not subject to performance conditions or entitled to dividends. The Company has reserved 5,589,797 authorized shares for future issuance under the EIP.

The following table shows the total share-based compensation expense recorded in the Condensed Consolidated Statements of Operations and Comprehensive Income (Loss) (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Research and development	\$ 1,819	\$ 1,717	\$ 5,971	\$ 5,254
Selling, general and administrative	\$ 4,740	\$ 6,482	\$ 19,552	\$ 20,024

### Share option activity

The number and weighted average exercise prices of share options were as follows:

	Number of Share Options (#)	Weighted Average Exercise Price (\$)	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value (in thousands)
<b>Outstanding as of December 31, 2023</b>	<b>8,967,882</b>	<b>\$ 27.06</b>	<b>7.1 years</b>	<b>\$ 369,976</b>
Awards granted	1,033,541	67.00		
Awards exercised	(299,971)	19.06		
Awards forfeited / cancelled	(50,734)	(47.39)		
<b>Outstanding as of September 30, 2024</b>	<b>9,650,718</b>	<b>\$ 31.48</b>	<b>6.7 years</b>	<b>\$ —</b>
<b>Exercisable as of September 30, 2024</b>	<b>7,033,644</b>	<b>\$ 24.68</b>	<b>6.2 years</b>	<b>\$ 34,693</b>

As of September 30, 2024, total unrecognized compensation expense related to share options granted but not vested was \$9.1 million, which the Company expects to recognize over a remaining weighted-average period of 1.7 years.

Awards granted in the three and nine months ended September 30, 2024 and 2023 have been valued using the Black-Scholes option pricing model. The assumptions used in the models for share options granted during the three and nine months ended September 30, 2024 and 2023, were as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Share price at grant date	\$33.89	\$59.45	\$33.89 - \$70.50	\$48.38 - \$64.53
Exercise price	\$33.89	\$59.45	\$33.89 - \$70.50	\$48.38 - \$64.53
Expected volatility	55.42%	70.46%	55.24% - 66.17%	70.46% - 72.05%
Expected life	5.5 years	5 years	5 years - 5.5 years	5 years
Risk free rate	4.44%	4.19%	3.93% - 4.56%	3.52% - 4.19%
Fair value	\$18.53	\$36.48	\$18.53 - \$40.47	\$29.51 - \$39.92



**7. Basic and diluted net income (loss) per share**

Basic and diluted net income (loss) per share is calculated as follows (in thousands, except share and per share amounts):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
<b>Net income (loss)</b>	\$ 8,736	\$ 906	\$ (27,316)	\$ (35,557)
Basic weighted-average number of shares outstanding	50,021,939	49,134,037	49,971,267	48,671,732
Adjustment for stock options with dilutive effect	2,786,495	5,024,930	—	—
Diluted weighted-average number of shares outstanding	52,808,434	54,158,967	49,971,267	48,671,732
<b>Basic net income (loss) per share</b>	\$ 0.17	\$ 0.02	\$ (0.55)	\$ (0.73)
<b>Diluted net income (loss) per share</b>	\$ 0.17	\$ 0.02	\$ (0.55)	\$ (0.73)

A total of 9,650,718 shares issuable upon the exercise of outstanding share options as of September 30, 2024 (September 30, 2023:9,251,830), have been excluded from the calculation of diluted net loss per share due to their anti-dilutive effect for the nine months ended September 30, 2024 and 2023. For the three months ended September 30, 2024 and 2023, there were 2,222,171 and 902,650, respectively, shares issuable upon the exercise of options granted under the Company's option plans excluded from the calculation for diluted earnings per share, because they are considered to be anti-dilutive.

For the three and nine months ended September 30, 2024, shares issuable upon the potential conversion of all of the Notes (as defined in Note 5. "Current and non-current interest-bearing loans and borrowings") were excluded from the calculation of diluted income (loss) per share because they were anti-dilutive. Diluted earnings per share for the Notes is calculated under the if-converted method in accordance with ASC 260, Earnings Per Share.

**8. Income taxes**

Income tax benefit (expense) is recognized at an amount determined by multiplying the net income (loss) before income taxes for the interim reporting period by the Company's estimated annual effective tax rate, adjusted for the tax effect of certain items recognized in full in the interim period. As such, the effective tax rate in the condensed consolidated financial statements may differ from the Company's estimate of the effective tax rate for the Company's consolidated financial statements for the year ending December 31, 2024.

The Company's consolidated estimated effective tax rate for the nine months ended September 30, 2024 was 2.8%. During the nine months ended September 30, 2024, the Company recorded a tax benefit of \$0.8 million, compared to a tax charge for the nine months ended September 30, 2023 of \$0.3 million. The Company continues to benefit from the U.K. large company, Research & Development Expenditure Credit ("RDEC") regime which can generate a cash rebate of up to 15% of qualifying research and development expenditures incurred after April 1, 2023. Tax credits receivable under the RDEC regime are recorded "above the line" as a reduction from research and development expenses. For the three and nine months ended September 30, 2024, the Company excluded the United Kingdom from the calculation of the annual estimated tax rate as the Company anticipates an ordinary loss in this jurisdiction for which no tax benefit can be recognized.

A net deferred tax asset of \$12.7 million has been recognized as of September 30, 2024 (December 31, 2023: \$11.0 million) primarily representing research and development credits and share-based compensation for one of the Company's U.S. subsidiaries, Immunocore LLC, following an annual assessment, or periodically as required, of all available and applicable information, including its forecasts of costs and future profitability and the resulting ability to reverse the recognized deferred tax assets over a short period of time.

## 9. Commitments and contingencies

### *Lease commitments*

The maturities of operating lease liabilities as of September 30, 2024 were as follows (in thousands):

2024	\$	679
2025		4,382
2026		4,644
2027		4,543
2028		4,823
2029 and thereafter		50,102
Total lease payments		69,173
Less imputed interest		(26,805)
<b>Present value of operating lease liabilities</b>	<b>\$</b>	<b>42,368</b>

### *Manufacturing commitments*

The Company enters into a number of manufacturing commitments for the future purchase of materials and contract manufacturing services. While the majority of such contracts can be cancelled on reasonable notice, due to the significant ongoing expenditure associated with the Company's programs, including brenetafusp, the Company estimates it has noncancellable commitments in relation to the development and supply of product candidates totaling \$26.0 million, the majority of which are estimated to be paid within the next twelve months.

### *Legal proceedings*

The Company is not currently a party to any material legal proceedings.

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

*You should read the following discussion and analysis of our financial condition and results of operations together with our condensed consolidated financial statements and the related notes thereto appearing elsewhere in this Quarterly Report. The following discussion is based on our financial information prepared in accordance with accounting principles generally accepted in the U.S. (“U.S. GAAP”), as found in the Accounting Standards Codification and Accounting Standards Update of the Financial Accounting Standards Board and the rules and regulations of the Securities and Exchange Commission (“SEC”). Some of the information contained in this discussion and analysis or set forth elsewhere in this Quarterly Report, including information with respect to our plans and strategy for our business, includes forward-looking statements that involve risks and uncertainties. We also recommend that you read our discussion and analysis of financial condition and results of operations together with our audited financial statements and notes thereto, and the section titled “Risk Factors” each of which appear in our Annual Report on Form 10-K for the year ended December 31, 2023 as filed with the SEC on February 28, 2024 (the “Annual Report”) as well as the section titled “Special Note Regarding Forward-Looking Statements”.*

### Overview

We are a commercial stage biotechnology company pioneering and delivering transformative immunomodulating medicines to radically improve outcomes for patients with cancer, infectious diseases, and autoimmune diseases. Leveraging our proprietary, flexible, off-the-shelf ImmTAX (Immune mobilizing monoclonal TCRs Against X disease) platform, with a pipeline in multiple therapeutic areas, including nine active clinical and preclinical programs in oncology, infectious disease, and autoimmune disease.

In 2022, we received approval for our lead product, KIMMTRAK, for the treatment of unresectable metastatic uveal melanoma from the FDA, the European Commission, and other health authorities. KIMMTRAK is now approved in 38 countries for the treatment of unresectable or mUM. We have launched KIMMTRAK in 21 countries globally to date and we plan to launch KIMMTRAK in additional countries, if approved in those countries.

KIMMTRAK is the lead product from our ImmTAX platform and was the first approved new therapy in mUM in four decades. To date, we have treated over 2,000 cancer patients with KIMMTRAK, tebentafusp, and our other ImmTAX product candidates, which we believe is the largest clinical data set of any T cell engager bispecific in solid tumors and any TCR therapeutic. Our clinical programs are being conducted with patients with a broad range of cancers including melanoma, ovarian, lung, endometrial and colorectal, among others. We believe that these other tumor types have large addressable patient populations and significant unmet need. We are progressing three late-stage clinical programs within our ImmTAC (Immune mobilizing monoclonal TCRs Against Cancer) portfolio, including KIMMTRAK and the PRAME-targeted brentafusp.

Since our inception, we have focused on organizing and staffing our company, raising capital and performing research and development activities to advance our research, development and technology, and commercializing KIMMTRAK. While we have successfully generated revenue from KIMMTRAK, which is our first marketed product, our ability to generate higher levels of product revenue from other marketed products, which may never be fully developed or commercialized, depends on the successful development and regulatory approval of one or more of our product candidates and our ability to finance operations. Since inception, through to September 30, 2024, we have raised an aggregate of \$1,677 million through our initial public offering, private placements of our ordinary and preferred shares, debt financings, and historical payments from our collaboration partners. These funds have been and are being used to fund operations and invest in activities for technology creation, drug discovery and clinical development programs, infrastructure, creation of portfolio of intellectual property and commercial and administrative support.

We have incurred significant operating losses and expect to continue to incur significant expenses and operating losses for the near future. We had net income of \$8.7 million and a net loss of \$27.3 million for the three and nine months ended September 30, 2024, respectively. As of September 30, 2024, our accumulated deficit was \$772.0 million. We expect to continue to incur significant and increasing expenses and to incur operating losses for the foreseeable future, as we advance our product candidates through preclinical and clinical development and seek regulatory approvals, manufacture drug product and drug supply, maintain and expand our intellectual property portfolio, as well as hire additional personnel, pay for further accounting, audit, legal, regulatory and consulting services, and pay costs associated with maintaining compliance with Nasdaq listing rules and the requirements of the SEC, director and officer liability insurance, investor and public relations activities and other expenses associated with operating as a public company.

We do not expect to generate revenue from the sale of our other product candidates unless and until we successfully complete clinical development of and obtain regulatory approval for such product candidates. As a result, we may need additional funding to support our continued operations and pursue our clinical development and growth strategy. Until we can generate sufficient revenue from product sales, if ever, we expect to finance our operations through a combination of public or private equity offerings, debt financings, government funding arrangements, collaborations and marketing and distribution and licensing arrangements. We may be unable to raise additional funds or enter into such other arrangements on favorable terms, or at all, particularly in light of recently worsening macroeconomic conditions, such as supply chain disruptions, fluctuations in interest rates and volatility in the capital markets. If we fail to raise capital or enter into such arrangements as, and when, needed, we may have to significantly delay, scale back or discontinue the development and commercialization of one or more of our programs.

Because of the numerous risks and uncertainties associated with pharmaceutical development, we are unable to predict the timing or amount of future revenues, increased expenses or when or if we will be able to achieve or maintain profitability. If we fail to become profitable or are unable to sustain profitability on a continuing basis, then we may be unable to continue our operations at planned levels and may be forced to reduce our operations.

#### Recent Developments

In September 2024 at the European Society for Medical Oncology 2024 Meeting ("ESMO 2024"), we presented clinical data from the Phase 1 trial in heavily pre-treated platinum-resistant high grade serous ovarian cancer, with brenetafusp as monotherapy and in combination with chemotherapy.

- **Monotherapy:** 31 of the 37 monotherapy patients were evaluable for RECIST v1.1 tumor assessment, 58% of whom demonstrated disease control (partial response and stable disease), including two confirmed partial responses (6.5% RECIST response rate). Of patients who had tumor progression, 64% were treated beyond progression (median of 2 additional months). Across all 37 patients, the median progression-free survival (PFS) was 3.3 months, and the overall survival (OS), while still maturing, was 73% at 6 months. Brenetafusp was well tolerated with no treatment-related discontinuation or death observed.
- **Combination:** 16 patients with platinum-resistant ovarian cancer were treated with brenetafusp and either gemcitabine, nab-paclitaxel or pegylated doxorubicin chemotherapy. Thirteen of these 16 patients were evaluable for RECIST v1.1 tumor assessment (all 13 received prior platinum and taxane therapy, and 6 received prior gemcitabine). 69% of patients achieved disease control, including three partial responses (23% RECIST response rate). The safety profile of brenetafusp in combination with chemotherapy was consistent with the expected profile of each individual agent.

We presented new baseline blood gene expression signature data at ESMO 2024 confirming that T cell fitness in blood is an important parameter of clinical activity for KIMMTRAK in previously treated uveal melanoma, and for brenetafusp in ovarian cancer and uveal melanoma.

We are currently evaluating brenetafusp in combination with non-platinum chemotherapies in platinum-resistant ovarian cancer and with bevacizumab and with platinum chemotherapy in earlier lines of platinum sensitive ovarian cancer.

We continue signal detection for brenetafusp in metastatic non-small-cell lung cancer ("NSCLC") cohorts, including in combination with docetaxel and with osimertinib in earlier-line NSCLC. As a result, we will not release initial data in the fourth quarter of 2024.

Randomization in the ATOM Phase 3 trial, the only active registrational Phase 3 trial in adjuvant uveal melanoma, led by the European Organisation for Research and Treatment of Cancer ("EORTC") is expected to start in the fourth quarter of 2024.

We expect to complete the single ascending dose ("SAD") portion of the Phase 1 trial of IMC-I109V in HBV in the fourth quarter of 2024.

## **Components of Results of Operations**

### ***Revenue***

#### ***Product revenue, net***

Product revenue, net, relates to the sale of KIMMTRAK following marketing approval. We recognize product revenue at the point in time that control transfers to a customer, which is typically on delivery to our distributors and healthcare providers. We also operate under consignment arrangements where control passes when our distributors take KIMMTRAK out of consignment inventory. The amount of revenue recognized reflects the consideration to which we expect to be entitled, net of estimated deductions for rebates, chargebacks, other customer fees and product returns. These estimates consider contractual and statutory requirements, the expected payor and patient mix, sell-through data, our customers' inventory levels, anticipated demand and the volume of customer purchase orders, internal data, and other information provided by our customers and third-party logistics providers, and, in certain countries including France, pricing negotiations. Further information on estimates is provided under the section below headed, "*Critical Accounting Estimates*".

#### ***Collaboration revenue***

Collaboration revenue arose under our collaboration agreement with Genentech. In February 2023, we and Genentech agreed to wind down the co-funding arrangements and clinical trial for IMC-C103C. We could be eligible to receive development and commercial milestone payments and royalties from Genentech on any sales of MAGE-A4 HLA-A02 targeted products arising under the Genentech collaboration.

Collaboration revenue consisted of non-refundable upfront payments, development milestones as well as reimbursement of research and development expenses. As of December 31, 2023, we determined our performance obligation under the collaboration with Genentech was complete.

### ***Cost and Operating Expenses***

#### ***Cost of product revenue***

Cost of product revenue represents production costs including raw materials, external manufacturing costs, and other costs incurred in bringing inventories to their location and condition prior to sale. Cost of product revenue may also include costs related to manufacturing losses, excess or obsolete inventory costs. Overheads and internal costs of product revenue are minimal under our manufacturing arrangements. Due to the low costs involved in manufacturing KIMMTRAK, cost of product revenue is currently not material, and while these costs are expected to increase in future periods as inflationary pressures increase, we do not expect such costs to be material for the foreseeable future.

#### ***Research and development expense***

Research and development ("R&D") expenses consist primarily of costs incurred for current or planned investigations undertaken with the prospect of gaining new scientific or technical knowledge and understanding and consist primarily of personnel-related costs, including salaries and share-based compensation expense for the various R&D departments, costs associated with clinical trial activities undertaken by contract research organizations ("CROs") and external manufacturing costs associated with R&D undertaken by contract manufacturing organizations ("CMOs"), R&D laboratory consumables, internal clinical trial expenses, payments for purchased rights and milestones in connection with third-party in-process R&D agreements, costs associated with maintaining laboratory equipment, costs associated with our R&D facilities, including a reasonable allocation of overhead costs, and reductions from expenses for R&D tax credits. R&D expenses are expensed as incurred, although the timing of expense recognition can vary with contractual and payment terms in order to determine when services are received.

R&D expenses incurred with external organizations to undertake R&D activities on our behalf typically relate to clinical programs and are assigned to the individual programs in tables further below. However, for certain preclinical programs and other research spend incurred externally, such spend is not assigned to individual programs. Internal R&D expenses primarily relate to personnel-related costs, facilities and laboratory consumables. Due to the cross functional expertise of our people, it is not possible to provide a breakdown of internal costs by program.

We expect our R&D expenses to increase in the future as we advance existing and future product candidates into and through clinical studies and pursue further regulatory approval. The process of conducting the necessary clinical studies to obtain regulatory approval is costly and time-consuming. We maintain our headcount at a level required to support our continued research activities and development of our product candidates. Clinical trials generally become larger and more costly to conduct as they advance into later stages. We cannot determine with certainty the timing of initiation, the duration or the completion costs of current or future preclinical studies and clinical trials of our product candidates due to the inherently unpredictable nature of preclinical and clinical development. Clinical and preclinical development timelines, the probability of success and development costs can differ materially from expectations. At this time, we cannot reasonably estimate or know the nature, timing and estimated costs of the efforts that will be necessary to complete the development of any product candidates that we develop from our programs. As a result, our R&D expenses may vary substantially from period to period based on the timing of our R&D activities.

*Research and development tax credits*

As a company that carries out extensive R&D activities, we benefit from the Research and Development Expenditure Credit ("RDEC") in the United Kingdom for certain specific categories of expenditure. R&D tax credits are presented as a reduction to R&D expenses. On April 1, 2023, the headline rate under the RDEC program increased from 13% to 20% and can generate cash rebates of up to 15% (increased from 10.5%) on qualifying R&D expenditure incurred from this date.

Recent amendments to the U.K. R&D tax credit regime introduced restrictions on the tax relief that can be claimed for expenditure incurred on subcontracted R&D activities or externally provided workers, where such subcontracted activities are not carried out in the United Kingdom or such workers are not subject to U.K. payroll taxes, subject to limited exceptions.

*Selling, general and administrative expense*

Selling, general and administrative ("SG&A") expenses consist primarily of personnel-related costs, including salaries and share-based compensation expense, for selling, corporate and other administrative and operational functions including finance, legal, human resources, commercial-related expenses, information technology, as well as a proportion of facility-related costs.

Following our commercialization of KIMMTRAK and our substantial increase in planned R&D expenses, as explained above, we also expect that our SG&A expenses will increase. We expect that we will incur increased selling, distribution, commercial, accounting, audit, legal, regulatory, compliance, director and officer insurance costs, as well as investor and further public relations expenses associated with being a public company operating in multiple territories. We anticipate that the additional costs for these services will substantially increase our SG&A expenses. Additionally, if and as we receive further regulatory approvals of product candidates, we anticipate an increase in payroll and expenses in connection with our commercial operations. We have experienced, and may continue to experience, increased personnel costs attributable to offering and maintaining competitive salaries and other impacts due to rising global inflation.

*Interest income*

Interest income arises on cash balances and short-term money market funds. Our interest income may fluctuate depending on the movement of interest rates and our total amount of cash and cash equivalents.

*Interest expense*

Interest expense represents costs under our interest-bearing loans and borrowings under the effective interest method.

*Foreign currency gain (loss)*

These gains (losses) arise on a variety of items, including on U.S. dollar monetary assets and liabilities held by our main operating subsidiary in the United Kingdom, including our cash, cash equivalent and marketable securities balances. Our foreign currency gains (losses) can vary significantly between periods as a result of volatility in foreign exchange rates.

### Other income (expense), net

Other income (expense), net consists primarily of the unrealized gains (losses) resulting from the change in fair value of our marketable securities and also includes loan and borrowing costs and other items.

### Income tax benefit (expense)

We are subject to corporate taxation in the United Kingdom and our wholly-owned subsidiaries are subject to corporate taxation in the United States, Ireland and Switzerland. Due to the nature of our business and on a consolidated basis, we have generated losses since inception. Our income tax expense represents the sum of income taxes payable in the United States, Ireland and Switzerland, offset by deferred tax credits arising on deferred tax assets generated.

Unreleased tax losses are carried forward to be offset against future taxable profits. After accounting for tax credits receivable, there were accumulated tax losses available for carry forward in the United Kingdom of \$320 million as of September 30, 2024. A full valuation allowance is recognized in respect of accumulated tax losses and other temporary differences in the United Kingdom because future profits are not sufficiently certain. A deferred tax asset is, however, recognized in respect of the subsidiary in the United States, relating to unused tax credits on share-based compensation expense and other temporary differences on the basis that we expect to continue generating U.S. taxable income against which deductible temporary differences can unwind.

As we begin to generate significant net product revenue, we may benefit from the U.K.'s "patent box" regime, which allows profits attributable to revenues from patents or patented products to be taxed at a lower rate than other revenue. The effective rate of tax for relevant streams of revenue for companies receiving this relief is 10%.

### Comparison of the Three Months Ended September 30, 2024 and 2023

#### Revenue

The following table summarizes our total revenue (in thousands):

	Three Months Ended September 30,			
	2024	2023	Increase / (decrease)	% Increase / (decrease)
Product revenue, net	\$ 80,248	\$ 62,629	\$ 17,619	28.1 %
Collaboration revenue	—	2,221	(2,221)	(100.0) %
<b>Total revenue</b>	<b>\$ 80,248</b>	<b>\$ 64,850</b>	<b>\$ 15,398</b>	<b>23.7 %</b>

#### Product revenue, net

Product revenue, net from the sale of KIMMTRAK is presented by country / region based on location of the end customer below (in thousands):

	Three Months Ended September 30,			
	2024	2023	Increase / (decrease)	% Increase / (decrease)
United States	\$ 57,268	\$ 43,441	\$ 13,827	31.8 %
Europe	21,098	18,937	2,161	11.4 %
International	1,882	251	1,631	649.8 %
<b>Total product revenue, net</b>	<b>\$ 80,248</b>	<b>\$ 62,629</b>	<b>\$ 17,619</b>	<b>28.1 %</b>

For the three months ended September 30, 2024, we generated product revenue, net of \$80.2 million due to the sale of KIMMTRAK, of which \$57.3 million was in the United States, \$21.0 million in Europe (including the impact of a net increase in estimated reserves related to prior periods of \$3.6 million) and \$1.9 million in International. Product revenue, net increased in the three months ended September 30, 2024 compared to the three months ended September 30, 2023, due primarily to increased volume in the United States and global country expansion, as we continued our commercialization efforts.

### R&D Expenses

The following table summarizes our R&D expenses (in thousands):

	Three Months Ended September 30,			
	2024	2023	Increase / (decrease)	% Increase / (decrease)
<i>External R&amp;D expenses:</i>				
PRAME programs	\$ 18,512	\$ 17,481	\$ 1,031	5.9 %
Tebentafusp programs	8,315	2,352	5,963	253.5 %
Infectious disease programs	1,324	1,814	(490)	(27.0) %
All other external clinical and preclinical costs	6,361	3,708	2,653	71.5 %
<b>Total external R&amp;D expenses</b>	<b>34,512</b>	<b>25,355</b>	<b>9,157</b>	<b>36.1 %</b>
<i>Internal R&amp;D expenses:</i>				
Salaries and other employee-related costs	11,272	9,703	1,569	16.2 %
Share-based compensation expense	1,819	1,717	102	5.9 %
All other internal R&D costs	7,235	7,901	(666)	(8.4) %
U.K. R&D tax credits	(2,068)	(1,427)	(641)	44.9 %
<b>Total internal R&amp;D expenses</b>	<b>18,258</b>	<b>17,894</b>	<b>364</b>	<b>2.0 %</b>
<b>Total R&amp;D expenses</b>	<b>\$ 52,770</b>	<b>\$ 43,249</b>	<b>\$ 9,521</b>	<b>22.0 %</b>

For the three months ended September 30, 2024, our R&D expenses were \$52.8 million, compared to \$43.2 million for the three months ended September 30, 2023.

For the three months ended September 30, 2024, our external R&D expenses increased by \$9.2 million primarily due to an increase of \$6.0 million in expenses incurred for our tebentafusp programs as a result of the advanced cutaneous melanoma ("TEBE-AM") and ATOM Phase 3 trials. All other external clinical and preclinical costs increased by \$2.7 million due to continued progress in the pipeline.

For the three months ended September 30, 2024, our internal R&D expenses increased by \$0.4 million primarily due to an increase in headcount-related expenses as our number of employees and associated personnel costs increased with the growth of our clinical and preclinical programs partially offset by an increase in our R&D tax credits.

### SG&A Expenses

The following table summarizes our SG&A expenses (in thousands):

	Three Months Ended September 30,			
	2024	2023	Increase / (decrease)	% Increase / (decrease)
Salaries and other employee-related costs	\$ 11,783	\$ 7,456	\$ 4,327	58.0 %
Share-based compensation expense	4,740	6,482	(1,742)	(26.9) %
Selling and commercial costs	11,621	12,100	(479)	(4.0) %
Other administrative expenses	7,388	9,431	(2,043)	(21.7) %
<b>Total SG&amp;A expenses</b>	<b>\$ 35,532</b>	<b>\$ 35,469</b>	<b>\$ 63</b>	<b>0.2 %</b>

For each of the three months ended September 30, 2024 and 2023, our SG&A expenses were \$35.5 million. Salaries and other employee-related costs increased by \$4.3 million, primarily due to the internalization of our U.S. sales force in the fourth quarter of 2023, whereas these costs were included within selling and commercial costs for the three months ended September 30, 2023. In addition, there was an increase in the number of employees in medical and regulatory activities and business support functions, to support our growing pipeline and commercial activities. This was offset by a decrease in share-based compensation expense of \$1.7 million due to higher estimated forfeitures in the three months ended September 30, 2024 and a decrease in other administrative expenses.



**Interest Income and Interest Expense**

For the three months ended September 30, 2024, interest income was \$6.0 million compared to \$5.1 million for the three months ended September 30, 2023. This increase of \$0.9 million reflects higher levels of cash and cash equivalents held in 2024 relative to 2023 due primarily to the net cash proceeds from the convertible senior notes issued in February 2024 (the "Notes") and increases in interest rates earned on our cash and cash equivalents balances. For the three months ended September 30, 2024, interest expense was \$4.3 million compared to \$1.3 million for the three months ended September 30, 2023 and the increase was primarily related to interest on the Notes.

**Foreign Currency Gain**

For the three months ended September 30, 2024, foreign currency gain was \$4.0 million compared to a gain of \$11.2 million for the three months ended September 30, 2023. This decrease of \$7.2 million reflects less significant exchange rate movements in the three months ended September 30, 2024 relative to the three months ended September 30, 2023.

**Other Income (Expense), Net**

For the three months ended September 30, 2024, other income, net was \$9.0 million compared to other expense, net of \$0.2 million for the three months ended September 30, 2023. The change is primarily related to the unrealized gains resulting from the change in fair value of our marketable securities, which were purchased in 2024.

**Income Tax Benefit (Expense)**

For the three months ended September 30, 2024, the income tax benefit was \$2.6 million compared to \$0.2 million for the three months ended September 30, 2023. This increase is related to a favorable discrete item for U.S. research tax credits claimed on our 2023 U.S. income tax return.

**Comparison of the Nine Months Ended September 30, 2024 and 2023**

**Revenue**

The following table summarizes our total revenue (in thousands):

	Nine Months Ended September 30,			
	2024	2023	Increase / (decrease)	% Increase / (decrease)
Product revenue, net	\$ 225,937	\$ 171,142	\$ 54,795	32.0 %
Collaboration revenue	213	8,124	(7,911)	(97.4) %
<b>Total revenue</b>	<b>\$ 226,150</b>	<b>\$ 179,266</b>	<b>\$ 46,884</b>	<b>26.2 %</b>

**Product revenue, net**

Product revenue, net from the sale of KIMMTRAK is presented by country / region based on location of the end customer below (in thousands).

	Nine Months Ended September 30,			
	2024	2023	Increase / (decrease)	% Increase / (decrease)
United States	\$ 162,900	\$ 120,722	\$ 42,178	34.9 %
Europe	55,454	49,293	6,161	12.5 %
International	7,583	1,127	6,456	572.8 %
<b>Total product revenue, net</b>	<b>\$ 225,937</b>	<b>\$ 171,142</b>	<b>\$ 54,795</b>	<b>32.0 %</b>

For the nine months ended September 30, 2024, we generated product revenue, net of \$225.9 million, due to the sale of KIMMTRAK, of which \$162.9 million was in the United States, \$55.5 million in Europe (including the impact of a net increase in estimated reserves related to prior periods of \$12.6 million) and \$7.6 million in International. Product revenue, net increased in the nine months ended September 30, 2024 compared to the nine months ended September 30, 2023, due primarily to increased volume in the United States and global country expansion, as we continued our commercialization efforts.

#### Collaboration revenue

Revenue from collaboration agreements decreased by \$7.9 million to \$0.2 million in the nine months ended September 30, 2024, compared to \$8.1 million for the nine months ended September 30, 2023. This decrease was due to our February 2023 agreement with Genentech to close the Phase 1 clinical trial and for the parties to fulfill the remaining obligations under the terms of our Genentech collaboration.

#### R&D Expenses

The following table summarizes our R&D expenses (in thousands):

	Nine Months Ended September 30,			
	2024	2023	Increase / (decrease)	% Increase / (decrease)
<i>External R&amp;D expenses:</i>				
PRAME programs	\$ 67,144	\$ 37,300	\$ 29,844	80.0 %
Tebentafusp programs	18,766	10,630	8,136	76.5 %
Infectious disease programs	5,009	4,272	737	17.3 %
All other external clinical and preclinical costs	17,309	13,733	3,576	26.0 %
<b>Total external R&amp;D expenses</b>	<b>108,228</b>	<b>65,935</b>	<b>42,293</b>	<b>64.1 %</b>
<i>Internal R&amp;D expenses:</i>				
Salaries and other employee-related costs	33,247	27,780	5,467	19.7 %
Share-based compensation expense	5,971	5,254	717	13.6 %
All other internal R&D costs	19,577	21,854	(2,277)	(10.4) %
UK R&D tax credits	(5,722)	(2,843)	(2,879)	101.3 %
<b>Total internal R&amp;D expenses</b>	<b>53,073</b>	<b>52,045</b>	<b>1,028</b>	<b>2.0 %</b>
<b>Total R&amp;D expenses</b>	<b>\$ 161,301</b>	<b>\$ 117,980</b>	<b>\$ 43,321</b>	<b>36.7 %</b>

For the nine months ended September 30, 2024, our R&D expenses were \$161.3 million, compared to \$118.0 million for the nine months ended September 30, 2023.

For the nine months ended September 30, 2024, our external R&D expenses increased by \$42.3 million primarily due to an increase of \$29.8 million in expenses incurred for our PRAME programs as a result of the initiation of our registrational Phase 3 PRISM-MEL-301 clinical trial, scale-up of manufacturing and increase in the number of patients in combination expansions in our PRAME-A02 Phase 1 clinical trial. R&D expenses incurred for our tebentafusp programs increased by \$8.1 million primarily due to the advanced cutaneous melanoma ("TEBE-AM") and ATOM Phase 3 trials. All other external clinical and preclinical costs increased by \$3.6 million due to continued progress in the pipeline.

For the nine months ended September 30, 2024, our internal R&D expenses increased by \$1.0 million primarily due to an increase of \$5.5 million in headcount-related expenses as our number of employees and associated personnel costs increased with the growth of our clinical and preclinical programs partially offset by an increase in our R&D tax credits.

### SG&A Expenses

The following table summarizes our SG&A expenses (in thousands):

	Nine Months Ended September 30,			
	2024	2023	Increase / (decrease)	% Increase / (decrease)
Salaries and other employee-related costs	\$ 37,104	\$ 24,984	\$ 12,120	48.5 %
Share-based compensation expense	19,552	20,024	(472)	(2.4) %
Selling and commercial costs	35,321	36,624	(1,303)	(3.6) %
Other administrative expenses	21,480	21,414	66	0.3 %
<b>Total SG&amp;A expenses</b>	<b>\$ 113,457</b>	<b>\$ 103,046</b>	<b>\$ 10,411</b>	<b>10.1 %</b>

For the nine months ended September 30, 2024, our SG&A expenses were \$113.5 million, compared to \$103.0 million for the nine months ended September 30, 2023, an increase of \$10.4 million. Salaries and other employee-related costs increased by \$12.1 million during the nine months ended September 30, 2024, primarily due to the internalization of our U.S. sales force in the fourth quarter of 2023, whereas for the nine months ended September 30, 2023 these costs were included within selling and commercial costs. In addition, there was an increase in the number of employees in medical and regulatory activities and business support functions to support our growing pipeline and commercial activities.

### Interest Income and Interest Expense

For the nine months ended September 30, 2024, interest income was \$20.4 million compared to \$12.5 million for the nine months ended September 30, 2023. This increase of \$7.9 million reflects higher levels of cash and cash equivalents held in 2024 relative to 2023 due primarily to the net cash proceeds from the Notes issued in February 2024 and increases in interest rates earned on our cash and cash equivalents balances. For the nine months ended September 30, 2024, interest expense was \$11.8 million compared to \$3.8 million for the nine months ended September 30, 2023 and the increase was primarily related to interest on the Notes.

### Other Income (Expense), Net

For the nine months ended September 30, 2024, other income, net was \$13.2 million compared to other expense, net of \$0.7 million for the nine months ended September 30, 2023. The change is primarily related to the unrealized gains resulting from the change in fair value of our marketable securities, which were purchased in 2024.

### Income Tax Benefit (Expense)

For the nine months ended September 30, 2024, the income tax benefit was \$0.8 million compared to a charge of \$0.3 million for the nine months ended September 30, 2023. This change is related to a favorable discrete item for U.S. research tax credits claimed on our 2023 U.S. income tax return.

### Liquidity and Capital Resources

#### Sources of Liquidity

Although we have recorded product revenue for sales of KIMMTRAK, have positive operating cash flows in the nine months ended September 30, 2024 and have net income in the three months ended September 30, 2024, we have continued to incur operating losses and cumulative negative cash flows from our operations since our inception. We have an accumulated deficit of \$772.0 million as of September 30, 2024.

Since our inception, we have funded our operations primarily with proceeds from sales of equity securities, debt financings and historical payments from our collaboration partners. Through September 30, 2024, we have raised an aggregate of \$1,677 million. As of September 30, 2024 and December 31, 2023, we had cash, cash equivalents and marketable securities of \$901.3 million and \$442.6 million, respectively.

At our IPO in February 2021, we listed our ordinary shares in the form of ADSs on the Nasdaq Global Select Market and raised gross proceeds of approximately \$297 million. In addition to the ADSs sold in the IPO, we completed the concurrent sale of an additional 576,923 ADSs at the IPO price of \$26.00 per ADS, for gross proceeds of approximately \$15 million, in a private placement to the Gates Foundation, and in July 2022, we raised gross proceeds of approximately \$140.0 million through the sale of our ordinary shares in the form of ADSs and non-voting ordinary shares in a private placement.

On September 9, 2022, we entered into an Open Market Sale Agreement (the "Sales Agreement") with Jefferies LLC ("Jefferies"), pursuant to which we may issue and sell ADSs, each representing one ordinary share, having an aggregate offering price of up to \$250 million, from time to time, in one or more at-the-market offerings, for which Jefferies will act as sales agent and/or principal. The at-the-market facility has been registered under the Securities Act pursuant to our Registration Statement on Form F-3ASR (File No. 333-264105). As of September 30, 2024, no issuances or sales had been made pursuant to the Sales Agreement.

We entered into a loan with Pharmakon Advisors, LP (the "Pharmakon Loan Agreement") in November 2022, under which we have borrowed \$50 million, which bears interest at a fixed rate of 9.75% and is due to mature in November 2028. We intend to use a portion of our cash and cash equivalents to repay in full the loan outstanding under the Pharmakon Loan Agreement during the three months ending December 31, 2024. As of the date of this Quarterly Report, we have not yet repaid the loan outstanding under the Pharmakon Loan Agreement and this is included in our indebtedness as of September 30, 2024.

On February 2, 2024, we completed a private offering of \$402.5 million aggregate principal amount of the Notes. Our net proceeds from the offering of the Notes were \$389.1 million, after deducting the initial purchasers' discounts and commissions and other offering expenses. The Notes are senior, unsecured obligations of the Company and will mature on February 1, 2030, unless earlier converted, redeemed or repurchased. The Notes will accrue interest payable semi-annually in arrears on February 1 and August 1 of each year, beginning on August 1, 2024, at a rate of 2.50% per year.

Other than the above mentioned indebtedness, we currently have no ongoing material financing commitments, such as lines of credit or guarantees, that are expected to affect our liquidity over the next five years, other than our lease obligations and supplier purchase commitments.

**Cash Flows**

As of September 30, 2024, we had cash, cash equivalents and marketable securities of \$901.3 million, compared with \$442.6 million as of December 31, 2023. Our working capital was \$739.7 million as of September 30, 2024, compared with \$389.8 million as of December 31, 2023.

The following table summarizes the primary sources and uses of cash and cash equivalents for each period presented (in thousands):

	<b>Nine Months Ended September 30,</b>	
	<b>2024</b>	<b>2023</b>
Cash and cash equivalents at beginning of period	\$ 442,626	\$ 402,472
Net cash provided by operating activities	40,012	20,673
Net cash used in investing activities	(351,589)	(4,608)
Net cash provided by financing activities	395,392	28,092
Net foreign exchange difference on cash held	11,326	(2,491)
Cash and cash equivalents at end of period	<b>\$ 537,767</b>	<b>\$ 444,138</b>

Net cash provided by our operating activities was \$40.0 million for the nine months ended September 30, 2024, compared to cash provided by operating activities of \$20.7 million for the nine months ended September 30, 2023. The increase of \$19.3 million in the nine months ended September 30, 2024 was primarily due to increases in net product revenue and accrued expenses, partially offset by an increase in operating expenses and prepayments and other current assets.

Net cash used in investing activities was \$351.6 million and \$4.6 million for the nine months ended September 30, 2024 and 2023, respectively. The net cash used in investing activities increased for the nine months ended September 30, 2024 due to purchases of marketable securities.

Net cash provided by our financing activities during the nine months ended September 30, 2024 was \$395.4 million compared to \$28.1 million for the nine months ended September 30, 2023. The increase of \$367.3 million was the result of the net cash proceeds from the Notes of \$389.1 million with no similar proceeds in the nine months ended September 30, 2023, partially offset by a decrease in exercise of share options.

#### ***Future Capital Requirements***

We expect to continue to incur significant operating losses in the foreseeable future and expect our expenses to increase in connection with our ongoing activities, particularly as we continue to commercialize KIMMTRAK in additional territories, continue our research and development programs and the advancement of our product candidates through preclinical and clinical development, and seek regulatory approval and pursue commercialization of any approved product candidates.

The amounts and timing of our actual expenditure may vary significantly depending on numerous factors. Our expenses will continue to increase if, and as, we:

- pursue further approval and commercialization of KIMMTRAK in additional indications and territories;
- continue to advance the development of our clinical trials and preclinical programs;
- continue to invest in our soluble TCR platforms to conduct research to identify novel technologies;
- change or add additional suppliers;
- add additional infrastructure to our quality control, quality assurance, legal, compliance and other groups to support our operations as we progress product candidates toward commercialization;
- seek to attract and retain skilled personnel;
- create additional infrastructure to further support our operations as a public company listed in the United States and our product development and planned future commercialization efforts;
- seek marketing approvals and reimbursement for our other product candidates;
- further develop a sales, marketing and distribution infrastructure to further commercialize any products for which we may obtain marketing approval;
- seek to identify and validate additional product candidates;
- acquire or in-license other product candidates and technologies;
- maintain, protect, defend, enforce and expand our intellectual property portfolio; and
- experience any delays, interruptions or encounter issues with any of the above, including any delays or other impacts as a result of the war in Ukraine, the conflict in the Middle East, global geopolitical tension, worsening macroeconomic conditions, including supply chain disruptions, fluctuations in interest rates and inflation, and health epidemics or pandemics.

In order to maintain such levels of expenditure and our anticipated expenditure, we may raise further funds by exploring debt or equity financing, or potentially further collaborations, in the future. The amount we are able to raise from these options can vary with market conditions, including the impacts of macroeconomic conditions such as supply chain disruptions, fluctuations in interest rates and volatility in the capital markets, and our long-term strategy as a company is dependent on our ability to successfully raise such funding. Moreover, we have based our estimates on assumptions that may prove to be wrong, and we could use our available capital resources sooner than we currently expect.

We held cash, cash equivalents and marketable securities of \$901.3 million as of September 30, 2024. Based on our current operating plans, we expect that our existing cash, cash equivalents and marketable securities, along with anticipated future revenue from KIMMTRAK, will enable us to fund our operating expenses and capital expenditure requirements for at least twelve months from the date of filing of this Quarterly Report. Given our need for additional financing to support the long-term clinical development of our programs, we may consider additional financing opportunities when market terms are favorable to us.

Because of the numerous risks and uncertainties associated with research, development and commercialization of pharmaceutical product candidates, we are unable to estimate the exact amount of our working capital requirements. Our future funding requirements will depend on and could increase significantly as a result of many factors, including:

- the progress, timing, scope and costs of our clinical trials, including the ability to timely initiate clinical sites, enroll subjects and manufacture soluble bispecific TCR product candidates for our ongoing, planned and potential future clinical trials;
- the time and costs required to perform R&D to identify and characterize new product candidates from our research programs;

- the time and cost necessary to obtain regulatory authorizations and approvals that may be required by regulatory authorities to execute clinical trials or commercialize our products;
- the amount of sales and other revenues from KIMMTRAK in the United States, Europe, and other regions, if approved;
- our ability to successfully commercialize our other product candidates;
- our ability to have clinical and commercial products successfully manufactured consistent with FDA, regulations of the EU and other authorities' regulations;
- the amount of sales and other revenues from product candidates that we may commercialize, if any, including the selling prices for such potential products and the availability of adequate third-party coverage and reimbursement for patients;
- the sales and marketing costs associated with commercializing our products, if approved, including the cost and timing of building our marketing and sales capabilities;
- the cost of building, staffing and validating our manufacturing processes, which may include capital expenditure;
- the terms and timing of any revenue from our existing collaborations;
- the costs of operating as a public company;
- the time and cost necessary to respond to technological, regulatory, political and market developments;
- the costs of filing, prosecuting, defending and enforcing any patent claims and other intellectual property rights;
- the costs, associated with, and terms and timing of, any future any potential acquisitions, strategic collaborations, licensing agreements or other arrangements that we may establish; and
- the inability of clinical sites to enroll patients as healthcare capacities are required to cope with natural disasters, epidemics or other health system emergencies.

A change in the outcome of any of these or other variables with respect to the development of any of our current and future product candidates could significantly change the costs and timing associated with the development and commercialization of that product candidate. Furthermore, our operating plans may change in the future, and we may need additional funds to meet operational needs and capital requirements associated with such operating plans.

Until we can generate sufficient revenue to finance our cash requirements, which we may never do, we expect to finance our future cash needs through a combination of public or private equity offerings, debt financings, collaborations, strategic alliances, licensing arrangements and other marketing or distribution arrangements as well as grant funding. If we raise additional capital through marketing and distribution arrangements or other collaborations, strategic alliances or licensing arrangements with third parties, we may have to relinquish certain valuable rights to our product candidates, technologies, future revenue streams or research programs or grant licenses on terms that may not be favorable to us. If we raise additional capital through public or private equity offerings, the terms of these securities may include liquidation or other preferences that adversely affect our shareholders' rights. Further, to the extent that we raise additional capital through the sale of ordinary shares or securities convertible or exchangeable into ordinary shares, our shareholders' ownership interest will be diluted. If we raise additional capital through debt financing, it would be subject to fixed payment obligations and may be subject to covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends. If we are unable to obtain additional funding on favorable terms when needed, we may have to delay, reduce the scope of or terminate one or more of our R&D programs or clinical trials.

Our ability to raise additional capital may also be adversely impacted by potential worsening global economic conditions and disruptions to, and volatility in, financial markets in the United States and worldwide. We are also mindful that conditions in the current macroeconomic environment could affect our ability to achieve our goals. We sell our products in countries that face economic volatility and weakness and although we have historically collected receivables from customers in such countries, sustained weakness or further deterioration of the local economies and currencies may cause customers in those countries to be unable to pay for our products. We will continue to monitor these conditions and will attempt to adjust our business processes, as appropriate, to mitigate macroeconomic risks to our business.

## **Contractual Obligations**

### *Leases and manufacturing*

As part of our ongoing operations, we have material contractual lease obligations over expected lease terms of several years and expiry dates extending to 2043 primarily for our most significant facilities in the United Kingdom. These obligations and potential obligations could result in payments of up to \$69.2 million. The majority of such payments represent longer-term commitments as outlined in the notes to our condensed consolidated financial statements. The lease agreements are cancellable assuming certain conditions are met prior to expiry. We expect to continue to incur expenses for such leases for the foreseeable future. As we continue to grow, launch further products or expand our operations in other countries, we may determine that it is necessary to enter into further lease agreements, which would further increase our cash outflows. Further obligations or commitments in the near term relate to our capital expenditure requirements for the purpose of improving our leased facilities. If we continue to grow, such commitments may become significant in value.

We have a number of existing manufacturing obligations, some of which relate to the manufacture of KIMMTRAK. We have similar obligations related to our earlier stage programs. These obligations and potential obligations could result in payments of up to \$26.0 million, and are expected to increase as we continue to commit to advancing the development of our brenetafusp (IMC-F106C) program in 2024 and beyond. While we have already incurred costs for commercial launches of KIMMTRAK in the United States, Europe and other territories, additional manufacturing obligations may arise in future in relation to product sales in these territories. We have also entered into third-party agreements relating to marketing and distribution of KIMMTRAK. The majority of such obligations have standard payment terms, and our level of non-cancellable commitments with such parties is not considered material. To meet demand, we may amend or enter into further agreements with CMOs or other parties which could cause our cash requirements to increase. While receipts from the sale of KIMMTRAK or other future products may fund our ongoing manufacturing and sales efforts, there can be no assurance that we will earn such revenues. In the longer term, if we received regulatory approval for our other product candidates, we would expect to incur significant commercialization expenses related to product manufacturing, sales, marketing and distribution, depending on where we choose to commercialize. We may also require additional capital to pursue in-licenses or acquisitions of other product candidates.

In addition to the above obligations, commitments and potential future cash outflows, we enter into a variety of agreements and financial commitments in the normal course of business. The terms generally provide us the option to cancel, reschedule and adjust our requirements based on our business needs, prior to the delivery of goods or performance of services. However, it is not possible to predict the amount of future payments under these agreements due to the conditional nature of our obligations and the unique facts and circumstances involved in each particular agreement.

### *Financing obligations*

We are required to make interest payments for the Notes issued in February 2024. As of September 30, 2024, we had \$402.5 million aggregate principal amount of the Notes outstanding, which will mature on February 1, 2030, unless earlier converted, redeemed or repurchased. See Note 5. "Current and non-current interest-bearing loans and borrowings" of the notes to our condensed consolidated financial statements in Part I of this Quarterly Report for further information.

We are also required to make interest payments, and, from 2026 onward, contractual repayments of principal borrowings under our Pharmakon Loan Agreement, until at least 2028. The loan liability as of September 30, 2024 was \$48.2 million, and further details regarding this loan facility are provided in Note 5. "Current and non-current interest-bearing loans and borrowings" of the notes to our condensed consolidated financial statements, in Part I of this Quarterly Report. We had the option to draw down a further \$50 million under our Pharmakon Loan Agreement through June 2024, and we elected not to exercise this option. We intend to use a portion of our cash and cash equivalents to repay in full the loan outstanding under the Pharmakon Loan Agreement during the three months ending December 31, 2024, which will release us from the forementioned obligations.

Under the terms of our agreement with the Gates Foundation, we are required to develop, manufacture and commercialize soluble TCR bispecific therapeutic candidates targeted to mutually agreed neglected diseases, currently HIV, with the potential to treat people at an affordable price in developing countries. In the event of certain defaults by us under the agreement, the Gates Foundation has the right to sell, or require us to buy-back, any of the shareholdings of us held by the Gates Foundation. In such an event, if within 12 months after such redemption or sale, we experience a change in control at a valuation of more than 150% of the valuation used for the redemption or the sale of the shares, we have agreed to pay the Gates Foundation compensation equal to the excess of what it would have received in such transaction if it still held its shares at the time of such change of control over what it received in the sale or redemption of its shares.

## **Our Key Collaboration Agreements**

### ***Genentech Collaboration***

In June 2013, we entered into a research collaboration and license agreement (the "2013 Genentech Agreement") with Genentech, and F. Hoffmann-La Roche Ltd ("Roche"), pursuant to which we, along with Genentech and Roche, agreed to collaborate in the development, manufacture and ultimately, commercialization of soluble TCR bispecific therapeutic candidate compounds. Under the 2013 Genentech Agreement, Genentech paid us an initial upfront payment of \$20 million in exchange for exclusive licenses to two of our targets, MAGE-A4 and an undisclosed target. The first preclinical program nominated under the 2013 Genentech Agreement was target MAGE-A4, which we refer to as our IMC-C103C program.

In February 2023, Genentech accepted our proposal to cease co-funding the development of MAGE-A4 HLA-A02 targeted programs, except for our equal share of the wind-down costs of the IMC-C103C Phase 1 clinical trial. Genentech will acquire an exclusive worldwide license to the MAGE-A4 HLA-A02 soluble TCR bispecific therapeutic candidate compounds and will be fully responsible for all further development and commercialization of such candidate compounds, at its expense. As of December 31, 2023, we determined our performance obligation under the collaboration with Genentech was complete. If MAGE-A4 HLA-A02 targeted products are commercialized, we would be eligible to receive development and commercial milestone payments plus royalties from Genentech on any sales of MAGE-A4 HLA-A02 targeted products arising under the Genentech Agreement. Any future milestones will be recorded when they become probable of being achieved.

### ***BMS Collaboration***

In February 2024, we entered into a clinical trial collaboration and supply agreement with BMS (the "BMS Agreement") to investigate our ImmTAC bispecific TCR candidate targeting PRAME HLA-A02, brenetafusp (IMC-F106C), in combination with BMS's nivolumab, in first-line advanced cutaneous melanoma. Under the terms of the BMS Agreement, we are sponsoring and funding the registrational Phase 3 clinical trial of brenetafusp in combination with nivolumab in first-line advanced cutaneous melanoma (PRISM-MEL-301), and BMS is providing nivolumab. No monetary consideration is transferred as a result of the BMS Agreement.

### ***Gadeta Collaboration***

In December 2022, we entered into a Collaboration, Option and License Agreement (the "Gadeta Collaboration") with Gadeta B.V. ("Gadeta") which was acquired by Clade Therapeutics ("Clade") in October 2023. Under the Gadeta Collaboration, we will collaborate on '201  $\gamma\delta$ -TCR target discovery, and we will have the option to develop ImmTAC therapies derived from the '201 TCR as part of the research collaboration. Following the acquisition of Gadeta by Clade, the rights under the Gadeta Collaboration were transferred to Ateda Therapeutics ("Ateda"). Our rights and obligations have not been altered through this transfer and we have an option for an exclusive license to further research, develop and commercialize an ImmTAC candidate from the Gadeta Collaboration. If we exercised this option, Ateda could be eligible to receive further payments from us. We have incurred amounts totaling \$2.75 million under the Gadeta Collaboration as of September 30, 2024. In April 2024, Clade was acquired by Century Therapeutics and our rights or obligations under the Gadeta Collaboration were not affected by the acquisition.

## **Critical Accounting Estimates**

Our condensed consolidated financial statements as of September 30, 2024 and for the three and nine months ended September 30, 2024 and 2023, respectively, have been prepared in accordance with U.S. GAAP. The preparation of the condensed consolidated financial statements requires us to make judgments, estimates and assumptions that affect the value of assets and liabilities—as well as contingent assets and liabilities—as reported on the balance sheet date, and revenues and expenses arising during the fiscal period.

The estimates and associated assumptions are based on information available when the condensed consolidated financial statements are prepared, historical experience and various other factors which are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond our control. Hence, estimates may vary from the actual values.



The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which they become known and are applied prospectively.

Those judgments and estimates made, together with our significant accounting policies, are set out in our Annual Report.

*Expected rebate and chargeback percentage for revenue deductions*

Since approval of KIMMTRAK in 2022, we have a short history of actual rebate claims or chargebacks, and such information may have limited predictive value. We use the expected value method to estimate expected rebate and chargeback percentages for revenue deductions, which considers the likelihood of a rebate or chargeback being applicable to sales. The proportion of sales subject to a rebate or chargeback is inherently uncertain and estimates are based on internal assumptions, which may change as we develop more product experience, and third-party data, which we assess for reliability and relevance.

We are subject to state government Medicaid programs and other qualifying federal and state programs in the United States requiring rebates to be paid to participating state and local government entities, depending on the eligibility and circumstances of patients treated with KIMMTRAK after we have sold vials to specialty distributors. We are also subject to chargebacks from its specialty distributors under the 340B program in the United States, whereby qualifying hospitals are entitled to purchase KIMMTRAK at a lower price. For such sales, our specialty distributors charge back the difference between the wholesale acquisition cost and this lower price. Estimating expected rebate and chargeback percentages for revenue deductions is judgmental due to the time delay between the date of the sale to specialty distributors and the subsequent dates on which we are able to determine actual amounts of chargebacks and rebates. We form estimates of 340B chargeback deductions by analyzing sell-through data relating to the hospital mix of onward sales made by specialty distributors. For Medicaid and other rebates, we form estimates based on information obtained from claims received and other industry data, and external health coverage statistics. Judgment is applied to consider the relevance and reliability of information used to make these estimates.

Judgment is also required in determining expected rebate percentages for the amount of net product revenue in France. Rebates payable are subject to a high degree of estimation uncertainty. Our estimate of these rebates represents the difference between the expected agreed price for the commercial sale of KIMMTRAK in France, which is subject to negotiation, and the initial price of tebentafusp and KIMMTRAK until this price is agreed. Analysis of further legislative requirements, sales volumes and the expected benefit of KIMMTRAK to patients in France is also required in the assessment of rebates payable. We apply judgement to assess internal targets, pricing information of other therapies approved for sale in France, information obtained from price negotiations of KIMMTRAK in other countries, and information connected with KIMMTRAK's safety profile when forming our estimated rebate deduction from revenue. For other European markets where the price is open to negotiation, judgements are made in line with expected pricing outcomes.

Our total accrued revenue deductions as of September 30, 2024 were \$133.6 million, including amounts of \$118.2 million for the critical estimates subject to greater estimation uncertainty and judgments described above. These are included within Accrued expenses and other current liabilities and Accrued expenses, non-current in the Condensed Consolidated Balance Sheet as of September 30, 2024. In the three months ending December 31, 2024, we expect to pay approximately \$40.0 million related to accrued revenue deductions.

A 20% increase or decrease in estimates of expected rebate and chargeback percentages for amounts payable to governments or government agencies for the critical estimates described above would have resulted in a \$23.6 million reduction or increase in Product revenue, net reported in the Condensed Consolidated Statements of Operations and Comprehensive Income (Loss) for the nine months ended September 30, 2024. We believe our expected values of accruals reported in the Condensed Consolidated Balance Sheet are materially appropriate; however, due to the uncertainties and judgements outlined above, it is possible eventual amounts could significantly differ to these estimates. For critical estimates reported as of December 31, 2023 where the uncertainty remains unresolved, additional information in the nine months ended September 30, 2024, resulted in a change in estimate of an additional \$12.6 million of net increase to our total accrued revenue deductions as of September 30, 2024.

**Recently Issued and Adopted Accounting Pronouncements**

We discuss the effect of recently issued and adopted pronouncements in Note 2. "Summary of Significant Accounting Policies" to the condensed consolidated financial statements.

**Item 3. Quantitative and Qualitative Disclosures About Market Risk.**

We are exposed to interest rate, currency, credit and liquidity risks. Our executive board oversees the management of these risks supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for us. The financial risk committee provides assurance to our executive board that our financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with our policies and risk objectives. The most significant financial risks to which we are exposed include the risks discussed below.

***Interest Rate Risk***

Our exposure to changes in interest rates relates to investments in deposits and to changes in the interest for overnight deposits. Changes in the general level of interest rates may lead to an increase or decrease in the fair value of these investments. All of our interest-bearing loans and borrowings have a fixed rate of interest.

We are currently not subject to interest rate risks related to any other liabilities shown in the Condensed Consolidated Balance Sheets.

***Currency Risk***

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Our exposure to the risk of changes in foreign exchange rates relates primarily to fluctuations in value of foreign currency cash and cash equivalent balances held by our main operating subsidiary in the United Kingdom, our operating activities in our foreign subsidiaries, and outsourced supplier agreements denominated in currencies other than functional currency. We minimize foreign currency risk by maintaining cash and cash equivalents of each currency at levels sufficient to meet foreseeable expenditure to the extent practical.

Our cash and cash equivalents were \$537.8 million and \$442.6 million as of September 30, 2024 and December 31, 2023, respectively. As of September 30, 2024, 91% of our cash and cash equivalents were held by our U.K. subsidiary, of which 58% were denominated in U.S. dollars, 27% were denominated in pounds sterling and 15% were denominated in euros. All of our marketable securities were held in our U.K. parent company and were denominated in U.S. dollars. The significant remainder of our cash and cash equivalents are held in the United States and denominated in U.S. dollars. Changes in exchange rates had an impact on U.S. dollar balances held by our main operating subsidiary in the United Kingdom, which resulted in foreign exchange gains in the Condensed Consolidated Statements of Operations and Comprehensive Income (Loss) due to the appreciation of the subsidiary's U.S. dollars in pounds sterling terms in the nine months ended September 30, 2024 and 2023. Further movements in exchange rates or returns to previous exchange rate levels have caused, and may continue to cause, material fluctuations or equivalent losses in the Condensed Consolidated Statements of Operations and Comprehensive Income (Loss).

A five percentage point increase in exchange rates would reduce the carrying value of net financial assets and liabilities held in foreign currencies as of September 30, 2024 by \$9.9 million and as of December 31, 2023 by \$6.0 million. A five percentage point decrease in exchange rates would increase the carrying value of net financial assets and liabilities held in foreign currencies as of September 30, 2024 by \$9.9 million and as of December 31, 2023 by \$6.0 million.

***Credit Risk***

We are exposed to credit risk from our operating activities, primarily accounts receivable, and cash, cash equivalents and marketable securities held with banks and financial institutions. Cash, cash equivalents and marketable securities are maintained with high-quality financial institutions in the United Kingdom and United States. We are also potentially subject to concentrations of credit risk in our accounts receivable with respect to amounts owed by a limited number of entities comprising our customer base. Our exposure to credit losses is low, however, owing largely to the credit quality of our distributors, collaboration partners, and other customers, the significant majority of which are considerably larger than us.

We continually monitor our positions with, and the credit quality of, the financial institutions and corporations, which are counterparts to our financial instruments and do not anticipate non-performance. The maximum default risk corresponds to the carrying amount of the financial assets shown in the Condensed Consolidated Balance Sheets. We monitor the risk of a liquidity shortage. The main factors we consider are the maturities of financial assets as well as expected cash flows from equity measures.

**Item 4. Controls and Procedures**

**Disclosure Controls and Procedures**

We maintain “disclosure controls and procedures,” as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), that are designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC’s rules and forms, and is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) as of September 30, 2024. Based on such evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that, as of September 30, 2024, our disclosure controls and procedures were effective.

***Changes in Internal Control Over Financial Reporting***

There has been no change in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the fiscal quarter ended September 30, 2024 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

**PART II – OTHER INFORMATION****Item 1. Legal Proceedings**

From time to time, we may become subject to arbitration, litigation or claims arising in the ordinary course of business. We are not currently a party to any arbitration or legal proceeding that, if determined adversely to us, would have a material adverse effect on our business, operating results or financial condition. The results of any future claims or proceedings cannot be predicted with certainty, and regardless of the outcome, litigation can have an adverse impact on us because of defense and litigation costs, diversion of management resources, and other factors.

**Item 1A. Risk Factors**

Our business has significant risks. In addition to the other information set forth in this Quarterly Report on Form 10-Q, you should carefully consider the risks described in Part I, Item 1A. “Risk Factors” in our Annual Report. These are not the only risks facing our business. Other risks and uncertainties that we are not currently aware of or that we currently consider immaterial also may materially adversely affect our business, financial condition and future results. Risks we have identified but currently consider immaterial could still also materially adversely affect our business, financial condition and future results of operations if our assumptions about those risks are incorrect or if circumstances change.

There were no material changes during the period covered in this Quarterly Report to the risk factors previously disclosed in *Item 1A. Risk Factors* in our Annual Report.

**Item 2. Unregistered Sales of Equity Securities and Use of Proceeds and Issuer Purchases of Equity Securities**

None.

**Item 3. Defaults Upon Senior Securities**

None.

**Item 4. Mine Safety Disclosures**

Not applicable

**Item 5. Other Information***Insider Trading Arrangements*

During our last fiscal quarter, none of our directors and officers (as defined in Rule 16a-1(f) under the Exchange Act) adopted or terminated any contracts, instructions or written plans for the purchase or sale of our securities.

**Item 6. Exhibits**

Exhibit Number	Description	Incorporation by Reference			
		Schedule / Form	File Number	Exhibit	Filing Date
<a href="#">3.1</a>	Articles of Association of Immunocore Holdings plc	10-Q	001-39992	3.1	August 8, 2024
<a href="#">31.1*</a>	Certification by the Principal Executive Officer pursuant to Securities Exchange Act Rules 13a-14(a) and 15d-14(a) as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002				
<a href="#">31.2*</a>	Certification by the Principal Financial Officer pursuant to Securities Exchange Act Rules 13a-14(a) and 15d-14(a) as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002				

[32.1\\*\\*](#) Certification by the Principal Executive Officer and the Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

101.INS*	Inline XBRL Instance Document (the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document).
101.SCH*	Inline XBRL Taxonomy Extension Schema Document.
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB*	Inline XBRL Taxonomy Extension Labels Linkbase Document.
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104*	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101).

\* Filed herewith.

This certification is deemed not filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section, nor shall it be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended.

\*\*

**SIGNATURES**

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

**IMMUNOCORE HOLDINGS PLC**

Date: November 6, 2024

By: /s/ Bahija Jallal

Name: Bahija Jallal, Ph.D.

Title: Chief Executive Officer

*(On Behalf of the Registrant and as Principal Executive Officer)*

Date: November 6, 2024

By: /s/ Brian Di Donato

Name: Brian Di Donato

Title: Chief Financial Officer

*(Principal Financial Officer)*







**Certification by the Principal Executive Officer and Principal Financial Officer pursuant to  
18 U.S.C. Section 1350, as adopted pursuant to  
Section 906 of the Sarbanes-Oxley Act of 2002**

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), Bahija Jallal, Chief Executive Officer of Immunocore Holdings plc (the “Company”), and Brian Di Donato, Chief Financial Officer of the Company, each hereby certifies that, to the best of his or her knowledge:

1. The Company’s Quarterly Report on Form 10-Q for the quarter ended September 30, 2024, to which this Certification is attached as Exhibit 32.1 (the “Quarterly 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 Quarterly Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: November 6, 2024

/s/ Bahija Jallal

Chief Executive Officer

*(Principal Executive Officer)*

/s/ Brian Di Donato

Chief Financial Officer

*(Principal Financial Officer)*

This certification accompanies the Form 10-Q 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 Immunocore Holdings plc 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 10-Q), irrespective of any general incorporation language contained in such filing.