Immatics N.V.

Dutch Board Report and Financial Statements

for the Financial Year Ended December 31, 2022

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1. INTRODUCTION

1.1 Preparation

In this report, the terms "we", "us", "our" and "the Company" refer to Immatics N.V. and, where appropriate, its subsidiaries.

This report has been prepared by the Company's board of directors (the "**Board**") pursuant to Section 2:391 of the Dutch Civil Code ("**DCC**") and also contains (i) the Company's statutory annual accounts within the meaning of Section 2:361(1) DCC and (ii) to the extent applicable, the information to be added pursuant to Section 2:392 DCC. This report relates to the financial year ended December 31, 2022 and, unless explicitly stated otherwise, information presented in this report is as of December 31, 2022.

The consolidated financial statements enclosed with this report (the "**Consolidated Financial Statements**") have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRSs) and with Section 2:362(9) DCC. The Company financial statements enclosed with this report (the "**Company Financial Statements**") have been prepared in accordance with the accounting principles promulgated by Title 9 of Book 2 DCC.

In this report, unless otherwise indicated, translations from U.S. dollars to euros (and vice versa) relating to payments made on or before December 31, 2022 were made at the rate in effect at the time of the relevant payment.

The terms "$" or "dollar" refer to U.S. dollars, and the terms "€" or "euro" refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the treaty establishing the European Community, as amended.

1.2 Forward-looking statements

This report contains forward-looking statements regarding our current expectations or forecasts of future events. All statements other than statements of historical facts contained in this report, including statements regarding our future results of operations and financial position, business strategy, product candidates, research pipeline, ongoing and planned preclinical studies and clinical trials, regulatory submissions and approvals, research and development costs, timing and likelihood of success, as well as plans and objectives of management for future operations are forward-looking statements. Many of the forward-looking statements contained in this report can be identified by the use of forward-looking words such as “anticipate,” “believe,” “could,” “expect,” “should,” “plan,” “intend,” “estimate,” “will” and “potential,” among others.

Forward-looking statements appear in a number of places in this report and include, but are not limited to, statements regarding our intent, belief or current expectations. Forward-looking statements are based on our management’s beliefs and assumptions and on information currently available to our management. Such statements are subject to risks and uncertainties, and actual results may differ materially from those expressed or implied in the forward-looking statements due to various factors, including, but not limited to, those identified in chapter 3 of this report” These forward-looking statements include:

- the commencement, timing, progress and results of our research and development programs, preclinical studies and clinical trials, including our Adoptive Cell Therapy (“ACT”) and bispecific T cell engaging receptor (“TCR Bispecific”) trials;
- the availability and timing of investigational new drug application (“IND”) or clinical trial application (“CTA”), biologics license application (“BLA”), Marketing Authorization Application (“MAA”) and

other regulatory submissions with the U.S. Food and Drug Administration ("FDA"), the European Medicines Agency ("EMA") or comparable regulatory authorities;

- the proposed clinical development pathway for our product candidates and the acceptability of the results of clinical trials for regulatory approval of such product candidates by the FDA, the EMA or comparable regulatory authorities;
- assumptions relating to the identification of serious adverse, unexpected, undesirable or unacceptable side effects related to our product candidates;
- the timing of and our ability to obtain and maintain regulatory approval for our product candidates;
- the potential advantages and differentiated profile of ACT and TCER Bispecific product candidates compared to existing therapies for the applicable indications;
- our ability to successfully manufacture or have manufactured drug product for clinical trials and commercialization;
- our expectations regarding the size of the patient populations amenable to treatment with our product candidates, if approved;
- assumptions relating to the rate and degree of market acceptance of any approved product candidates;
- the pricing and reimbursement of our product candidates;
- our ability to identify and develop additional product candidates;
- the ability of our competitors to discover, develop or commercialize competing products before or more successfully than we do;
- our competitive position and the development of and projections relating to our competitors or our industry;
- our estimates of our expenses, ongoing losses, future revenue, capital requirements and our needs for or ability to obtain additional financing;
- our ability to raise capital when needed in order to continue our research and development programs or commercialization efforts;
- our ability to identify and successfully enter into strategic collaborations or licensing opportunities in the future, and our assumptions regarding any potential revenue that we may generate thereunder;
- our ability to obtain, maintain, protect and enforce intellectual property protection for our product candidates, and the scope of such protection;
- our ability to operate our business without infringing, misappropriating or otherwise violating the intellectual property rights of third parties;
- our expectations regarding geo-political actions and conflict, war and terrorism, including the recent conflict between Russia and Ukraine and resulting sanctions, retaliatory measures, changes in the availability and price of various materials and effects on global financial markets;
- our ability to attract and retain qualified key management and technical personnel; and
- our expectations regarding the time during which we will be an emerging growth company under the Jumpstart our Business Startups Act of 2012 ("JOBS Act") and a foreign private issuer.

These forward-looking statements speak only as of the date of this report and are subject to a number of risks, uncertainties and assumptions described in chapter 3 of this report and elsewhere in this report. Because forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified and some of which are beyond our control, you should not rely on these forward-looking statements as predictions of future events. The events and circumstances reflected in our forward-looking statements may not be achieved or occur and actual results could differ materially from those projected in the forward-looking statements. Moreover, we operate

in an evolving environment. New risk factors and uncertainties may emerge from time to time, and it is not possible for management to predict all risk factors and uncertainties. Except as required by applicable law, we do not plan to publicly update or revise any forward-looking statements contained herein, whether as a result of any new information, future events, changed circumstances or otherwise.

In addition, statements that "we believe" and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based upon information available to us as of the date of this 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. These statements are inherently uncertain and investors are cautioned not to unduly rely upon these statements.

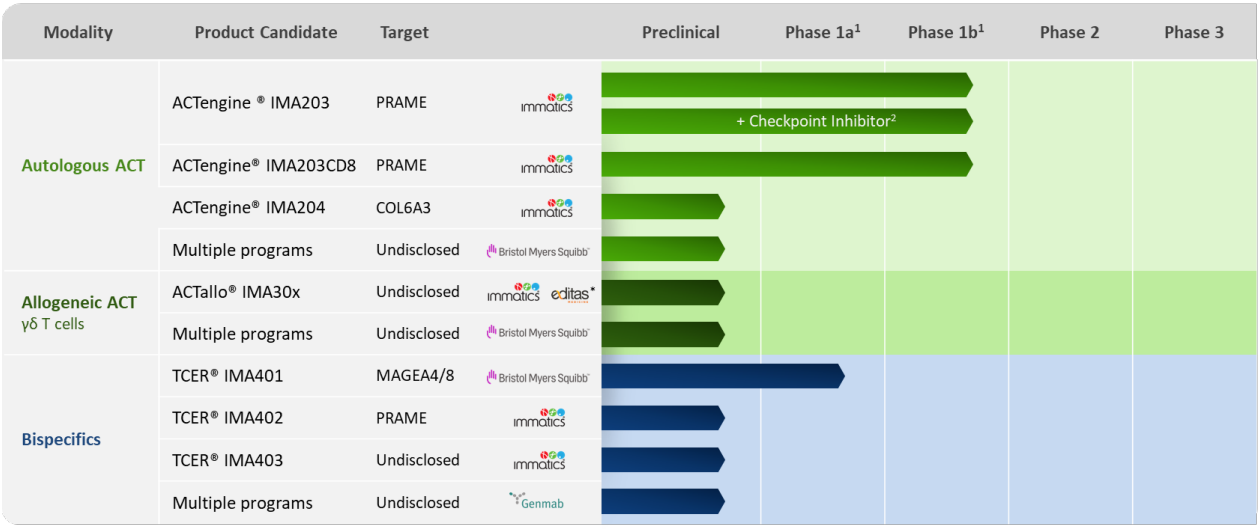
2. BUSINESS

2.1 Business overview

We are a clinical-stage biotechnology company dedicated to the development of T cell receptor ("TCR")-based immunotherapies for the treatment of cancer. Our purpose is to deliver a meaningful impact on the lives of cancer patients by developing novel TCR-based immunotherapies that are designed to achieve effect beyond an incremental clinical benefit. Our focus is the development of product candidates for the treatment of patients with solid tumors, who are inadequately served by existing treatment modalities. We strive to become an industry leading, fully integrated global biopharmaceutical company engaged in developing, manufacturing and commercializing TCR immunotherapies for the benefit of cancer patients, our employees, our shareholders and our partners.

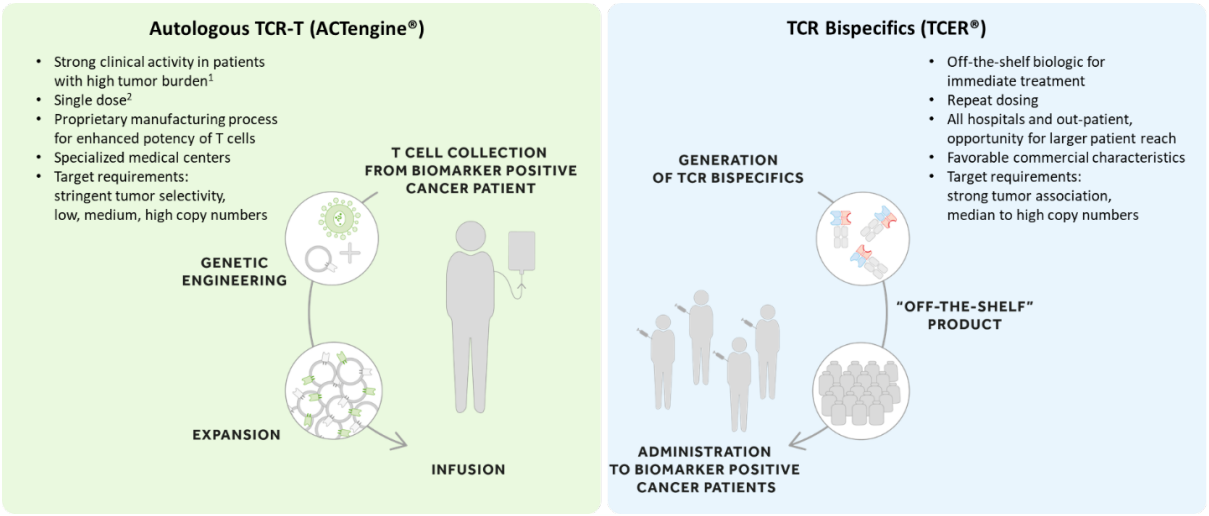
By utilizing TCR-based therapeutics, we are able to direct T cells to intracellular cancer targets that are not accessible through classical antibody-based or CAR-T therapies. We believe that by identifying what we call true cancer targets and the right TCRs, we are well positioned to transform current solid tumor treatment paradigms by delivering cellular and bispecific product candidates that have the potential to substantially improve the lives of cancer patients.

We are developing our targeted immunotherapy product candidates through two distinct treatment modalities: TCR-engineered autologous ("ACTengine") or allogeneic ("ACTallo") Adoptive Cell Therapies ("ACT") and antibody-like Bispecifics, also called T cell Engaging Receptors ("TCER"). Each modality is designed with distinct attributes and mechanisms of action to produce the desired therapeutic effect for a variety of cancer patient populations with different unmet medical needs. Our current pipeline shown below comprises several proprietary TCR-based product candidates in clinical and preclinical development. In addition to our proprietary pipeline, we are collaborating with industry-leading partners, including Bristol Myers Squibb ("BMS"), Editas Medicine and Genmab, to develop multiple additional therapeutic programs covering ACT and Bispecifics.



[1] Phase 1a: Dose escalation, Phase 1b: Dose expansion; [2] Opdivo (nivolumab): programmed death-1 (PD-1) immune checkpoint inhibitor;
* Immatics proprietary ACTallo platform utilizing Editas' CRISPR gene editing technology

We believe, we are ideally positioned to comprehensively address the needs of solid tumor patients with our TCR-based therapeutic approaches: ACTengine TCR-engineered T cells ("TCR-T") have already shown strong clinical activity in patients with high tumor burden. They are typically single infusion treatments administered at specialized medical centers and require a personalized autologous cell supply chain. TCERs are off-the-shelf available and supply chain efficient. We believe TCERs could enable the treatment of a broader patient group without the need for specialized medical centers, analogous to classical antibody-based biologics and could therefore present favorable commercial characteristics. Although TCERs will require multiple rounds of dosing, they are intended to be used in the outpatient setting. Further, both therapeutic approaches have different target requirements: While TCR-T approaches are well suited for targets with stringent tumor selectivity, they can also address targets with low number of copies per cell. TCER molecules require targets with higher copy numbers, but can also be used for targets with a broader expression profile. The positioning and distinct attributes of both approaches, ACTengine and TCER, are depicted below.



[1] Interim data update from the ACTengine IMA203 TCR-T Phase 1 trial with a 50% (6/12) confirmed ORR target dose or above with at least 1 billion infused TCR-T cells across several solid tumor indications, 80% (4/5) confirmed ORR in Phase 1b patients; [2] Initial manufacturing may provide sufficient quantity for potential repeat dosing.

In addition to our autologous ACTengine product candidates we are also building an allogeneic platform (ACTallo) based on allogeneic (i.e. third-party donor-derived) gamma delta T cells. ACTallo is advancing the cell therapy concept beyond individualized manufacturing and is being developed to generate an "off-the-shelf" cell therapy.

Strategy

Our mission is to deliver the power of T cells to cancer patients. We seek to execute the following strategy to develop TCR-based immunotherapies for the treatment of cancer, maximizing the value of our technology platforms and the broad portfolio of product candidates:

- **Realize the full multi-cancer opportunity of PRAME.** We believe PRAME (Preferentially Expressed Antigen in Melanoma) is one of the most promising and most prevalent, clinically validated solid tumor targets known to date. To leverage its full potential and maximize patient reach, we are: (1) focusing and accelerating the development of our ACTengine IMA203 TCR-T towards pivotal trials, (2) expanding the patient population that might benefit from a PRAME-targeting therapy by developing an off-the-shelf biologic TCER IMA402 with a different mechanism of action without the requirement for administration at specialized medical centers and (3) expanding beyond HLA-A*02 by investigating new target-TCR pairs for PRAME epitopes binding to other HLA types.

    1) We are currently investigating three ACTengine IMA203 TCR-T Phase 1b cohorts in parallel (IMA203 monotherapy, IMA203 in combination with a PD-1 immune checkpoint inhibitor, and 2nd-generation IMA203CD8) and at present are prioritizing patient treatment with 1st and 2nd-generation IMA203 TCR-T monotherapy. In October 2022, we reported interim clinical data on IMA203 TCR-T monotherapy. The interim data reflected a confirmed objective response rate ("cORR") of 50% (6/12) at target dose or above with at least 1 billion infused TCR-T cells across Phase 1a and 1b, of which we reported an 80% cORR (4/5) in Phase 1b patients alone. All responses remained ongoing at data cut-off of September 6, 2022. Confirmed responses were observed across different solid tumor types such as cutaneous melanoma, ovarian cancer, head and neck cancer, uveal melanoma, and synovial sarcoma. Data generated throughout 2023 with longer follow-up to assess durability of response is intended to identify the most promising cohort to advance towards pivotal trials and potential commercialization. The clinical data update on all three cohorts is planned for 2H 2023.

2) TCER IMA402 is our next-generation, half-life extended TCR Bispecific for which we plan to file a CTA in 2Q 2023 and start the clinical Phase 1/2 trial in 2H 2023 following approval. Our flexible trial design is aimed at advancing through dose escalation and towards clinical proof-of-concept ("PoC") as fast as possible. As we previously reported in September, 2022, in preclinical studies, IMA402 demonstrated enhanced anti-tumor activity *in vivo* and reduced T cell engager-associated toxicities as part of an overall favorable *in vitro* safety profile. Pharmacokinetic characteristics of the half-life extended IMA402 molecule suggest the potential for a favorable dosing regimen in patients with prolonged drug exposure at therapeutic levels.
3) Both product candidates ACTengine IMA203 and TCER IMA402 are directed against a PRAME peptide presented by HLA-A*02:01, which is found in approximately 40-50% of individuals in North America and Europe and in approximately 20-35% of individuals in East Asia. To expand the number of patients who can potentially benefit from our PRAME-targeting therapies, we are also developing TCR-therapeutics against PRAME peptides presented by other HLA-types prevalent in a broad range of geographies, especially the Asia / Pacific region.

- **Advance our pipeline of innovative ACTengine TCR-T product candidates.** In addition to our most advanced TCR-T product candidate ACTengine IMA203, our pipeline is strengthened by innovative cell therapy programs in development. ACTengine IMA204 is directed against the novel tumor stroma target COL6A3 that is highly prevalent across many different solid tumor types and provides a promising and innovate therapeutic opportunity for a broad patient population as monotherapy or in combination with TCR-T cells directed against targets presented on tumor cells. IMA204 uses an affinity maturated CD8-independent, next-generation TCR that engages both CD4 and CD8 T cells without the need of CD8 co-transduction. Moreover, we continue to actively investigate multiple other next-generation enhancement and combination strategies to render ACTengine T cells even more potent to combat solid tumors and enhance tolerability and ease of use of our product candidates.

- **Advance our pipeline of next-generation, half-life extended TCR Bispecifics.** In addition to PRAME TCER IMA402 entering clinical development in 2023, we have a broad portfolio of clinical and preclinical TCR Bispecifics. Phase 1 clinical development commenced in May 2022 for our most advanced TCER program IMA401 targeting MAGEA4/8. IMA401 is being developed in collaboration with BMS and we seek to deliver clinical PoC for IMA401 and thus our TCER platform as fast as possible. We also continue development of several innovative preclinical TCER product candidates against so far undisclosed targets for our proprietary and/or partnered pipeline. IMA403 is in advanced preclinical stage with PoC studies ongoing. Additionally, TCER engineering and preclinical testing is ongoing for further TCER candidates, IMA40x, targeting peptides presented by HLA-A*02:01 and other HLA-types. Our next-generation, half-life extended TCER format used in all our candidates is designed to safely apply high drug doses for activity in a broad range of tumors, even with low target density, and to achieve a patient-convenient dosing schedule.

- **Further enhance our cell therapy manufacturing capabilities.** Our proprietary ACTengine manufacturing process is generating TCR-T cells that have been shown to achieve a high rate of objective responses, infiltrate the patient's tumor and function in the solid tumor microenvironment. With a manufacturing time of approximately one week and an accelerated product release time, we are aiming at shortening the vein-to-vein time and to provide products to patients as fast as possible. We have implemented several manufacturing enhancements in our IMA203 Phase 1b trial (including monocyte depletion) that enhanced key features of the cell product and were focused on robustness, quality, and speed of product release. We continue to implement minor improvements to prepare for pivotal trials and potential commercialization. We are currently expanding our cell therapy manufacturing capabilities with construction of a state-of-the-art GMP manufacturing facility for registration-directed and commercial production of ACTengine TCR-T products, including IMA203. The manufacturing facility is expected to be operational in 2024.

- **Develop allogeneic off-the-shelf cell therapies.** We aim to increase the commercial opportunity of cell therapies by supplying products to patients more quickly and at lower cost with our off-the-shelf cell therapy approach, ACTallo. ACTallo is our proprietary allogeneic adoptive cell therapy platform based on gamma delta

T cells sourced from healthy donors and designed to create hundreds of doses from one single donor leukapheresis. In June 2022, we entered into strategic collaborations with Bristol Myers Squibb and Editas Medicine with the goal to develop transformative next-generation allogeneic gamma delta TCR-T/CAR-T programs with enhanced persistence, safety and potency by combining our proprietary ACTallo platform with Bristol Myers Squibb's next-gen technologies and Editas Medicine's CRISPR gene editing technology.

- **Leverage the full potential of strategic collaborations**. We enter strategic collaborations with key industry partners to maintain our leadership position in the TCR therapeutics field and to strengthen our proprietary pipeline. We are presently developing several autologous and allogeneic TCR-T and bispecific product candidates in collaborations with industry-leading partners including BMS, Editas Medicine and Genmab. We intend to generate value from these strategic collaborations by developing transformative, cutting-edge therapeutics through the combination of synergistic capabilities and technologies, and we benefit through milestone payments and royalties for product candidates that our partners successfully advance into and through clinical development and towards commercial launch.
- **Strengthen our intellectual property portfolio.** We intend to continuously build and maintain our intellectual property portfolio, which, as of February 1, 2023, comprised more than 115 active patent families and over 2,400 patents worldwide in the field of cancer targets, TCRs and related technologies. The protection of our intellectual property assets is a foundational element of our ability to not only strengthen our product pipeline, but also to successfully defend and strengthen our position in the field of TCR therapies.
- **Enhance the competitive edge of our technology platforms.** Our target and TCR discovery platforms XPRESIDENT and XCEPTOR are the foundation for the further strengthening our product pipeline and our position in the field of TCR-based therapies. We have developed a suite of proprietary technologies to identify what we refer to as "true targets" and "right TCRs." True targets are (i) naturally occurring at significant levels on native tumor tissue (in contrast to being in silico predicted or identified from cell line cultures), and (ii) highly specific to cancer cells. Right TCRs are (i) high-affinity TCRs, and (ii) highly specific to the respective cancer target, with no or minimized cross-reactivities to healthy tissues. We leverage this unique knowledge to develop a pipeline of transformative TCR-based product candidates. Our goal is to maintain and expand our competitive edge in highly differentiated platform technologies aimed at developing additional, better and highly innovative product candidates within shorter development timelines, for mid- and long-term value generation as part of our own or partnered pipeline.

Near-Term Portfolio Milestones

Our current focus is the clinical development of our lead assets from our autologous TCR-T (ACTengine) and TCR Bispecifics (TCER) pipeline, including execution of the following near-term portfolio milestones:

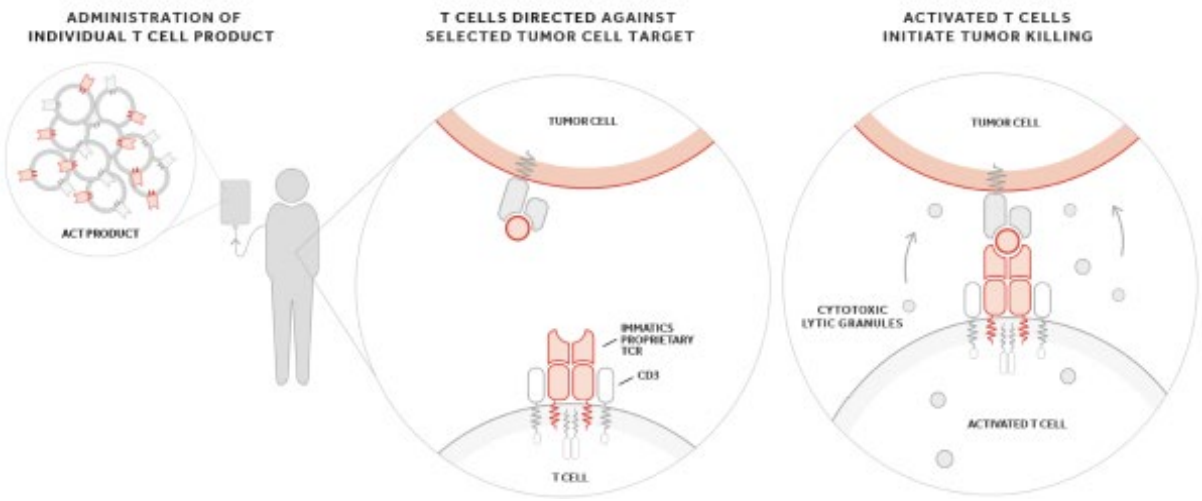
- **ACTengine IMA203 (PRAME):** Phase 1 clinical data update on all three ongoing IMA203 Phase 1b cohorts, and identification of most promising cohort to advance towards pivotal trials is planned for 2H 2023
- **TCER IMA401 (MAGEA4/8):** Advance ongoing Phase 1 clinical trial and establish clinical PoC
- **TCER IMA402 (PRAME):** Submission of CTA* application planned 2Q 2023 and start of Phase 1/2 clinical trial in 2H 2023*

* Clinical Trial Application (CTA) is the European equivalent of an Investigational New Drug (IND) application

ACTengine TCR-T Product Candidates

Our ACTengine programs are based on genetically engineering a patient's own, autologous T cells with novel TCRs designed to recognize a specific cancer target on the tumor. The engineered T cells (TCR-T) are intended to

induce a robust and specific anti-tumor attack to fight the cancer. The ACTengine mechanism of action is depicted below.



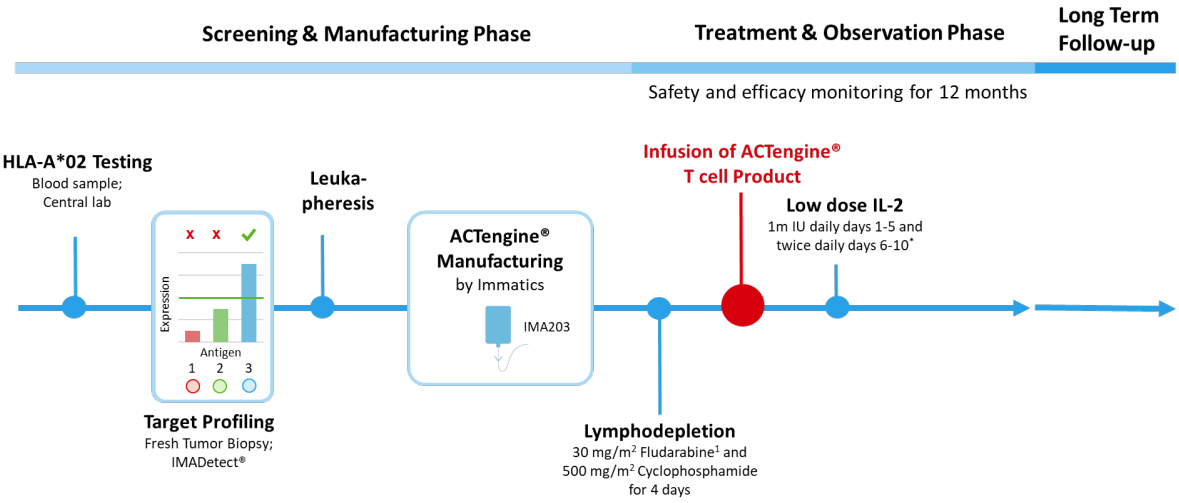
Upon infusion of an ACTengine product, T cells "equipped" with the cancer target-specific TCR are designed to bind to the pHLA target on the tumor. Subsequent activation of the T cell induces release of cytotoxic granules that might ultimately lead to tumor killing.

ACTengine IMA203 – TCR-T Targeting PRAME

Our lead autologous TCR-T program, ACTengine IMA203, is directed against an HLA-A*02:01-presented peptide derived from PRAME, one of the most prevalent solid tumor targets known to date. PRAME is frequently expressed in solid tumors such as melanoma, uveal melanoma, uterine cancers, ovarian cancer, subtypes of sarcoma, squamous NSCLC, TNBC, head and neck cancer and others, thereby supporting our program's potential to address a broad cancer patient population. Our PRAME peptide is present at a high copy number per tumor cell and is homogenously and specifically expressed in tumor tissue. The peptide has been identified and characterized by our proprietary mass spectrometry-based target discovery platform XPRESIDENT. Through our proprietary TCR discovery and engineering platform XCEPTOR, we have generated a highly specific TCR against this target for its use as TCR-based cell therapy approach ACTengine IMA203.

Patient journey

Starting with clinical trial enrollment, patients enter a multi-step process in our IMA203 trial which consists of three phases shown below: 1) screening of patients and initiating manufacturing of the cell product; 2) treatment of patients and observation for 12 months; 3) long-term follow-up.



* IL-2 dose reduction from twice daily to daily for the first 5 days and dosing duration from 14 to 10 days introduced prior to treatment of first patients on dose level 3; [1] Dose reduction of Fludarabine (from 40mg/m^2 to 30mg/m^2) was introduced prior to treatment of the first patient on dose level 3

Patient screening includes testing for the molecular marker HLA-A*02:01 from a patient's blood sample followed by target profiling by a qPCR-based test from a fresh biopsy. Patients are biopsied and the target expression for PRAME is assessed by our proprietary companion diagnostic device candidate, IMADetect. Only patients whose tumors present the target might benefit from subsequent treatment.

IMADetect is a diagnostic, precision-medicine device screening tumor biopsies for PRAME cancer antigens and other cancer antigens at the same time. The assay is currently conducted in our in-house CLIA-certified and CAP-accredited laboratory at our R&D facility in Houston, Texas and will be developed as companion diagnostics for our product candidates.

Only patients that are positive for HLA-A*02:01 and PRAME proceed to leukapheresis, which is the starting point for manufacturing of the autologous engineered T cell product. During leukapheresis, a portion of the patients´ white blood cells is collected, and peripheral blood mononuclear cells ("PBMCs") are isolated, frozen and then shipped to our central manufacturing site located in Houston, Texas.

Our proprietary manufacturing process is designed to expand and engineer T cells within one week. This process is followed by release testing. We have recently implemented an expedited quality control release testing of one week which allows us to provide the cell products to patients faster. T cells, which are a subset of PBMCs, are activated and subsequently mixed with a lentiviral vector to transduce the T cells with the PRAME-specific TCR. The engineered T cells are then expanded in the presence of cytokines, concentrated and frozen before undergoing release testing. The resulting cell product is then stored frozen until the patient is ready to receive the treatment. T cells can be shipped frozen ("frozen-in-frozen-out") for both delivery of the patient's cells to our manufacturing site and shipment of the T cell product to the clinical site.

Patients being refractory to previous treatments receive a preconditioning lymphodepleting regimen (30 mg/m2 Fludarabine and 500 mg/m2 Cyclophosphamide) for four days prior to infusion with target-specific T cells

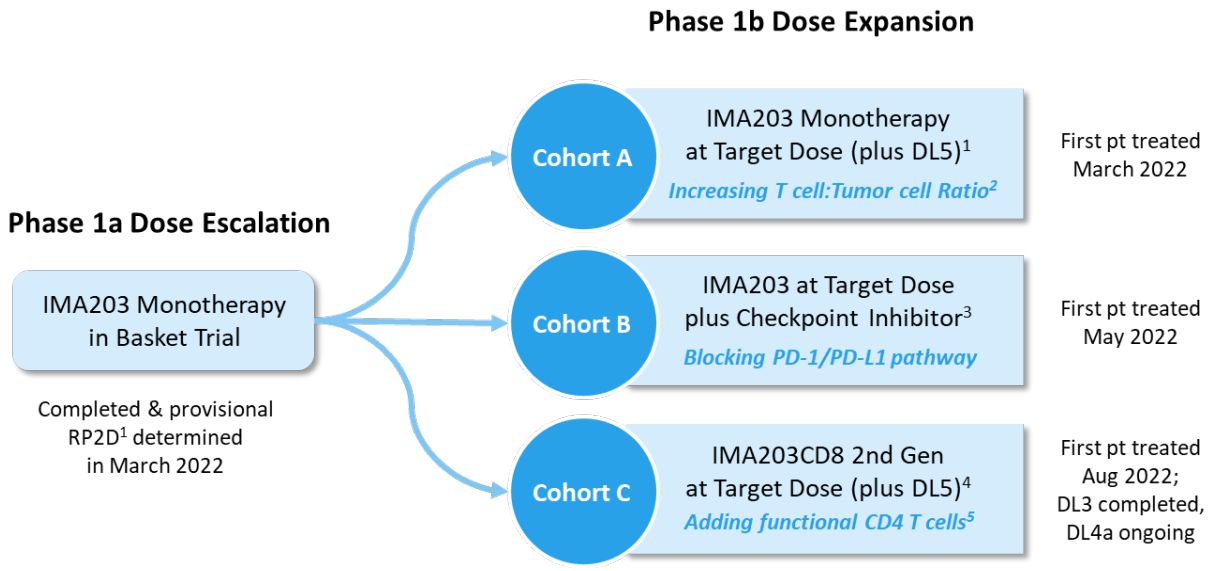
after day 6. Subsequently, patients receive a low dose Interleukin 2 (IL-2) to enhance T cell activation and expansion following infusion. They are monitored closely for safety and efficacy. Twelve months after T cell infusion or upon earlier disease progression, patients enter long-term follow-up.

Clinical Trial Design

We are currently evaluating ACTengine IMA203 TCR-T in an ongoing Phase 1b trial including three expansion cohorts which have all been initiated during the first half of 2022 and build upon the promising early clinical results during our Phase 1a trial:

- Cohort A: IMA203 as a monotherapy (up to approx. 24 patients);
- Cohort B: IMA203 in combination with an immune checkpoint inhibitor (up to approx. 12 patients); and
- Cohort C: IMA203CD8, a next-generation cell therapy where IMA203 engineered T cells are co-transduced with a CD8αβ co-receptor (up to approx. 24 patients).

Each expansion cohort is designed to establish safety, evaluate the observed objective response rate, demonstrate durability and provide the trigger for registration trials. Data generated throughout 2023 with longer follow-up to assess durability of response is intended to identify the most promising cohort to advance towards pivotal trials and potential commercialization. The ACTengine IMA203 TCR-T Phase 1 design is shown below.



[1]RP2D (target dose) determined at DL4 (up to 1.2 x109 TCR-T cells/m2 BSA), exploration of higher dose (DL5, up to 4.7x109 TCR-T cells/m2 BSA) ongoing; 2 Demonstrated to be associated with durable response: Locke et al. 2020 Blood Advances; 3 Opdivo (nivolumab): programmed death-1 (PD-1) immune checkpoint inhibitor; 4 Treatment of n=3 patients at DL3 completed; enrollment at DL4a ongoing before continuation at DL4b and potentially DL5; 5 Demonstrated to be important for long-term remission: Melenhorst et al. 2022 Nature, Bai et al. 2022 Science Advances

Dose escalation for IMA203 Phase 1b expansion Cohort C testing our enhanced 2nd-generation candidate IMA203CD8 is based on a 3+3 design. Dose level (DL) 3 was completed with 3 patients without any dose-limiting toxicity (DLT). In the first patient treated at DL4, we observed very high biological activity (in vivo T cell expansion) accompanied with a DLT, which triggered an expansion of this dose level cohort from 3 patients to 6 patients. As a

measure of caution and in accordance with the protocol, we decided to split DL4 into a DL4a (0.481-0.8x109 TCR-T cells/m2 BSA) and DL4b (0.801-1.2x109 TCR-T cells/m2 BSA). The enrollment in the dose escalation part therefore continues at the intermediate DL4a to understand safety better before continuation at DL4b and potentially DL5.

On October 10, 2022, we announced a clinical data update for the 1st-generation IMA203 TCR-T monotherapy covering:

- The completed Phase 1a dose escalation part of the clinical trial, during which we treated 27 patients, including 7 patients at the provisional recommended Phase 2 dose ("RP2D") (being dose level 4). The Phase 1a patients were heavily pre-treated, had a particularly high baseline tumor burden and an average of 4.2 prior lines of treatment, and patients treated at the RP2D had an average of 4.6 prior lines of treatment.
- Initial data from the first 5 patients in the ongoing Phase 1b dose expansion Cohort A (monotherapy). These Phase 1b patients were heavily pre-treated, had high to moderate baseline tumor burden and an average of 4.0 prior lines of treatment.

The cutoff date for clinical data update is September 6, 2022.

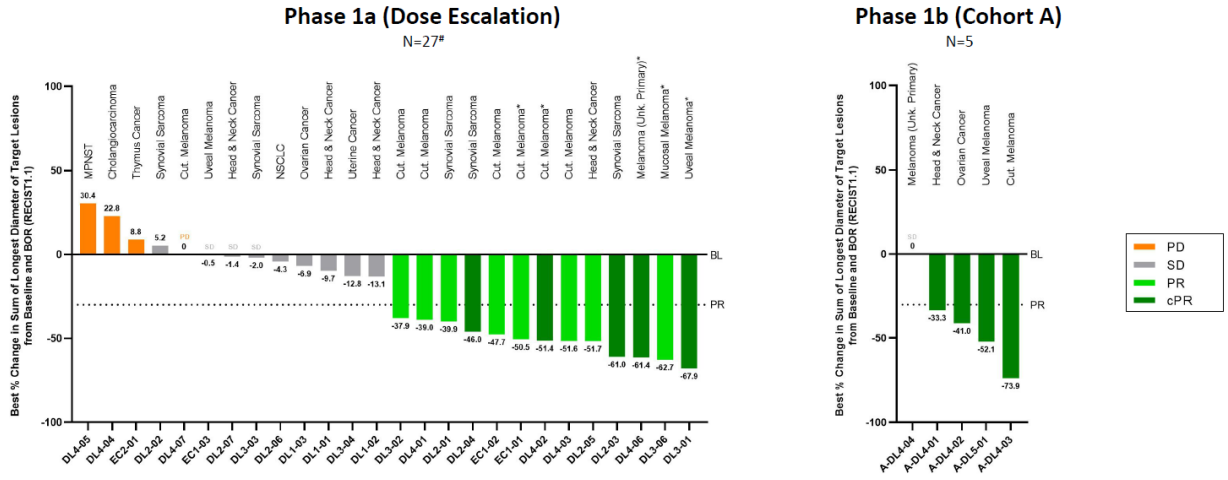
Moving from Phase 1a to Phase 1b, we are continuing to introduce planned improvements that may influence clinical outcomes including (1) applying higher cell doses (DL4 and exploratory DL5), (2) optimizing the cell product through manufacturing enhancements, and (3) working with disease area experts to gradually reduce the fraction of very heavily pre-treated patients with extreme tumor burden who have exhausted standard of care and have undergone multiple clinical trials. In addition, the focus in Phase 1b is also shifting from initial ORR determined at ~6-week scan to confirmed ORR determined at the ~12-week scan.

We observed a higher overall response rate ("ORR") and confirmed ORR ("cORR") in patients who received doses above 1 billion TCR-T cells, being dose levels 4 and 5. The table below sets forth the observed overall response rates, as measured by RECIST v1.1:

	Phase 1a		Phase 1a + Phase 1b	Phase 1b only
	All pts (DL1-4)	DL4 pts only[1]	DL4/DL5 pts only[1]	All pts (DL4/DL5)[1]
Patients Treated	27	7	12	5
ORR (~week 6)	48% (13/27)	57% (4/7)	67% (8/12)	80% (4/5)
cORR (~week 12)[2]	19% (5/27)	29% (2/7)	50% (6/12)*	80% (4/5)*

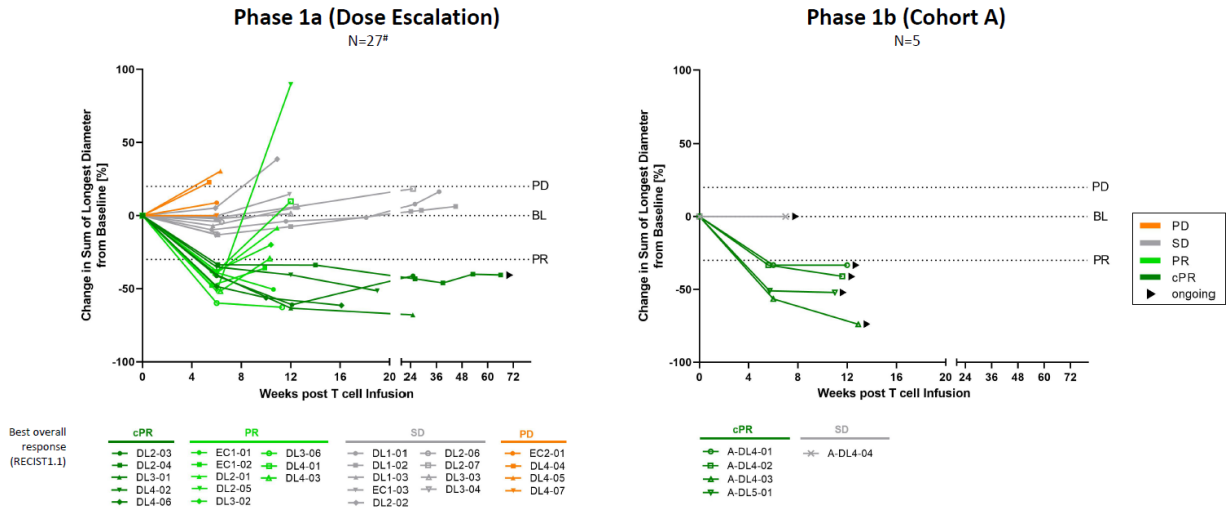
[1] All patients received >1 billion total TCR-T cells; [2] confirmed ORR (cORR), * 1 patient with SD at ~6-week scan with pending ~12-week scan considered as non-responder for cORR; DL – dose level.

We observed confirmed objective responses in patients with a broad spectrum of different tumor types, including cutaneous melanoma, ovarian cancer, head and neck cancer, uveal melanoma and synovial sarcoma. The graphs below show the best overall response analysis (BOR) according to established RECIST 1.1 criteria.



* Maximum change of target lesions and RECIST 1.1 BOR response at different time points; #Synovial sarcoma patient (DL3) PD at week 6 not shown as target lesions were not evaluable; PD: Progressive disease; SD: Stable disease; PR: Partial response; cPR: Confirmed partial response; BL: Baseline

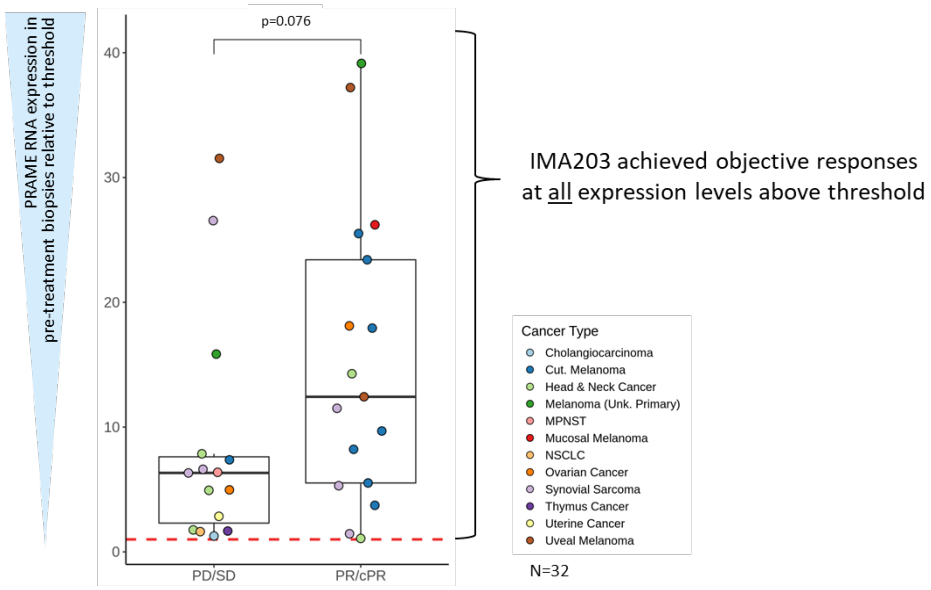
In addition, we observed encouraging early signs of improved durability at higher doses and in Phase 1b patients. The graphs below – also known as spider plot analyses - show the change in sum of longest diameter of lesions over time.



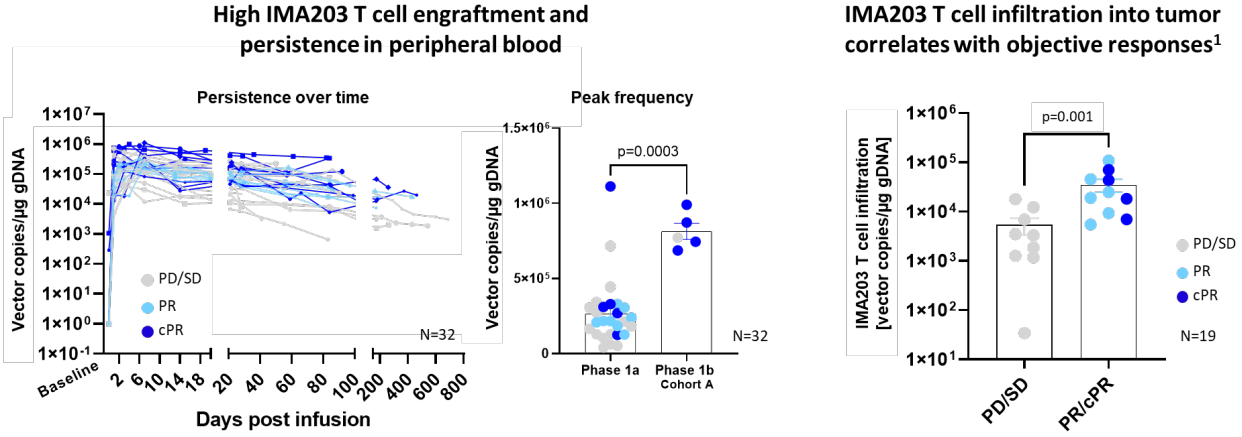
Synovial sarcoma patient (DL3) PD at week 6 not shown 12 as target lesions were not evaluable; PD: Progressive disease; SD: Stable disease; PR: Partial response; cPR: Confirmed partial response; BL: Baseline

We believe that translational data obtained during the IMA203 monotherapy Phase 1a and Phase 1b Cohort A further provide clinical validation of our PRAME biomarker threshold used for patient selection. Confirmed clinical responses were observed at high and low PRAME-expression levels above this threshold, as shown in the following

graph. Based on this data we believe, IMA203 has the potential to provide clinical benefit for all PRAME biomarker-positive cancer patients regardless of the PRAME expression level above this threshold.



The predicted high PRAME prevalence across key indications has so far been supported by prevalence rates obtained during the clinical screening of patients. Biological data including T cell engraftment, persistence and tumor infiltration were consistent with clinical outcomes, as shown in the following graphs, and support the proposed mechanism of action for IMA203.



Mann-Whitney U test; [1] T cell infiltration for 19 patients (9 non-responder, 10 responder) with 6-week post infusion biopsy available (1 patient with ~5-week post infusion biopsy)

The most frequent treatment-emergent adverse events ("TEAEs") were as expected for cell therapies, and we believe that our 1st-generation IMA203 TCR-T demonstrated a favorable tolerability profile. Specifically, we observed that:

- All 32 infused patients experienced cytopenia (Grade 1-4) associated with lymphodepletion;
- 31 patients (97%) experienced cytokine release syndrome ("CRS") of any grade:

- 29 patients had low to moderate CRS (Grade 1-2)
- 2 patients had Grade 3 CRS that occurred in Phase 1a, with both patients having recovered to Grade ≤ 2 after three and four days, respectively;

- 5 patients (16%) experienced a low to moderate (Grade 1-2) immune effector cell associated neurotoxicity syndrome (ICANS);
- No dose-dependent increase of CRS and ICANS was observed;
- No additional dose limiting toxicities ("DLT") were observed since the initial data release in March 2021, when we disclosed a Grade 3 atrial fibrillation at dose level 2 that was fully resolved within 48 hours;
- No IMA203-related Grade 5 adverse events.

The tables below show ***the Grade ≥3 TEAEs observed regardless of relatedness to study treatment:***

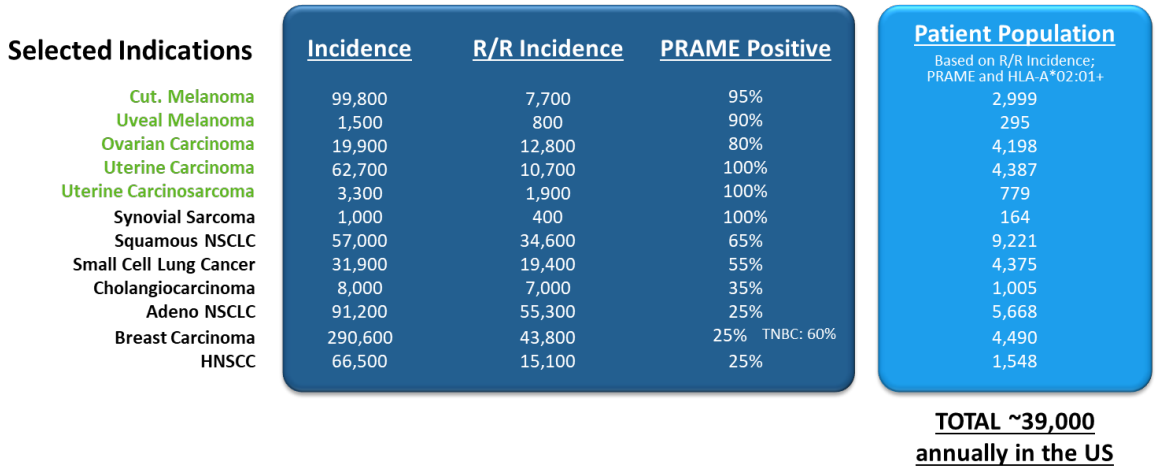
TEAEs by maximum severity (N=33)[1*]

Adverse event	≥ Grade 3 No.	≥ Grade 3 %	Adverse event	≥ Grade 3 No.	≥ Grade 3 %
Patients with any adverse event	33	100.0	**table continued...**		
Adverse Events of Special Interest			**Investigations**		
Cytokine release syndrome	2	6.1	Blood alkaline phosphatase increased	1	3.0
ICANS[2]	0	0.0	Blood creatinine increased	1	3.0
Blood and lymphatic system disorders			Blood fibrinogen decreased	1	3.0
Neutropenia	27	81.8	**Metabolism and nutrition disorders**		
Lymphopenia	22	66.7	Hypokalaemia	2	6.1
Leukopenia	20	60.6	Failure to thrive	1	3.0
Anaemia	17	51.5	**Vascular disorders**		
Thrombocytopenia	13	39.4	Hypertension	2	6.1
Cytopenia	1	3.0	Hypotension	1	3.0
Leukocytosis	1	3.0	**Injury, poisoning and procedural complications**		
Lymphocytosis	1	3.0	Fracture	1	3.0
Infections and infestations			Infusion related reaction	1	3.0
Appendicitis	1	3.0	**Renal and urinary disorders**		
COVID-19	1	3.0	Acute kidney injury	1	3.0
Enterococcal infection	1	3.0	Proteinuria	1	3.0
Orchitis	1	3.0	**Cardiac disorders**		
Sepsis[4,5]	1	3.0	Atrial fibrillation[3]	1	3.0
Septic shock[4]	1	3.0	**Endocrine disorders**		
Respiratory, thoracic and mediastinal disorders			Inappropriate antidiuretic hormone secretion	1	3.0
Hypoxia	2	6.1	**Eye disorders**		
Bronchial obstruction	1	3.0	Ulcerative keratitis	1	3.0
Laryngeal inflammation	1	3.0	**Hepatobiliary disorders**		
Pleural effusion	1	3.0	Cholangitis	1	3.0
Respiratory failure	1	3.0	**Immune system disorders**		
General disorders and administration site conditions			Contrast media allergy	1	3.0
Condition aggravated[4]	1	3.0	**Musculoskeletal and connective tissue disorders**		
Fatigue	1	3.0	Muscle spasms	1	3.0
Pyrexia	1	3.0	**Reproductive system and breast disorders**		
Swelling face	1	3.0	Vaginal haemorrhage	1	3.0
Gastrointestinal disorders			**Skin and subcutaneous tissue disorders**		
Abdominal pain	1	3.0	Rash maculo-papular	1	3.0
Diarrhoea	1	3.0			
Vomiting	1	3.0			

[1] All treatment-emergent adverse events (TEAEs) with ≥ Grade 3 regardless of relatedness to study treatment that occurred in at least 1 patient (except for ICANS, where only Grade 1-2 occurred; listed for completeness due to being an adverse event of special interest) are presented. Adverse events were coded using the Medical Dictionary for Regulatory Activities. Grades were determined according to National Cancer Institute Common Terminology Criteria of Adverse Events, version 5.0. Grades for CRS and ICANS were determined according to CARTOX criteria (Neelapu *et al.*, 2018). Patients are counted only once per adverse event and severity classification. Based on interim data extracted from open clinical database (06-Sep-2022); [2] ICANS: Immune effector cell-associated neurotoxicity syndrome; [3] DLT: Dose limiting toxicity in phase 1a at DL2 reported on March 17, 2021; [4] Fatal Adverse events in N=3 patients were not considered related to any study drug; [5] Patient did not receive IMA203 TCR-T cells; * Two patients with disease progression after first IMA203 infusion received exploratory second IMA203 infusion. They had these ≥ Grade 3 TEAEs only after second infusion, which are included in the table: First patient: Abdominal pain, Diarrhoea, Cytokine release syndrome, Hypokalaemia, Proteinuria; Second patient: Fracture, Muscle spasms, Neutropenia, Thrombocytopenia.

We believe the data presented on October 10, 2022 highlight the clinical potential of PRAME as one of the most promising multi-tumor targets for achieving meaningful benefits for a large cancer patient population. The figure

below sets forth the potential patient reach of IMA203 TCR-T in selected cancer indications with an exemplified focus on the US population only.



Incidences based on public estimates and Immatics internal model; Relapsed/refractory (R/R) or last-line patient population approximated by annual mortality; Estimated 41% HLA-A*02:01 positive population in the US; PRAME target prevalence is based on TCGA (for SCLC: in-house) RNAseq data combined with a proprietary mass spec-guided RNA expression threshold; Uveal melanoma target prevalence is based on IMADetect qPCR testing of screening biopsies from clinical trial patients (n=21).

We believe IMA203 TCR-T provides multiple further opportunities to benefit a broader group of patients, by:

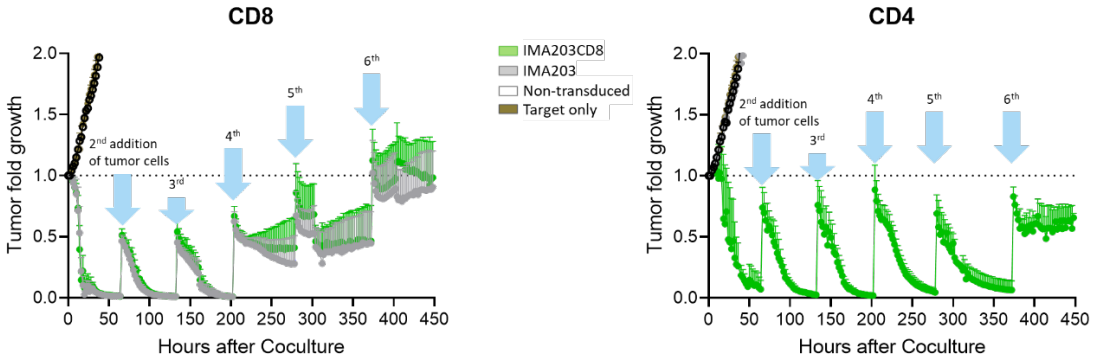
- Expanding beyond US population
- Expanding into other indications such as kidney, esophageal, bladder, liver cancer, other sarcoma subtypes through indication-specific or indication-agonistic label expansion
- Moving into earlier lines of therapy (R/R Incidence → Incidence)
- Inclusion of patients with lower PRAME-threshold

We are currently transitioning to an indication-specific development strategy for our IMA203 TCR-T trial based on PRAME prevalence, patient population size and observed responses. As a first step we will focus on indications with PRAME prevalence above 80%, such as cutaneous melanoma, uveal melanoma, ovarian and uterine carcinoma as well as uterine carcinosarcoma, where we believe we can quickly initiate registration trials in an effort to progress toward marketing authorization as efficiently as possible. We are also planning to expand to other indications such as head and neck cancer, where we have reported responses, lung cancer and TNBC.

In addition to Cohort A, evaluating IMA203 TCR-T as monotherapy, we are currently investigating IMA203 in two additional Phase 1b dose expansion cohorts to realize the full clinical potential of IMA203 TCR-T targeting PRAME. We are currently prioritizing treatment of patients within the 1st and 2nd-generation IMA203 TCR-T monotherapy cohorts.

Cohort B evaluates IMA203 TCR-T in combination with nivolumab, a PD-1 immune checkpoint inhibitor. Nivolumab has become the standard of care treatment for many solid cancer indications and we believe it fits well into the IMA203 treatment and observation schedule. Through this cohort, we are investigating how the combination with an immune checkpoint inhibitor could enhance the potency of our engineered IMA203 TCR-T cells by blocking the immune-inhibitory PD-1/PD-L1 pathway. We are currently not prioritizing treatment of patients in this last-line setting, but we are considering further investigation of a combination with nivolumab as a frontline therapy.

Cohort C evaluates IMA203CD8, our 2nd-generation product candidate targeting PRAME, as monotherapy. In contrast to IMA203, IMA203CD8 engages not only CD8 T cells but also CD4 T cells via co-transduction with the CD8 co-receptor involved in T cell antigen recognition and T cell activation. We believe that our IMA203CD8 product candidate has the potential to harness the potency of both CD4 and CD8 T cells. We believe this could further enhance depth and durability of anti-tumor response and clinical outcome of TCR-T in solid cancer patients. We believe we demonstrated the importance of CD4 T cells for the duration of responses in preclinical assays where IMA203CD8 showed enhanced potency and prolonged anti-tumor activity compared to IMA203 alone as shown in the figure below.



Every 3 days IMA203CD8, IMA203 or non-transduced control T cells were rechallenged with fresh tumor cells and tumor fold growth was analyzed. CD8 T cells engineered with the IMA203 TCR or the IMA203 TCR plus CD8 construct (IMA203CD8) achieved comparable tumor cell killing. CD4 T cells were only capable of potent and more durable anti-tumor activity (including 5th addition of tumor cells) when transduced with IMA203CD8.

These findings are in line with a growing body of literature from CD19 CAR-T cells in hematological cancers that suggest a relevant role of engineered CD4 T cells in maintaining durable anti-tumor responses over a long period. Our proprietary construct incorporated into a lentiviral vector enables CD4 and CD8 T cells to be engineered with the PRAME-specific IMA203 TCR and a CD8αβ construct. In the preclinical studies, this approach showed functional superiority over the other CD8 constructs tested in conjunction with the PRAME-specific IMA203 TCR. We have successfully developed the proprietary 4-in-1 construct that includes both IMA203 TCRα and TCRβ as well as CD8α and CD8β chains while maintaining a high transduction rate, circumventing the challenges associated with increasing the lentiviral vector payload.

In addition to the ACTengine IMA203 TCR-T programs, we are addressing PRAME-positive cancers with a second therapeutic modality: TCR Bispecifics. Our TCER IMA402 is a next-generation, half-life extended TCR Bispecific that is expected to enter the clinic in 2023. Both approaches, ACTengine and TCER, are distinct therapeutic modalities that have the potential to provide innovative treatment options for a variety of cancer patient populations with different unmet medical needs and potentially at different stages of their disease.

ACTengine IMA201 – TCR-T Targeting MAGEA4/8

ACTengine IMA201 TCR-T targets an HLA-A*02:01-presented peptide derived from the tumor antigen MAGEA4 and/or MAGEA8 and is currently being evaluated at target dose level in a Phase 1a dose escalation cohort. XPRESIDENT quantitative information on target density (copy number per tumor cell) between peptides originating from the same source protein allows identification of the most relevant targets. By comparing MAGEA4 vs. MAGEA4/A8 peptide presentation on the same tumor samples, we determined that the selected MAGEA4/8 peptide

is presented at >5-fold higher target density than a commonly targeted MAGEA4 peptide. We plan to discontinue this program after treatment of the remaining patients already enrolled in the clinical trial in order to focus on the TCR Bispecific program TCER IMA401 addressing the identical target peptide derived from MAGEA4/8 as IMA201.

ACTengine IMA202 – TCR-T Targeting MAGEA1

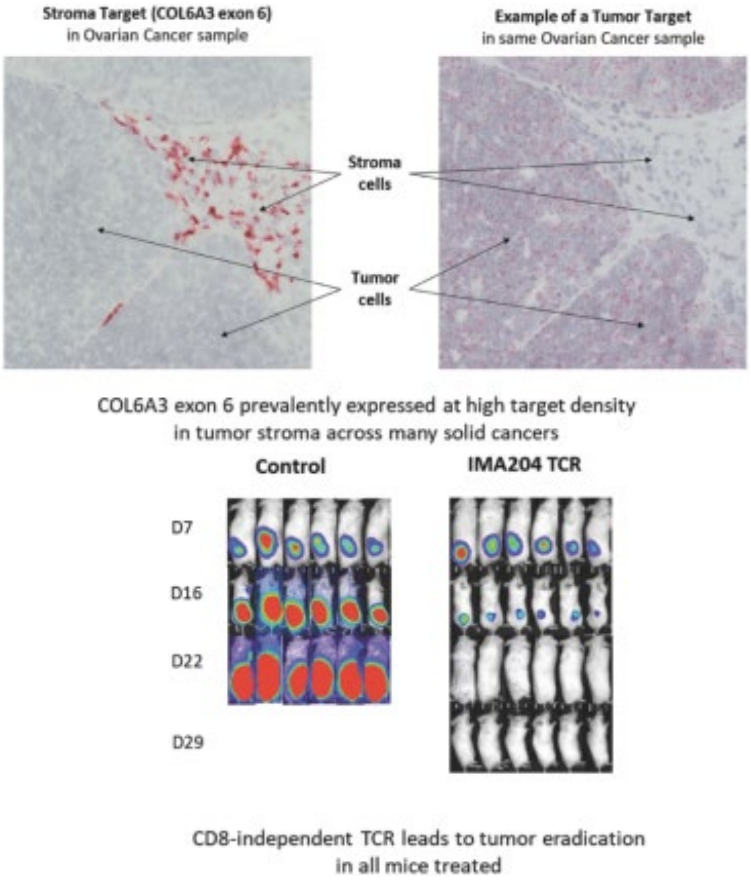
A preliminary interim analysis from 16 patients treated in the dose escalation cohort demonstrated a favorable tolerability profile for IMA202 as of May 24, 2022. Signs of clinical and biological activity were observed, but were not reaching the threshold of objective responses as per RECIST1.1. Treatment-emergent adverse events for IMA202 were transient and manageable, with the most common of such events being expected cytopenia associated with lymphodepletion in all patients (94% ≥ Grade 3). No dose-limiting toxicities or signs of auto-immune toxicities were observed. 11 out of 16 patients (69%) showed disease control and 5 out of 16 patients (31%) showed tumor shrinkage. Maximum change of target lesion was minus 35%. Following final evaluation, Immatics plans to present the full data set at a later timepoint. Immatics management has decided not to further progress the IMA202 program into Phase 1b dose expansion and is evaluating development options and partnering opportunities for the program and the target MAGEA1.

ACTengine IMA204 – TCR-T Targeting Tumor Stroma Target COL6A3 Exon 6

The rigid stroma and the immunosuppressive microenvironment of solid tumors play a crucial role in tumor initiation, progression and metastasis by providing a defensive layer against the body's immune system and pose a challenge for T cell accessibility. We believe that targeting the tumor stroma could provide a novel approach for the treatment of many solid tumors either as single-agent approach or as part of a next-generation multi-TCR-T concept targeting both tumor and stroma simultaneously.

Our ACTengine program IMA204 is directed against COL6A3 exon 6, a novel, proprietary tumor stroma target identified and characterized by our XPRESIDENT technology platform. COL6A3 exon 6 is presented predominantly by tumor stromal cells and not, or to a far lesser extent, by normal tissues. It is highly prevalent in a broad range of tumor tissues, including pancreatic cancer, breast cancer, gastric cancer, sarcoma, esophageal cancer, non-small cell lung cancer, head & neck squamous cell carcinoma, colorectal cancer, mesothelioma and ovarian cancer, with an estimated 40-80% of such cancers expressing COL6A3 exon 6.

For IMA204, we have generated an affinity-enhanced proprietary TCR, that induces anti-tumor activity in both CD4 and CD8 T cells without the need for CD8 co-transduction in preclinical experiments. Expression of COL6A3 exon 6 in the tumor stroma and in vivo activity of IMA204 is shown below.



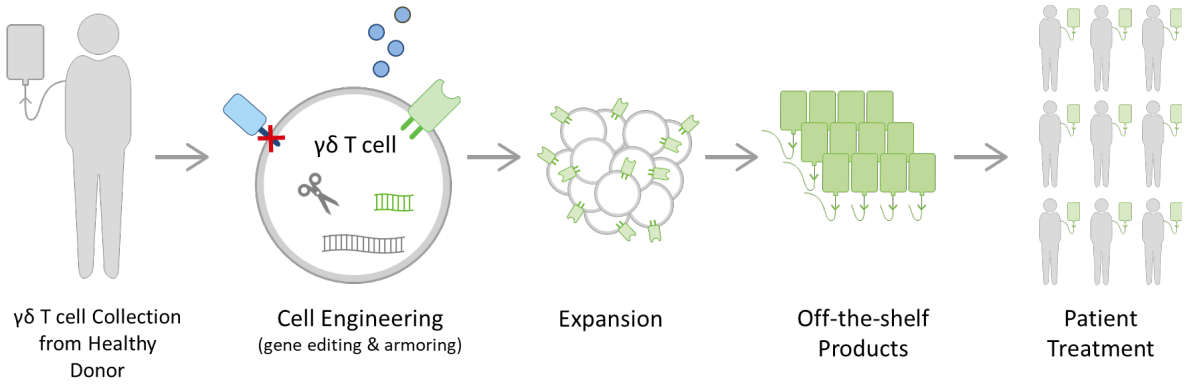
Left panel: Expression of the stroma target COL6A3 exon 6 and a tumor target in the same ovarian cancer tissue sample using RNA in situ hybridization. Both pictures show the same image section. Red dots indicate target mRNA expression, which is tumor cell-specific in the case of the tumor target (right) and restricted predominantly to the tumor stroma cells in case of the stroma target, COL6A3 exon 6 (left). Right panel: Affinity-enhanced TCR targeting COL6A3 exon 6 appears to eradicate COL6A3 exon 6-positive tumors implanted in mice, data by Jim Riley, University of Pennsylvania, control: non-transduced T cells.

Activation of both T cell types has been reported as favorable for induction and maintenance of anti-tumor responses against solid tumors. In the case of our IMA204 TCR candidate, this next-generation feature of being able to activate both CD8 as well as CD4 T cells is already engineered within the TCR.

We are focusing our clinical resources on the three IMA203 Phase 1b cohorts as well as accelerating the clinical development for the PRAME TCER IMA402. Therefore, as announced in November 2022, we have delayed the IND submission for an ACTengine candidate IMA204.

ACTallo - Our Off-the-shelf TCR-T

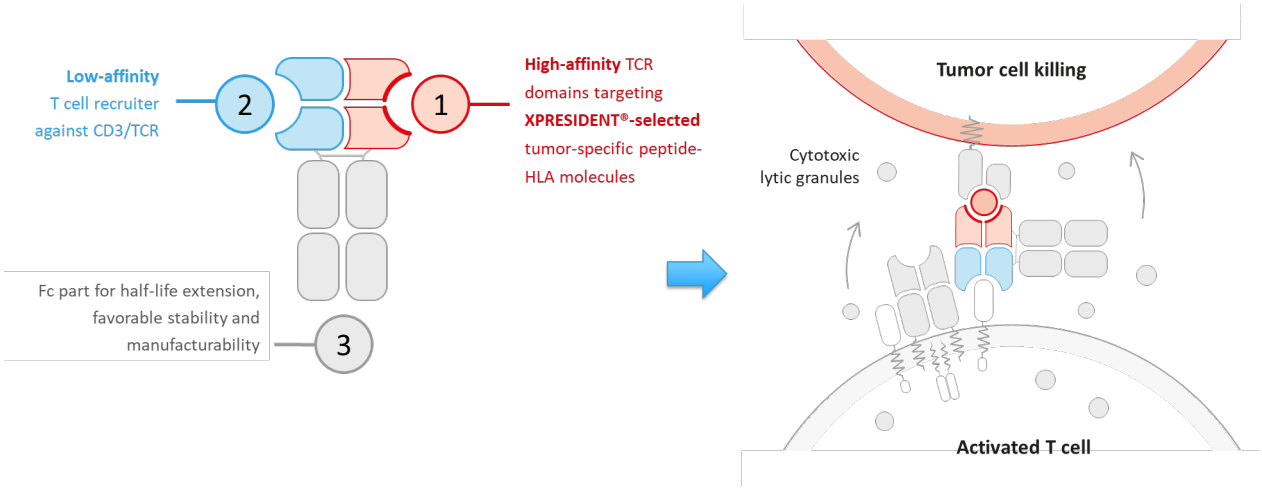
We aim to increase the commercial opportunity of cell therapies by supplying products to patients more quickly and at lower cost with our off-the-shelf cell therapy approach, ACTallo. ACTallo is our proprietary allogeneic adoptive cell therapy platform based on gamma delta T cells sourced from healthy donors as shown below.



Our manufacturing process is designed to create hundreds of doses from one single donor leukapheresis. Gamma delta T cells are abundant in the peripheral blood, show intrinsic anti-tumor activity, naturally infiltrate solid tumors and do not cause graft-vs-host disease – characteristics that make this cell type well suited for an allogeneic approach. The ACTallo process engineers gamma delta T cells with CARs or TCRs, thus accessing cancer cell surface targets as well as intracellular proteins that are presented as peptides on the surface of the cancer cell. This aims to enable the redirection of gamma delta T cells to cancer cell targets. ACTallo products would be available for patient treatment without the requirement for personalized manufacturing. Since these T cells originate from healthy individuals, they are not reliant on the potentially encumbered immune system of the cancer patient. In June 2022, we entered into strategic collaborations with Bristol Myers Squibb and Editas Medicine to develop next-generation allogeneic gamma delta TCR-T/CAR-T programs with enhanced persistence, safety and potency by combining our proprietary ACTallo platform with Bristol Myers Squibb's next-gen technologies and Editas Medicine's CRISPR gene editing technology.

TCR Bispecifics — TCER

Our half-life extended TCER molecules are next-generation, antibody-like "off-the-shelf" biologics that leverage the body's immune system by redirecting and activating T cells towards cancer cells expressing a specific tumor target. The design of the TCER molecules enables the activation of any T cell in the body to attack the tumor, regardless of the T cells' intrinsic specificity. The figure below sets forth the TCER format design and its mechanism of action.

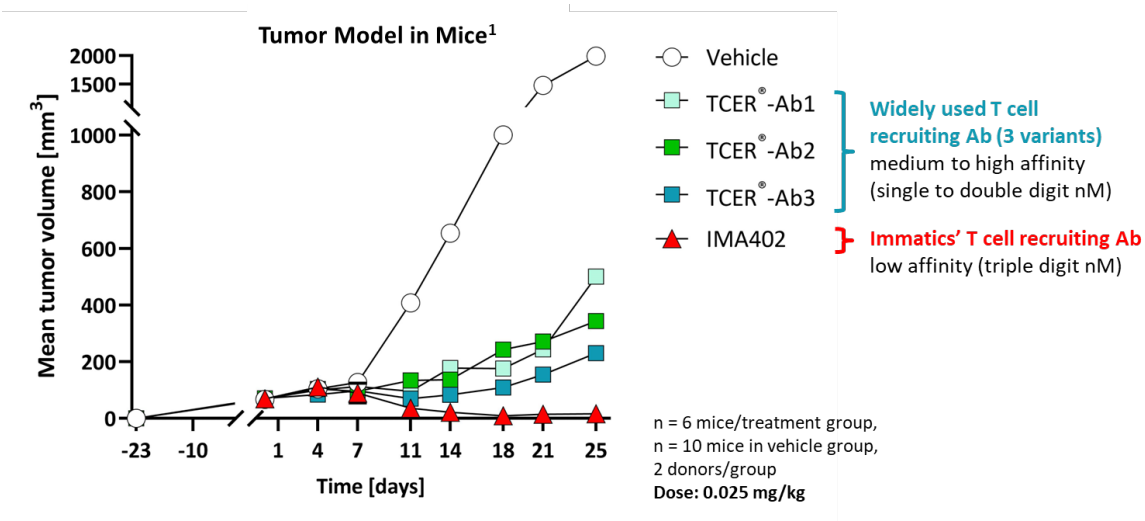


These proprietary biologics are engineered with two binding regions: a TCR domain and a T cell recruiter domain. The TCER format is designed to maximize efficacy while minimizing toxicities in patients. It contains a high-affinity TCR domain that is designed to bind specifically to the cancer target peptide on the cell surface presented by an HLA molecule. The antibody-derived, low-affinity T cell recruiter domain is directed against the TCR/CD3 complex and recruits a patient's T cells to the tumor to attack the cancer cells. With a low-affinity recruiter aiming to optimize biodistribution and enrichment of the molecule at the tumor site instead of the periphery, TCER molecules are engineered to reduce the occurrence of immune-related adverse events, such as cytokine release syndrome. In addition, the TCER format consists of an Fc-part developed to confer half-life extension, stability, and manufacturability. The next-generation, half-life extended TCER format is designed to safely apply high drug doses for activity in a broad range of tumors and to achieve a favorable dosing regimen scheduling regime. TCER are "off-the-shelf" biologics and thus immediately available for patient treatment. They can be distributed through standard pharmaceutical supply chains and provide the opportunity to reach a large patient population without the need for treatment at specialized medical centers.

TCER Format

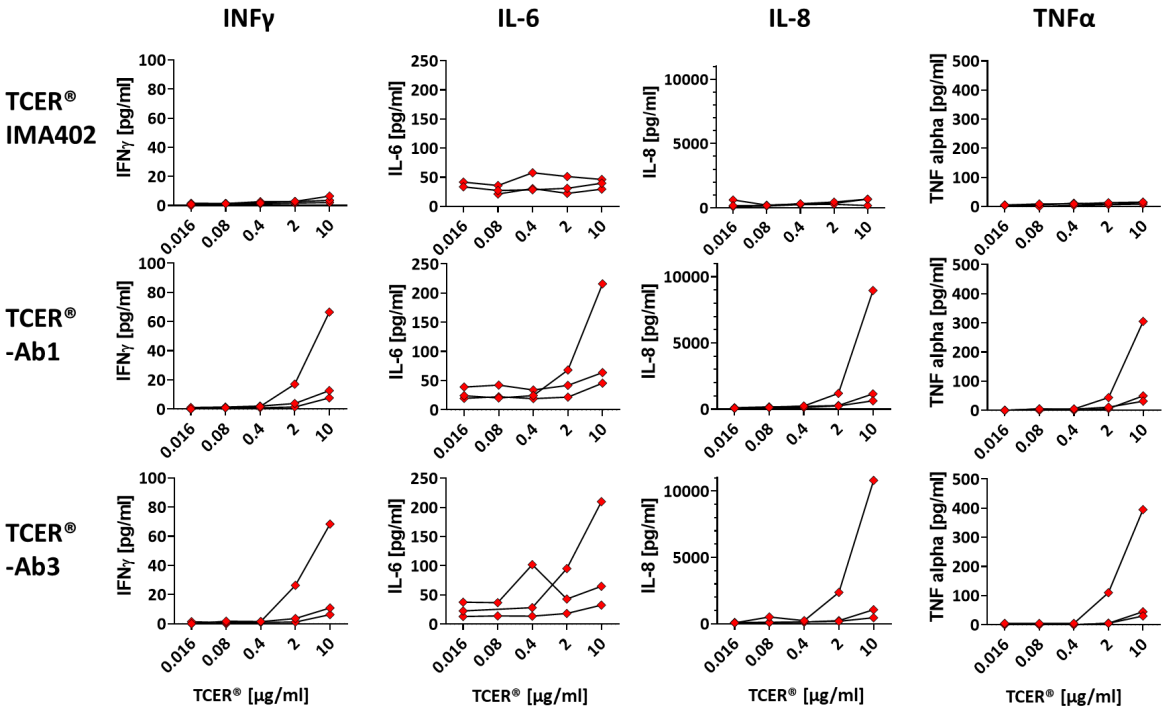
Improving drug safety, efficacy and dosing schedule are key considerations in the field of bispecific T cell engaging molecules, which we seek to address with our half-life extended next-generation TCR Bispecific molecule. We demonstrated in preclinical experiments that the TCER format had a higher combination of potency and specificity than six alternative TCR Bispecific format designs evaluated. The format was also successfully applied to different TCRs and different T cell recruiting antibodies.

The T cell recruiter domain used for all our TCER molecules is a proprietary low-affinity T cell recruiter against the TCR/CD3 complex that demonstrated superior in vivo tumor control compared to three analogous TCER molecules designed with higher-affinity variants of a widely used antibody recruiter as shown below.



[1] Hs695T xenograft model in NOG mice, tumor volume of group means shown

Further, our preclinical data set forth below show a reduced recruiter-mediated cytokine release in vitro when the target is absent, which we believe indicates that our TCER format reduces T cell engager-associated toxicities in patients.



Whole blood cytokine release assay; N=3 HLA-A*02-positive donors, N=16 cytokines tested, 4 exemplary cytokines shown.

The half-life extended format confers a serum half-life of >1 week in mice, which we believe suggests the opportunity for a favorable dosing regimen and prolonged drug exposure at therapeutic levels when compared to TCR

Bispecifics lacking half-life extension approaches. Taken together, our next-generation, half-life extended TCER format is designed to maximize efficacy while minimizing toxicities in patients.

TCER Product Candidates

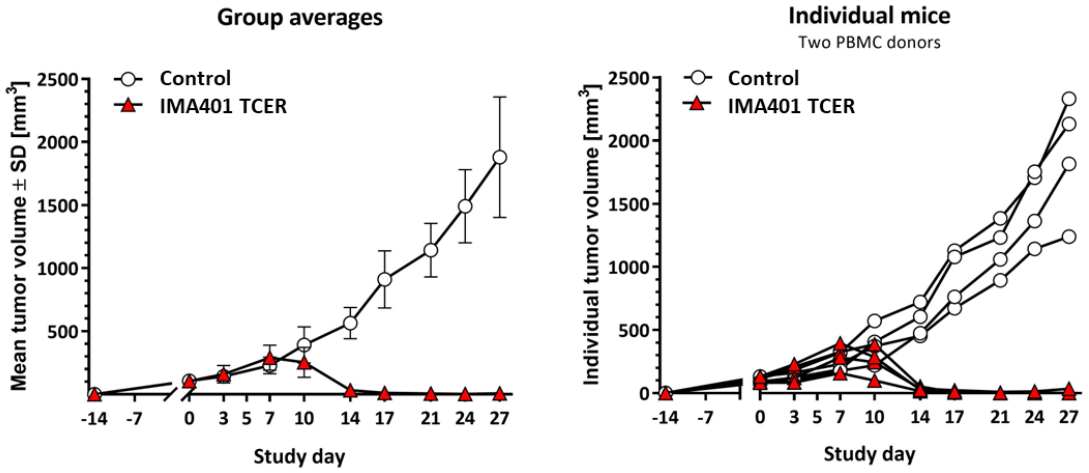
We have developed a broad pipeline of next-generation half-life extended TCR Bispecifics with the potential for addressing different indications and large patient populations with an innovative therapeutic option.

- **TCER IMA401 targeting a MAGEA4/8 peptide presented by HLA-A*02:01 (developed in collaboration with BMS):** Start of clinical trial in May 2022, dose escalation ongoing
- **TCER IMA402 targeting a PRAME peptide presented by HLA-A*02:01:** Start of clinical trial planned for 2H 2023
- **TCER IMA403 targeting an undisclosed peptide presented by HLA-A*02:01:** Preclinical PoC studies ongoing
- **TCER IMA40x comprising several innovative TCER candidates targeting undisclosed peptides presented by HLA-A*02:01 and other HLA-types:** TCER engineering and preclinical testing ongoing

TCER IMA401

IMA401 is the most advanced product candidate from our TCR Bispecifics pipeline targeting an HLA-A*02:01-presented peptide derived from both MAGEA4 and MAGEA8. The MAGEA4/8 peptide has been identified and validated by our proprietary mass spectrometry-based target discovery platform XPRESIDENT and is presented at a >5-fold higher copy number per tumor cell than a commonly targeted MAGEA4 peptide, and is highly prevalent in several solid tumor types.

Preclinical PoC data demonstrated potent and specific killing of tumor cells in vitro with MAGEA4/8 peptide levels similar to levels found in cancer patients. In two different tumor xenograft mouse studies, a cell line-derived melanoma tumor model and patient-derived non-small cell lung (NSCLC) adenocarcinoma tumor model, IMA401 achieved consistent tumor regression in all mice. In the patient-derived NSCLC model shown below, IMA401 treatment led to consistent tumor regression of all transplanted human tumors, with 3 out of 4 mice showing complete remissions.



The IMA401 molecule further demonstrated pharmacokinetics of a terminal half-life of 10-11 days in mice and what we view as positive purity and stability characteristics with high production yields.

In December 2021, we announced that we entered into a license, development and commercialization agreement for IMA401 with BMS. The agreement was associated with an upfront payment of $150 million, milestone payments of up to $770 million and tiered double-digit royalties. We are responsible for conducting the Phase 1a clinical trial for IMA401 and retain the options to co-fund U.S. development in exchange for enhanced U.S. royalty payments and/or to co-promote IMA401 in the U.S.

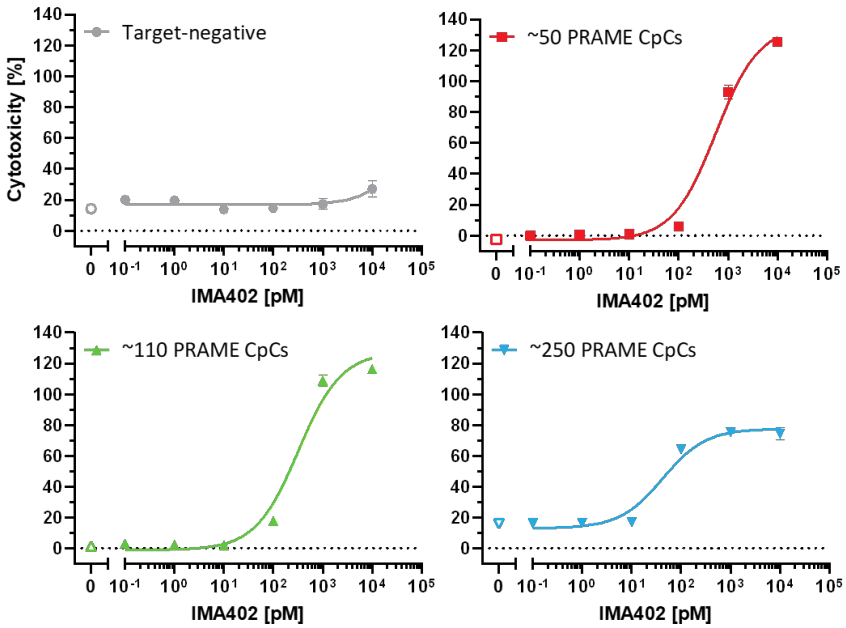
The Phase 1 clinical trial for IMA401 commenced in the first half of 2022 and is currently ongoing in HLA-A*02:01-positive patients with tumors of high MAGEA4/8 prevalence, such as squamous NSCLC, small cell lung cancer (SCLC), head and neck squamous cell carcinoma (HNSCC), bladder, uterine, esophageal and ovarian carcinomas, as well as melanoma, sarcoma subtypes and other solid cancer types.

The objectives of the clinical trial are to determine the maximum tolerated dose (MTD) and/or the recommended phase 2 dose (RP2D) and to characterize safety and tolerability, evaluate initial anti-tumor activity and assess pharmacokinetics of IMA401. The Phase 1 trial consists of a dose escalation (Phase 1a) cohort that will be followed by a dose expansion (Phase 1b) cohort to treat patients at the recommended dose level.

TCER IMA402

Our TCER IMA402 is directed against the same peptide derived from PRAME as used for ACTengine IMA203. PRAME is one of the most frequently expressed targets and highly prevalent in several solid tumor types, such as melanoma, uveal melanoma, uterine cancers, ovarian cancer, subtypes of sarcoma, squamous NSCLC, TNBC, head and neck cancer, among other indications.

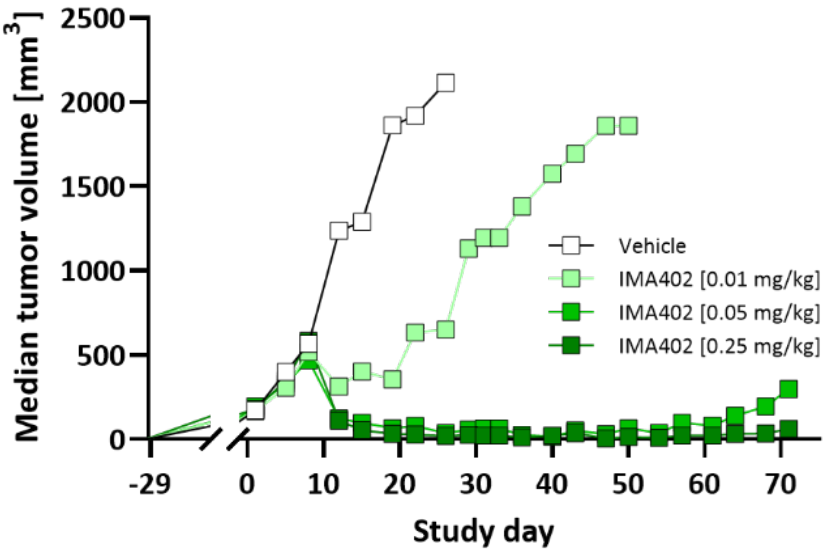
In preclinical studies, data demonstrated potent and selective cytotoxicity of IMA402 against tumor cell lines presenting PRAME target peptide-HLA at different target densities (target peptide copies per cell). While physiological PRAME levels detected in the majority of cancer tissues from patients are in the range of 100 – 1000 copies per cell, IMA402 showed tumor cell killing at PRAME peptide levels as low as 50 copies per cell, as shown below.



CpC: Target peptide copy numbers per tumor cell

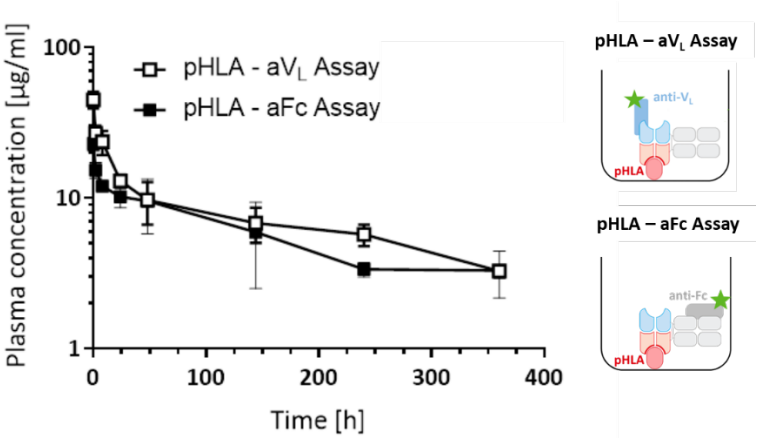
In vitro safety assessment including toxicity screening against 20 normal tissue types, whole blood cytokine release assessment and alloreactivity evaluation confirmed the favorable safety profile for IMA402.

In vivo studies in mice set forth below demonstrated a dose-dependent anti-tumor activity of IMA402 and that sufficiently high drug doses are key to achieving the desired anti-tumor effects over a prolonged period.



Melanoma cell line-derived tumors in MHC I/II knock-out NSG mice received weekly intravenous injections of IMA402 starting at study day 1 after intravenous transfusion of human PBMC. Treatment was discontinued when complete response was noted. Median values for n = 6 mice/group, 2 donors/group.

Pharmacokinetic characteristics of the half-life extended IMA402 molecule with a terminal half-life of >1 week in vivo, as shown below, suggest the potential for a favorable dosing regimen in patients with prolonged drug exposure at therapeutic levels.



NOG mice received a single intravenous injection of IMA402 (2 mg/kg). TCER plasma concentrations at different time points were determined by ELISA detecting binding of IMA402 to the PRAME target via pHLA. The integrity of the molecule was confirmed via aV$_L$ or aFc detection. Terminal half-life ($t_{1/2}$) was calculated via linear regression of time points between 24 h and 360 h (n=3 per timepoint, mean ± SD).

Data generated in the field of T cell engaging bispecifics suggest that half-life extension and low-affinity CD3 recruiters are key strategies to improve safety and efficacy of bispecific molecules. We believe, our TCER molecules are the first TCR-based bispecifics candidates in clinical development where these strategies were applied.

Based upon our preclinical data for IMA402, we believe that our next-generation, half-life extended format using a low-affinity T cell recruiter can achieve higher doses with drug concentrations in the therapeutic relevant range over time, increased pressure on the tumor, more and deeper responses across a broad range of indications, including in tumors with lower target levels, and a more convenient treatment schedule combined with acceptable tolerability.

To enable the start of the Phase 1/2 trial in 2023, we have completed the preclinical data package and manufacturing of the clinical batch in 2022. We plan to use a flexible design for the Phase 1/2 trial that provides the opportunity to shorten the clinical development timeline of IMA402: The dose escalation cohort has an adaptive design that uses flexible dose cohorts and an optimized MABEL (minimal anticipated biological effect level) approach. HLA-A*02:01-positive patients with different solid tumors expressing PRAME will initially receive weekly infusions of IMA402. Pharmacokinetics data will be assessed throughout the trial and might provide an early opportunity for adjustment of the treatment interval based on the half-life extended TCER format. The Phase 2a dose expansion part of the trial is planned to include several cohorts to further evaluate IMA402 in specific indications and combination therapies. Submission of the CTA* is planned for 2Q 2023 and the start of the trial is planned for 2H 2023.

*Clinical Trial Application (CTA) is the European equivalent of an Investigational New Drug (IND) application

Technology Platforms

To characterize our proprietary and partnered product candidates and to identify and develop future TCR-based product candidates, we established two proprietary target and TCR discovery platforms: XPRESIDENT and XCEPTOR. We believe that for the development of safe and effective TCR-based immunotherapeutics, two fundamental steps illustrated below are required (i) picking a true cancer target that is naturally occurring and presented at significant levels specifically on the tumor, and (ii) generating the right, potent TCR that specifically recognizes the selected target with no or minimized cross-reactivity with healthy tissues.

We have identified a pool of more than 200 well-known and unknown cancer targets that have the potential for further development of proprietary and partnered assets and allow us to build a unique position in complementary T cell therapies – ACT and TCR Bispecifics- to maximize value generation.

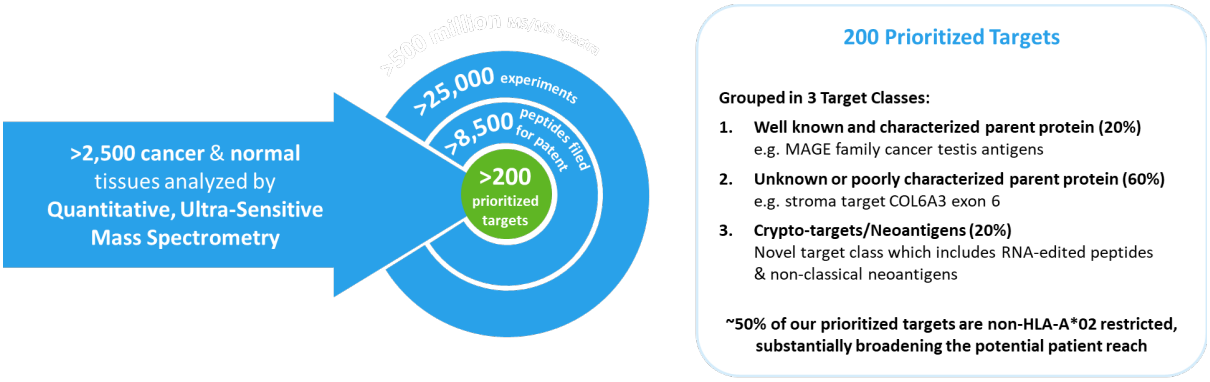
XPRESIDENT Discovers True Targets for Cancer Immunotherapy

XPRESIDENT integrates a high-throughput, ultra-sensitive mass spectrometry coupled with a proprietary workflow and an immunoinformatics platform. It builds on a primary tissue database of thousands of tissues. From these specimens, a multitude of data is being gathered, including genome, proteome and in-depth transcriptome. The core of the database is its quantitative immunopeptidome data set, which enables the selection of true cancer targets. To our knowledge, this is the largest collection of pHLA target information derived both from cancer and healthy tissues.

Utilizing this foundation, we believe that XPRESIDENT identifies “true target” peptides for TCR-based immunotherapies that are proven to be displayed on patient tumors and that are not present, or present to a far lesser extent, on normal tissues. We utilize the natural mechanisms of the immune system, by leveraging on the TCR– pHLA interaction, to access intra- and extracellular cancer targets that are invisible to classical antibody or CAR-T therapies. By picking our targets from the full immunopeptidome, a target space increased by 300% as compared to the membrane-bound or extracellular peptidome, we developed a pool of more than 200 prioritized cancer targets across different target classes. These targets originate from well-known parent proteins, widely uncharacterized proteins and novel target spaces including non-classical neoantigens, RNA-edited or post-translationally modified epitopes, which we call “crypto targets”. Our prioritized targets, that have been filed in numerous patent applications, add value to our current pipeline and form a powerful source for future product candidates. We select cancer targets not only based on their prevalence and specificity to a given tumor indication, but also based on their presentation level per tumor cell. Target presentation at sufficient density per tumor cell is a key component required for mounting an efficient anti-tumor response, especially for TCR Bispecifics but also for ACT. To our knowledge, the absolute quantitation of the target (“AbsQuant”) on the tumor cell is a unique capability solely available through XPRESIDENT.

By investigating dozens of tissues for each cancer indication, XPRESIDENT is not limited by an individual tumor of a specific cancer type, but instead analyzes a broad cross-section of the cancer patient population. It has been designed to both select targets that are not only naturally presented by a given tumor at high target density and also to analyze the prevalence of target presentation among all analyzed tissues. Before entering clinical development, only targets relevant for a significant percentage of patients of a given cancer type are moved forward and are thoroughly characterized prior to or in parallel to TCR identification.

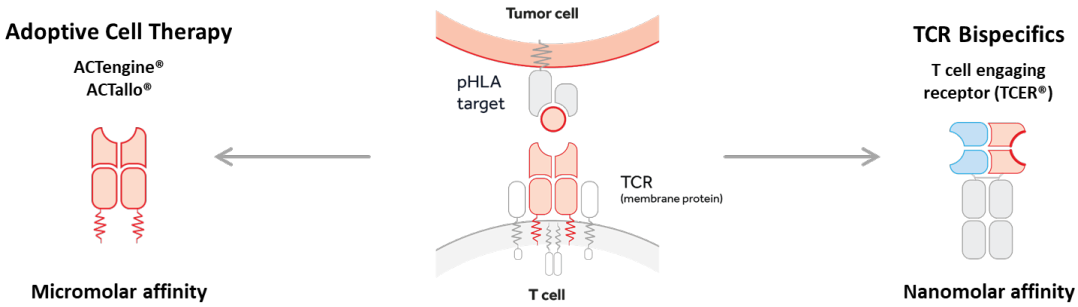
XPRESIDENT's extensive pHLA database is based on more than 2,500 primary tissue samples from 40 healthy organ types and 20 major cancer indications. As shown below, following an analysis of over 500,000,000 MS/MS spectra and an initial long-list of 8,500 tumor-associated pHLA targets, we have prioritized over 200 mass spectrometry validated pHLA targets covering all target classes: 1) peptides of well-known and characterized cancer target proteins; 2) unknown or poorly characterized proteins and 3) crypto targets/neoantigens.



XPRESIDENT has identified and characterized cancer targets for all of our clinical and preclinical programs across our entire individual and partnered pipeline. Each of our pipeline programs is currently targeting HLA-A*02:01, which is found in approximately 40-50% of individuals in North America and Europe and in approximately 20-35% of individuals in East Asia, and is one of the most common HLA types worldwide. However, XPRESIDENT is not restricted to HLA-A*02 and has identified a large set of cancer targets across many different HLA alleles, such as HLA-A*01/ -A*03/ -A*24/ -B*07/ -B*44. By developing target-TCR pairs beyond HLA-A*02, we seek to expand the patient population that might benefit from our product candidates as broadly as possible.

XCEPTOR Identifies, Optimizes and Characterizes Right TCRs for TCR-T and TCR Bispecifics

XCEPTOR is our proprietary, TCR identification platform enabling the discovery and engineering of TCRs with high affinity and specificity. Apart from the fast, efficient and highly sensitive TCR identification and characterization, XCEPTOR also comprises a protein engineering module to optimize (e.g., chain pairing enhancement, engineering towards CD8 independency) and affinity-enhance TCRs prior to sourcing our product candidates.



As shown in the figure above, XCEPTOR picks and optionally engineers the most suitable TCRs for ACT or Bispecific product candidates:

- In the case of ACT, XCEPTOR either picks high-affinity TCRs from the natural repertoire or modestly enhances these TCRs, aiming for single-digit micromolar affinities mirroring naturally occurring TCR affinities in viral infections. Additionally, we could pursue engineering TCRs to address alpha/beta chain pairing and/or CD8 independency.
- In the case of TCR Bispecifics, affinity of the target TCR is required to be much higher to achieve functional activity, thus the naturally occurring, specific TCRs need to be strongly affinity maturated using yeast display. Stable, high-affinity single-chain TCR variable fragments (scTvs) are serving as building blocks for the generation of the TCER compound.

Irrespective of whether a TCR will be used for ACT or TCR Bispecific, we start the TCR discovery process with a variety of TCRs against a specific cancer target, characterize the receptors and select the TCRs with the most desirable affinity, potency, specificity, and safety characteristics. During the characterization process, we not only determine the binding motif of the TCRs and ensure functional efficacy at physiological cancer target levels, but also evaluate the TCRs' ability to avoid similar peptides that are presented on healthy tissues. We also test for potential reactivity against a broad panel of healthy tissues covering critical organs, multiple different cell types and organ-specific cell types.

The entire TCR selection and characterization process is guided by the XPRESIDENT peptide target database. The extensive information available on the HLA peptidome in normal tissues is specifically useful for determining potential on- and off-target toxicities, i.e. potential recognition by a TCR of target peptides and/or similar peptides that are presented on healthy tissues (=XPRESIDENT-guided on- and off-target toxicity screening). Also, during TCR maturation the information on similar peptides presented on healthy tissues is helpful to counter-screen for cross-reactive TCRs (=XPRESIDENT-guided similar peptide screening). TCRs recognizing healthy tissues would be a potential threat for the wellbeing of patients and therefore are de-selected early during preclinical development and allow us to focus on the most specific and promising TCRs as early as possible in the development process.

Manufacturing & Supply

ACTengine

All clinical T cell products are currently manufactured by our employees through a collaboration with the Evelyn H. Griffin Stem Cell Therapeutics Research Laboratory at UTHealth ("UTH") McGovern Medical School in Houston, Texas that provides us exclusive access to three cGMP manufacturing suites and support areas for the manufacturing of our cell products.

To scale our cell therapies for pivotal trials and initial commercial manufacturing, we have started the construction of a state-of-the-art 100,000 square foot research and commercial GMP manufacturing facility in the metropolitan area of Houston, Texas. The facility is intended to manufacture our IMA203 products as well as other future autologous and allogeneic cell therapy product candidates for early-stage and registration-directed clinical trials as well as for commercial supply. The facility is designed for flexibility and can be expanded in a modular fashion. The GMP manufacturing facility is expected to be operational in 2024. The facility will replace the current locations used by Immatics US.

To secure our supply, we have contractual agreements in place with two GMP suppliers of lentiviral vectors, which is the most critical raw material for the manufacturing of genetically modified T cells products.

TCER

TCER are expressed in mammalian cells. We have established an in-house laboratory-scale production process to generate R&D material suitable for compound characterization and early preclinical assessments. In the course of preclinical development, the manufacturing process is turned over to third party contract manufacturing organizations ("CMOs") that are experienced in cGMP manufacturing of biologics and regulatory compliance. The IND-enabling studies (e.g., in vitro toxicology studies) are performed with material that we receive from CMOs.

The manufacturing phase at our CMOs includes cell line development, establishment of master- and working cell banks, upstream and downstream process development, formulation development, development of suitable analytical methods for testing and release, cGMP manufacturing, fill and finish, drug substance and drug product release testing, storage and stability testing.

An in-house chemistry, manufacturing and control ("CMC") team guides and manages the processes at our CMOs through the different stages. Before and during the cooperation with a CMO, we conduct audits to control compliance with the mutually agreed process descriptions and to cGMP regulations. Our CMOs themselves are subject to their own quality assurance functions and are inspected and certified by regulatory agencies, including European national agencies and the FDA. For the development of each TCER candidate, our CMOs need to scale the manufacturing process to suitable size. Drug formulation and process parameters need to be optimized and the manufacturing process qualified by applicable regulatory authorities. In addition to the currently contracted CMOs, we expect to engage with additional third-party manufacturers and suppliers to support potential pivotal trials and potential commercial supplies.

Marketing and Sales

We currently do not have our own marketing, sales or distribution capabilities. We intend to maximize the commercial potential of any approved product candidates by developing a sales and marketing infrastructure or by pursuing strategic collaborations with commercialization partners.

Competition

Immunotherapy and the companies and academic groups using TCR-based or TCR mimetic approaches against cancer are rapidly evolving. While we believe that our technology platforms, therapeutic modalities and scientific knowledge provide us with a competitive advantage, we also face significant competition.

Other pharmaceutical and biotechnology companies are active in the field of TCR therapies, intending to target solid tumors following the success of CAR-T therapies in hematology. Companies developing other immunotherapies such as CAR-T, bispecific antibodies, or immune checkpoint inhibitors may show that their products demonstrate significant improvement in efficacy and compete with our approach and product candidates.

Any product candidates that we successfully develop and commercialize would compete with currently approved therapies and new therapies that may become available in the future. Our competitors fall primarily into the following groups, depending on their treatment approach:

- Companies such as Adaptimmune, Gritstone, Immunocore, Adaptive Biotechnologies, pureMHC, BioNTech, and Genentech are also seeking to identify HLA targets.
- Companies such as Adaptimmune, Affini-T, Kite Pharma (a Gilead company), Tmunity (a Gilead company), T-knife, Juno Therapeutics (a BMS company), 2seventybio, Medigene, BioNTech, PACT Pharma, T-scan Therapeutics, ImmunoScape, Alaunos Therapeutics are investigating novel autologous TCR-T therapeutics. Their TCR-T programs are partially directed against peptide targets derived from the same proteins but not necessarily against the same peptide target as used by us.
- Companies such as Immunocore, Eureka Therapeutics, Molecular Partners, CDR-Life, Regeneron and Roche are developing TCR Bispecific compounds or TCR mimetic antibodies.

Many of the companies against which we may compete have significantly larger financial resources and expertise in research and development, manufacturing, preclinical testing, conducting clinical trials, obtaining regulatory approvals and marketing approved products than us. Smaller or early-stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies. These competitors also compete in recruiting and retaining qualified scientific and management personnel and establishing clinical trial sites and patient registration for clinical trials, as well as in acquiring technologies complementary to, or necessary for, our programs.

Intellectual Property

We recognize the need for a global intellectual property strategy to protect our technology, future products and assets around the world. Consistent with our belief in intellectual property, our patent portfolio is a strategically important asset covering a large number of cancer antigen targets, TCRs, bispecific molecules or TCERs, antibodies, target validation, screening and therapeutic use methods, as well as antigen discovery platforms. Our intellectual property portfolio includes patents in many commercially significant jurisdictions such as Europe, the United States, Canada, China, Japan, Australia, and others. For technologies with potential for the highest commercial impact, our patent filing covers more than 50 countries.

As of February 1, 2023, our patent portfolio comprises more than 115 active patent families and over 5,800 patents and patent applications worldwide. We own over 2,400 patents worldwide, including more than 550 U.S. patents. We plan to continue expanding our U.S. patent portfolio to further strengthen the protection of our lead projects.

At present, IP protection for our product candidates, encompassing proprietary cancer antigen targets, TCRs, TCERs and antibodies, includes the following:

- IMA201: Four issued patents in the U.S., fifteen issued foreign patents in Australia (3), South Korea (3), Colombia (2), Morocco (2), Germany, India, Indonesia, Malaysia, New Zealand, Taiwan, South Africa and China; hundred-and-seventy-three (173) pending patent applications in Argentina, Australia, Brazil, Canada, Chile, China, Colombia, Costa Rica, Algeria, Eurasia, Egypt, Europe, Hong Kong, Indonesia, Israel, India, Japan, South Korea, Mexico, Malaysia, Morocco, New Zealand, Peru, Philippines, Singapore, Thailand, Taiwan, the Ukraine, the U.S., Vietnam and South Africa as well as 4 International applications (PCT) and 6 US provisional applications relating to IMA201 (MAGEA4/8). These patents and patent applications, if issued, are expected to expire between 2037 and 2042, in each case without taking into account any possible patent term adjustment or extensions and assuming payment of all appropriate maintenance, renewal, annuity or other governmental fees.
- IMA203: Five issued patents in the U.S., four issued foreign patents in Germany (2), Taiwan and Algeria, hundred-and-fifty-eight (158) pending patent applications in Argentina, Australia, Brazil, Canada, Chile, China, Colombia, Costa Rica, Germany, Eurasia, Egypt, Europe, Gulf Cooperation Council, Hong Kong, Indonesia, Israel, India, Japan, South Korea, Mexico, Malaysia, New Zealand, Peru, Philippines, Singapore, Thailand, Taiwan, the Ukraine, the U.S., Vietnam and South Africa as well as 5 International applications (PCT) and 8 US provisional applications relating to IMA203 (PRAME). These patents and patent applications, if issued, are expected to expire between 2038 and 2042 in each case without taking into account any possible patent term adjustment or extensions and assuming payment of all appropriate maintenance, renewal, annuity or other governmental fees.
- IMA204: Seven issued patents in the U.S., ninety-three (93) issued foreign patents in Germany, Japan, Hong Kong, South Korea, Mexico, New Zealand, Taiwan, Algeria, South Africa and Europe (two European patents each validated in 40 countries), hundred-and-eighty-one (181) pending patent applications in Argentina, Australia, Brazil, Canada, Chile, China, Columbia, Costa Rica, Germany, Algeria, Eurasia, Egypt, Europe, Gulf Cooperation Council, Hong Kong, Indonesia, Israel, India, Japan, South Korea , Mexico, Malaysia, New Zealand, Peru, Philippines, Singapore, Thailand, Taiwan, Tunisia, the Ukraine, the U.S., Vietnam and South Africa as well as 4 International applications (PCT) and 7 US provisional applications relating to IMA204 (COL6A3 exon 6). These patents and patent applications, if issued, are expected to expire between 2031 and 2042, in each case without taking into account any possible patent term adjustment or extensions and assuming payment of all appropriate maintenance, renewal, annuity or other governmental fees.
- IMA401: Four issued patents in the U.S., eight issued foreign patents in Australia (2), Germany, India, South Korea, Colombia, South Africa and Morocco, two-hundred-and-twelve (212) pending patent applications in Argentina, Australia, Brazil, Canada, Chile, China, Costa Rica, Algeria, Eurasia, Egypt, Europe, Gulf Cooperation Council, Hong Kong, Indonesia, Israel, India, Japan, South Korea, Mexico, Malaysia, New Zealand, Peru, Philippines, Singapore, Thailand, Taiwan, the Ukraine, the U.S., Vietnam and South Africa as well as 4 International applications (PCT) and 6 US provisional applications relating to IMA401 (MAGEA4/8). These patents and patent applications, if issued, are expected to expire between 2037 and 2042, in each case without taking into account any possible patent term adjustment or extensions and assuming

payment of all appropriate maintenance, renewal, annuity or other governmental fees.
IMA401 is further protected by a patent family covering the TCER Platform.

- IMA402: Five issued patents in the U.S., two issued foreign patents in Taiwan and Algeria, ninety-five (95) pending patent applications in Argentina, Australia, Brazil, Canada, Chile, China, Colombia, Costa Rica, Germany, Eurasia, Egypt, Europe, Gulf Cooperation Council, Hong Kong, Indonesia, Israel, India, Japan, South Korea, Mexico, Malaysia, New Zealand, Peru, Philippines, Singapore, Thailand, Taiwan, the Ukraine, the U.S., Vietnam and South Africa as well as 4 International applications (PCT) and 6 US provisional applications relating to the clinical candidates for IMA402 (PRAME). These patents and patent applications, if issued, are expected to expire between 2038 and 2043, in each case without taking into account any possible patent term adjustment or extensions and assuming payment of all appropriate maintenance, renewal, annuity or other governmental fees.
  IMA402 is further protected by a patent family covering the TCER Platform

Further, we pursue patent protection for different aspects of our ACT technology and methods, which also relate and thus confer protection to the clinical projects, IMA201 to IMA204, IMA401 and IMA402. To this end, our subsidiary, Immatics US, has filed and owns 23 patent families. These patents and patent applications are predominantly focused on ACT methods, cell populations, and other immunotherapy methodologies. If issued, these patents and patent applications are expected to expire between 2038 and 2043, in each case without taking into account any possible patent term adjustment or extensions and assuming payment of all appropriate maintenance, renewal, annuity or other governmental fees.

We also place an emphasis on protecting our expanding brand recognition by filing and registering trademark applications throughout the world. We own 20 different trademarks, most of which are registered or have been allowed, in multiple countries and trademark product and services classes. Prominent trademarks are, for example, Immatics, XPRESIDENT, TCER, XCEPTOR, ACTallo and ACTengine.

Collaborations and Other Agreements

We have forged strategic collaborations with biotech and pharmaceutical companies as well as academic research institutions. Key collaborations include (in order of occurrence with the latest collaboration first):

Editas

In June 2022, we and Editas entered into a strategic collaboration and licensing agreement to combine our gamma delta T cell adoptive cell therapies with Editas' CRISPR gene editing technology.

Under the terms of the agreement, Editas Medicine received an undisclosed upfront cash payment and is eligible to receive additional milestone payments based on development, regulatory, and commercial milestones. In addition, we will pay royalties on future net sales on any products that may result from this collaboration.

Bristol Myers Squibb

In August 2019, we and Celgene Corporation, a wholly owned subsidiary of BMS, entered into a strategic collaboration and license agreement to develop novel adoptive cell therapies targeting multiple cancers. Under the agreement, we may develop TCR-T programs against solid tumor targets discovered by our XPRESIDENT technology. We will utilize proprietary TCRs identified by our XCEPTOR TCR discovery and engineering platform.

We will be responsible for the development of these programs through the lead candidate stage, at which time BMS may exercise its option to exclusively license one or more programs, thereby assuming sole responsibility for further worldwide development, manufacturing and commercialization of the TCR-T cell therapies. We retain certain early stage co-development and co-funding rights for selected TCR-T cell therapies arising from the collaboration.

Under the terms of the agreement, we received an upfront payment of $75 million for three programs and are eligible to receive additional regulatory and sales milestones in aggregate amounts of up to $190 million, and $300 million, respectively, as well as tiered royalties based on net sales for each licensed product at percentages ranging from high single digits to teens, subject to customary reductions. BMS has the option to exclusively license up to two additional targets to expand the collaboration at predetermined economics.

On June 2, 2022, we expanded our 2019 collaboration agreement with BMS to include one additional TCR target discovered by Immatics.

As part of this expansion, we have received an upfront payment of $20 million and will be eligible for milestone payments and royalties.

On June 2, 2022, Immatics and BMS also entered into a new collaboration to develop allogeneic TCR-T/CAR-T programs, bringing together our allogeneic gamma delta T cell therapy platform ACTallo with BMS' technologies and oncology drug development expertise. Under this collaboration, the parties will develop two programs owned by BMS and both companies have an option to develop up to four additional programs each. The programs will utilize our proprietary gamma delta T cell-derived, allogeneic ACT platform, called ACTallo, and a suite of next-generation technologies developed by BMS.

Under the terms of this agreement, we have received an upfront payment of $60 million and are eligible for development, regulatory and commercial milestone payments of up to $700 million per BMS program plus tiered royalty payments of up to low double-digit percentages on net product sales. We will be responsible for preclinical development of the initial two BMS-owned programs and will receive additional payment for certain activities that we could perform at BMS' request. BMS will assume responsibility for clinical development and commercialization activities of all BMS-owned programs thereafter.

On December 10, 2021, we entered into a License, Development and Commercialization Agreement with BMS relating to our TCR Bispecific candidate, IMA401. Pursuant to the agreement, we granted to BMS an exclusive, worldwide, sublicensable license to develop, manufacture, and commercialize IMA401 and certain other bispecific and multispecific molecules that bind to a MAGEA4/A8 peptide and engage and activate endogenous T-cells or other immune cells for any diagnostic, prophylactic or therapeutic uses, excluding cell therapy and cell therapy products. BMS granted us a non-exclusive, perpetual, worldwide, sublicensable, royalty-free license to certain BMS Company patents and know-how that are improvements to our platform technology that may be generated by Bristol-Myers Squibb in the performance of activities under the agreement.

In consideration for such licenses, we received an upfront payment of $150 million and will be eligible to receive milestone payments of up to $770 million upon the achievement of certain development, regulatory and commercial milestones. In addition, during the royalty term, we will be eligible to receive tiered, low double-digit percentage royalties on worldwide net sales of licensed products. We have the option in certain instances to co-fund

the development of the licensed products for the United States. If exercised, we will be responsible for a portion of the U.S. development expenses incurred by BMS and will be eligible to receive tiered, low double-digit percentage royalties on U.S. net sales of licensed products that are higher than those if we did not exercise its U.S. development co-funding option. The royalty percentages described above are subject to reduction in a given country under certain circumstances, including, but not limited to, the introduction of biosimilar products. In addition, we have the option to co-promote approved licensed products in the United States. Under the agreement, we will be responsible for, and will bear the cost of, the first Phase 1 clinical trial in Germany for the first licensed product and for performing certain related preclinical studies and CMC-related development activities. BMS will be responsible for, and will bear the cost of, performing all other development and commercialization activities, subject to our U.S. development co-funding option and U.S. co-promote option described above. The Agreement will expire upon expiration of the last royalty term contemplated by the agreement. A royalty term with respect to a licensed product in a given country begins upon the first commercial sale of such licensed product in such country and terminates upon certain events or at the end of certain time periods relevant to such licensed product, including, but not limited to: the expiration of regulatory exclusivity, the expiration of valid patent claims covering such licensed product, and 10 years after first commercial sale of the licensed product in a given country. The agreement has market termination provisions, including termination by BMS of the agreement in its entirety or on a country-by-country basis for convenience upon prior written notice or by BMS for safety reasons. Each party may terminate for uncured breach by the other party, or for the insolvency of the other party. During the term, we will not develop, manufacture or commercialize products which would directly compete with the licensed products, pursuant to the terms and conditions of the agreement.

GlaxoSmithKline ("GSK")

On October 24, 2022, GSK provided Immatics with notice of its decision to terminate their collaboration. Initially announced on February 20, 2020, the terms of the agreement included a €45 Million upfront payment to Immatics and the potential for additional milestone and royalty payments in return for access to two of Immatics' TCR-T programs. As communicated to Immatics, GSK's decision was made unrelated to the programs and the progress achieved in the collaboration to date. The termination became effective on December 26, 2022.

Following termination, Immatics regained the subject proprietary TCRs identified by our XCEPTOR technology, which were directed against two proprietary targets discovered by XPRESIDENT.

Genmab

In July 2018, we and Genmab entered into a research collaboration and license agreement to develop next-generation, T cell engaging bispecific immunotherapies targeting multiple cancer indications. Under the agreement, we are conducting joint research, funded by Genmab, and combining XPRESIDENT, XCEPTOR and TCER technology platforms with Genmab's proprietary antibody technologies to develop multiple bispecific immunotherapies in oncology. Effective January 2, 2023 and for strategic reasons, Genmab provided Immatics with notice of its decision to terminate one program under the collaboration. Both we and Genmab are exclusively discovering and developing immunotherapies directed against two proprietary targets, discovered and developed by our XPRESIDENT platform. Genmab is responsible for development, manufacturing and worldwide commercialization. We retain an option to contribute certain promotion efforts at predetermined levels in selected countries in the EU.

Under the terms of the agreement, we received an upfront fee of $54 million and are eligible to receive additional development, regulatory and commercial milestone payments, totaling $550 million for each licensed product resulting from the collaboration. In addition, we are eligible to receive tiered royalties on net sales for each licensed product at up to double-digit percentages.

UTHealth

We entered into a multi-year collaboration agreement to secure exclusive access to three UTHealth cGMP suites to manufacture various ACT products within the Griffin Research Laboratory. Under the agreement, general facility operations, maintenance, supply and reagents for cGMP manufacture, and co-release of product is provided by UTHealth. Under the agreement, we perform all manufacturing and in-process controls. The UTHealth facility is FDA registered to produce cells and tissues for clinical applications in compliance with cGMP and has received accreditation by the FACT in January 2016, which was renewed in 2019. In August 2020 UTHealth and Immatics extended the collaboration until the end of 2024 providing Immatics exclusive access to cGMP manufacturing infrastructure at The Evelyn H. Griffin Stem Cell Therapeutics Research Laboratory. The extended collaboration ensures continued clinical batch supply for all of Immatics' ongoing and future ACT clinical trials in the United States and Europe.

MD Anderson Cancer Center

In August 2015, we and The University of Texas M.D. Anderson Cancer Center ("MD Anderson") announced the launch of Immatics US to develop multiple T cell and TCR-based adoptive cellular therapies. Immatics US secured over $60 million in total funding – more than $40 million from the parent company Immatics OpCo and a $19.7 million grant from the Cancer Prevention and Research Institute of Texas ("CPRIT") and entered into several agreements, including a restricted stock purchase agreement, several license agreements and a collaboration and license agreement.

Under the collaboration and license agreement (the "MD Anderson Collaboration Agreement"), MD Anderson and Immatics US conduct work pursuant to agreed research plans to develop (i) IMA101 and (ii) ACTengine IMA201, 202, 203 product candidates in certain cancer indications. Immatics US funds all activities by MD Anderson under the research plans.

Pursuant to the terms of the MD Anderson Collaboration Agreement, MD Anderson granted Immatics US a fully paid-up, royalty-free, non-exclusive, sublicensable license under certain technology, patent rights and know-how controlled by MD Anderson relating to the development and manufacturing of T-cell based therapies to perform activities under the MD Anderson Collaboration Agreement. Immatics US granted MD Anderson a fully paid-up, royalty-free, non-exclusive, sublicensable license under certain technology, patent rights and know-how controlled by Immatics US, including intellectual property created under the MD Anderson Collaboration Agreement, to perform activities under the MD Anderson Collaboration Agreement and a fully paid-up, royalty-free, non-exclusive, sublicensable license under technology, patent rights and know-how created under the MD Anderson Collaboration Agreement for research purposes during the term of the MD Anderson Collaboration Agreement. Immatics US owns all intellectual property resulting from or directly related to the work conducted under the research plans, provided such ownership does not result in any violation of law or adversely impact the University of Texas system's tax exempt status.

The MD Anderson Collaboration Agreement will continue until the completion of all research activities contemplated by applicable research plans, unless terminated earlier. MD Anderson has the right to terminate the MD Anderson Collaboration Agreement for Immatics US's material breach following a certain cure period.

Other Agreements

We entered into a number of collaborations that are important for our ability to manufacture, supply and offer our adoptive cell therapies and TCR Bispecifics**.**

We use several third-party contract manufacturers acting in accordance with FDA's good laboratory practice ("GLP") or cGMP, as applicable, practices for the manufacture of viral vectors and cell bank development. We generally apply second-supplier strategies to mitigate supply risks and to secure access to manufacturing innovation and competitive supply costs.

For manufacturing and supply of TCR Bispecifics, we have contracted third party manufacturers and may enter into additional CMO relationships in the future.

Government Regulation

Government authorities in the United States, at the federal, state, and local level, and in other countries and jurisdictions, including the EU, extensively regulate, among other things, the research, development, testing, manufacture, quality control, approval, packaging, storage, recordkeeping, labeling, advertising, promotion, distribution, marketing, post-approval monitoring and reporting, as well as import and export of biological products. Some jurisdictions also regulate the pricing of medicinal products. The processes for obtaining marketing approvals in the United States and in foreign countries and jurisdictions, along with compliance with applicable statutes and regulations, require the expenditure of substantial time and financial resources.

Licensure and Regulation of Biologics in the United States

In the United States, biological products, including gene therapy products, are regulated under the Public Health Service Act ("PHSA") and the Federal Food, Drug, and Cosmetic Act ("FDCA"), and their implementing regulations as well as other federal, state and local statutes and regulations.

The failure of an applicant to comply with the applicable regulatory requirements at any time during the product development process, including during testing, the approval process or post-approval process, may result in delays to the conduct of a study, regulatory review and approval, and/or administrative or judicial sanctions. Failure to comply with regulatory requirements may result in the FDA's refusal to allow an applicant to proceed with clinical trials, refusal to approve pending applications, license suspension or revocation, withdrawal of an approval, warning letters, product recalls, product seizures, total or partial suspension of production or distribution, injunctions, fines, and civil or criminal investigations and penalties brought by the FDA or Department of Justice ("DOJ"), or other government entities, including state agencies.

An applicant seeking to market and distribute a new biologic in the United States generally must satisfactorily complete each of the following steps before the product candidate will be licensed by the FDA:

- preclinical testing including laboratory tests, animal studies, and formulation studies, which must be performed in accordance with the FDA's GLP regulations, as applicable;
- submission to the FDA of an IND for human clinical testing, which must become effective before human clinical trials may begin;
- approval by an IRB representing each clinical site before each clinical trial may be initiated;
- performance of adequate and well-controlled human clinical trials to establish the safety, and efficacy of the product candidate for each proposed indication, in accordance with current GCP;
- preparation and submission to the FDA of a BLA for a biological product;
- FDA acceptance and substantive review of the BLA;
- review of the product candidate by an FDA advisory committee, where appropriate or if applicable;
- satisfactory completion of an FDA inspection of the manufacturing facility or facilities, including those of third parties, at which the product candidate or components thereof are manufactured to assess compliance with cGMP requirements and to assure that the facilities, methods, and controls are adequate to preserve the product's identity, strength, quality, and purity;
- satisfactory completion of any FDA audits of clinical trial sites to assure compliance with GCP and the integrity of clinical data in support of the BLA; and
- securing FDA approval of the BLA to allow marketing of the new biological product.

Preclinical Studies and Investigational New Drug Application

Before an applicant begins testing a product candidate with potential therapeutic value in humans, the product candidate enters preclinical testing. Preclinical studies include studies to evaluate, among other things, the toxicity of the product candidate. The conduct of the preclinical tests must comply with federal regulations and requirements, as applicable, including GLP regulations. Some long-term preclinical testing, such as animal tests of reproductive adverse events and carcinogenicity, and long-term toxicity studies, may continue after the IND is submitted.

The IND and IRB Processes

An IND is an exemption from the FDCA that allows an unapproved product candidate to be shipped in interstate commerce for use in an investigational clinical trial and a request for FDA authorization to administer such investigational product to humans. In support of a request for an IND, applicants must submit a protocol for each clinical trial and any subsequent protocol amendments must be submitted to the FDA as part of the IND. In addition, the results of the preclinical tests, together with manufacturing information, analytical data, any available clinical data or literature and plans for clinical trials, among other things, must be submitted to the FDA as part of an IND. The FDA requires a 30-day waiting period after the filing of each IND before clinical trials may begin. This waiting period is designed to allow the FDA to review the IND to determine whether human research subjects will be exposed to unreasonable health risks. At any time during this 30-day period the FDA may raise concerns or questions about the conduct of the trials as outlined in the IND and impose a clinical hold or partial clinical hold. A clinical hold is an order issued by the FDA to the sponsor to delay a proposed clinical investigation or to suspend an ongoing

investigation. A partial clinical hold is a delay or suspension of only part of the clinical work requested under the IND. In this case, the IND sponsor and the FDA must resolve any outstanding concerns before clinical trials can begin.

Following commencement of a clinical trial, the FDA may also place a clinical hold or partial clinical hold on that trial. No more than 30 days after imposition of a clinical hold or partial clinical hold, the FDA will provide the sponsor a written explanation of the basis for the hold. Following issuance of a clinical hold or partial clinical hold, an investigation may only resume after the FDA has notified the sponsor that the investigation may proceed.

A sponsor may choose, but is not required, to conduct a foreign clinical trial under an IND. When a foreign clinical trial is conducted under an IND, all FDA IND requirements must be met unless waived. When a foreign clinical trial is not conducted under an IND, the sponsor must ensure that the study complies with certain regulatory requirements of the FDA in order to use the study as support for an IND or application for marketing approval or licensing. In particular, such studies must be conducted in accordance with cGCP, including review and approval by an independent ethics committee ("IEC") and obtaining informed consent from subjects. The FDA must be able to validate the data through an onsite inspection, if deemed necessary by the FDA.

An IRB representing each institution participating in the clinical trial must review and approve among other things, the study protocol and informed consent information to be provided to study subjects before it commences at that institution, and the IRB must conduct continuing review and reapprove the study at least annually. An IRB can suspend or terminate approval of a clinical trial at its institution, or an institution it represents, if the clinical trial is not being conducted in accordance with the IRB's requirements or if the product candidate has been associated with unexpected serious harm to patients.

Clinical trials including the use of an investigational device sometimes require submission of an application for an Investigational Device Exemption ("IDE"), to the FDA. The IDE application must be supported by appropriate data, such as animal and laboratory testing results, showing that it is safe to test the device in humans and that the investigational protocol is scientifically sound. The IDE application must be approved in advance by the FDA, unless the product is deemed a non-significant risk device and eligible for more abbreviated IDE requirements. Clinical trials for a significant risk device may begin once the IDE application is approved by the FDA as well as the appropriate IRBs at the clinical trial sites, and the informed consent of the patients participating in the clinical trial is obtained.

Progress reports detailing the status of the clinical trials must be submitted at least annually to the FDA. In addition, IND safety reports must be submitted to the FDA for any of the following: serious and unexpected suspected adverse reactions; findings from other studies or animal or in vitro testing that suggest a significant risk in humans exposed to the product; and any clinically important increase in the case of a serious suspected adverse reaction over that listed in the protocol or investigator brochure. The FDA will typically inspect one or more clinical sites to assure compliance with cGCP and the integrity of the clinical data submitted.

Under the NIH Guidelines, supervision of human gene transfer trials includes evaluation and assessment by an IBC, a local institutional committee that reviews and oversees research utilizing recombinant or synthetic nucleic acid molecules at that institution. The IBC assesses the safety of the research and identifies any potential risk to public health or the environment, and such review may result in some delay before initiation of a clinical trial. While the NIH

Guidelines are not mandatory unless the research in question being conducted at or sponsored by institutions receiving NIH funding of recombinant or synthetic nucleic acid molecule research, many companies and other institutions not otherwise subject to the NIH Guidelines voluntarily follow them.

Clinical Trials in Support of a BLA

Clinical trials involve the administration of the investigational product candidate to human subjects under the supervision of a qualified investigator in accordance with GCP requirements which include, among other things, the requirement that all research subjects provide their informed consent in writing before their participation in any clinical trial. Clinical trials are conducted under written clinical trial protocols detailing, among other things, the objectives of the study, inclusion and exclusion criteria, the parameters to be used in monitoring safety, and the effectiveness and safety criteria to be evaluated.

Human clinical trials are typically conducted in three sequential phases, but the phases may overlap or be combined. Additional studies may also be required after licensing.

- Phase 1 clinical trials are initially conducted in a limited population to test the product candidate for safety, including adverse effects, dose tolerance, absorption, metabolism, distribution, excretion, and pharmacodynamics in healthy humans or in patients. During Phase 1 clinical trials, information about the investigational biological product's pharmacokinetics and pharmacological effects may be obtained to permit the design of scientifically valid Phase 2 clinical trials.

- Phase 2 clinical trials are generally conducted in a limited patient population to identify possible adverse effects and safety risks, evaluate the efficacy of the product candidate for specific targeted indications, and determine dose tolerance and optimal dosage.

- Phase 3 clinical trials are undertaken within an expanded patient population to further evaluate dosage, provide substantial evidence of clinical efficacy, and further test for safety. A well-controlled, statistically robust Phase 3 trial may be designed to deliver the data that regulatory authorities will use to decide whether or not to license, and, if licensed, how to appropriately label a biologic.

While the FDA requires in most cases two adequate and well-controlled pivotal clinical trials to demonstrate the efficacy of a product candidate, a single trial with strong confirmatory evidence may be sufficient in instances where the trial is a large multicenter trial demonstrating internal consistency and a statistically very persuasive finding of a clinically meaningful effect on mortality, irreversible morbidity or prevention of a disease with a potentially serious outcome and confirmation of the result in a second trial would be practically or ethically impossible. In rare cancer indications with very limited treatment options a large and/or controlled trial are often not feasible and thus data from smaller and even uncontrolled trials may be sufficient for regulatory approval.

In some cases, the FDA may approve a BLA for a product candidate but require the sponsor to conduct additional clinical trials to further assess the product candidate's safety and effectiveness after approval. Such post-approval trials are typically referred to as Phase 4 clinical trials. These studies are used to gain additional experience from the treatment of a larger number of patients in the intended treatment group and to further document a clinical benefit in the case of biologics licensed under Accelerated Approval regulations. Failure to exhibit due diligence with regard to conducting Phase 4 clinical trials could result in withdrawal of approval for products.

Review and Approval of a BLA

In order to obtain approval to market a biological product in the United States, a biologics license application must be submitted to the FDA that provides sufficient data establishing the safety and efficacy of the proposed biological product for its intended indication. The BLA includes all relevant data available from pertinent preclinical studies and clinical trials, including negative or ambiguous results as well as positive findings, together with detailed information relating to the product's chemistry, manufacturing, controls and proposed labeling, among other things.

Under federal law, the submission of most BLAs is subject to an application user fee, which for federal fiscal year 2023 is $3,242,026 for an application requiring clinical data. The sponsor of an approved BLA is also subject to an annual program fee, which for fiscal year 2023 is $393,933. Certain exceptions and waivers are available for some of these fees, such as an exception from the application fee for products with orphan designation and a waiver for certain small businesses.

Following submission of a BLA, the FDA conducts a preliminary review of the application generally within 60 calendar days of its receipt and strives to inform the sponsor by the 74th day after the FDA's receipt of the submission whether the application is sufficiently complete to permit substantive review. The FDA may request additional information rather than accept the application for filing. In this event, the application must be resubmitted with the additional information. The resubmitted application is also subject to review before the FDA accepts it for filing. Once the submission is accepted for filing, the FDA begins an in-depth substantive review. The FDA has agreed to specified performance goals in the review process of the BLAs. Under that agreement, 90% of original BLA submissions are meant to be reviewed within ten months of the 60-day filing date, and 90% of original BLAs that have been designated for "priority review" are meant to be reviewed within six months of the 60-day filing date. The review process may be extended once per review cycle by the FDA for three additional months to consider new information or clarification provided by the applicant to address an outstanding deficiency identified by the FDA following the original submission.

Before approving an application, the FDA will typically audit the preclinical study and clinical trial sites that generated the data in support of the BLA. Additionally, the FDA typically will inspect the facility or facilities where the product is or will be manufactured. These pre-approval inspections may cover all facilities associated with a BLA submission, including component manufacturing, finished product manufacturing and control testing laboratories. The FDA will not approve an application unless it determines that the manufacturing processes and facilities are in compliance with cGMP requirements and adequate to assure consistent production of the product within required specifications.

As a condition of approval, the FDA may require an applicant to develop a Risk Evaluation Mitigation Strategy ("REMS"). REMS use risk minimization strategies beyond the professional labeling to ensure that the benefits of the product outweigh the potential risks. To determine whether a REMS is needed, the FDA will consider the size of the population likely to use the product, seriousness of the disease, expected benefit of the product, expected duration of treatment, seriousness of known or potential adverse events and whether the product is a new molecular entity.

The FDA will refer an application for a novel product to an advisory committee or explain why such referral was not made. Typically, an advisory committee is a panel of independent experts, including clinicians and other scientific experts, that reviews, evaluates and provides a recommendation as to whether the application should be

approved and under what conditions. The FDA is not bound by the recommendations of an advisory committee, but it considers such recommendations carefully when making decisions.

Fast Track, Breakthrough Therapy, Priority Review and Regenerative Advanced Therapy Designations

The FDA is authorized to designate certain products for expedited review if they are intended to address an unmet medical need in the treatment of a serious or life-threatening disease or condition. These programs are referred to as Fast Track designation, Breakthrough Therapy designation, Priority Review designation and Regenerative Advanced Therapy designation.

Specifically, the FDA may designate a product for Fast Track designation if it is intended, whether alone or in combination with one or more other products, for the treatment of a serious or life-threatening disease or condition, and it demonstrates the potential to address unmet medical needs for such a disease or condition. For Fast Track products, sponsors may have greater interactions with the FDA and the FDA may initiate review of sections of a Fast Track product's application before the application is complete. This rolling review may be available if the FDA determines, after preliminary evaluation of clinical data submitted by the sponsor, that a Fast Track product may be effective. The sponsor must also provide, and the FDA must approve, a schedule for the submission of the remaining information and the sponsor must pay applicable user fees. However, the FDA's time period goal for reviewing a Fast Track application does not begin until the last section of the application is submitted. In addition, the Fast Track designation may be withdrawn by the FDA if the FDA believes that the designation is no longer supported by data emerging in the clinical trial process.

Second, a product may be designated as a Breakthrough Therapy if it is intended, either alone or in combination with one or more other products, to treat a serious or life-threatening disease or condition and preliminary clinical evidence indicates that the product may demonstrate substantial improvement over existing therapies on one or more clinically significant endpoints, such as substantial treatment effects observed early in clinical development. The FDA may take certain actions with respect to Breakthrough Therapies, including holding meetings with the sponsor throughout the development process; providing timely advice to the product sponsor regarding development and approval; involving more senior staff in the review process; assigning a cross-disciplinary project lead for the review team; and taking other steps to design the clinical trials in an efficient manner.

Third, the FDA may designate a product for Priority Review if it is a product that treats a serious condition and, if licensed, would provide a significant improvement in safety or effectiveness. The FDA determines, on a case-by-case basis, whether the proposed product represents a significant improvement when compared with other available therapies. Significant improvement may be illustrated by evidence of increased effectiveness in the treatment of a condition, elimination or substantial reduction of a treatment-limiting product reaction, documented enhancement of patient compliance that may lead to improvement in serious outcomes, and evidence of safety and effectiveness in a new subpopulation. A priority designation is intended to direct overall attention and resources to the evaluation of such applications, and to shorten the FDA's goal for taking action on a marketing application from ten months to six months.

The FDA can accelerate review and approval of products designated as regenerative advanced therapies. A product is eligible for this designation if it is a regenerative medicine therapy that is intended to treat, modify, reverse or cure a serious or life-threatening disease or condition and preliminary clinical evidence indicates that the product

has the potential to address unmet medical needs for such disease or condition. The benefits of a regenerative advanced therapy designation include early interactions with FDA to expedite development and review, benefits available to breakthrough therapies, potential eligibility for Priority Review and Accelerated Approval based on surrogate or intermediate endpoints.

Accelerated Approval Pathway

The FDA may grant Accelerated Approval to a product for a serious or life-threatening condition that provides meaningful therapeutic advantage to patients over existing treatments, based upon a determination that the product has an effect on a surrogate endpoint that is reasonably likely to predict clinical benefit. The FDA may also grant Accelerated Approval for such a condition when the product has an effect on an intermediate clinical endpoint that can be measured earlier than an effect on irreversible morbidity or mortality ("IMM") and that is reasonably likely to predict an effect on IMM or other clinical benefit, taking into account the severity, rarity, or prevalence of the condition and the availability or lack of alternative treatments. Products granted Accelerated Approval must meet the same statutory standards for safety and effectiveness as those granted traditional approval.

For the purposes of Accelerated Approval, a surrogate endpoint is a marker, such as a laboratory measurement, radiographic image, physical sign, or other measure that is thought to predict clinical benefit but is not itself a measure of clinical benefit. Surrogate endpoints can often be measured more easily or more rapidly than clinical endpoints. An intermediate clinical endpoint is a measurement of a therapeutic effect that is considered reasonably likely to predict the clinical benefit of a drug, such as an effect on IMM. The FDA has indicated that intermediate clinical endpoints generally may support Accelerated Approval where the therapeutic effect measured by the endpoint is not itself a clinical benefit and basis for traditional approval, if there is a basis for concluding that the therapeutic effect is reasonably likely to predict the ultimate clinical benefit of a product.

The Accelerated Approval pathway is most often used in settings in which the course of a disease is long and an extended period of time is required to measure the intended clinical benefit of a product, even if the effect on the surrogate or intermediate clinical endpoint occurs rapidly. Thus, Accelerated Approval has been used extensively in the development and approval of products for treatment of a variety of cancers in which the goal of therapy is generally to improve survival or decrease morbidity and the duration of the typical disease course requires lengthy and sometimes large trials to demonstrate a clinical or survival benefit. Thus, the benefit of Accelerated Approval derives from the potential to receive approval based on surrogate endpoints sooner than possible for trials with clinical or survival endpoints, rather than deriving from any explicit shortening of the FDA approval timeline, as is the case with Priority Review.

The Accelerated Approval pathway is usually contingent on a sponsor's agreement to conduct, in a diligent manner, additional post-approval confirmatory studies to verify and describe the product's clinical benefit. The FDA might also require to already set-up and initiate such confirmatory studies prior to BLA submission. As a result, a product candidate licensed on this basis is subject to rigorous post-marketing compliance requirements, including the completion of Phase 4 or post-approval clinical trials to confirm the effect on the clinical endpoint. Failure to conduct required post-approval studies, or confirm a clinical benefit during post-marketing studies, would allow the FDA to initiate expedited proceedings to withdraw approval of the product. All promotional materials for product candidates licensed under accelerated regulations are subject to prior review by the FDA.

The FDA's Decision on a BLA

On the basis of the FDA's evaluation of the application and accompanying information, including the results of the inspection of the manufacturing facilities, the FDA may issue an approval letter or a complete response letter. An approval letter authorizes commercial marketing of the product with specific prescribing information for specific indications. A complete response letter generally outlines the deficiencies in the submission and may require substantial additional testing or information in order for the FDA to reconsider the application. If those deficiencies have been addressed to the FDA's satisfaction in a resubmission of the BLA, the FDA will issue an approval letter. The FDA has committed to reviewing such resubmissions in two or six months depending on the type of information included. Even with submission of this additional information, the FDA ultimately may decide that the application does not satisfy the regulatory criteria for licensing.

If the FDA licenses a new product, it may limit the licensed indications for use of the product. The agency may also require testing and surveillance programs to monitor the product after commercialization, or impose other conditions, including distribution restrictions or other risk management mechanisms, including REMS, to help ensure that the benefits of the product outweigh the potential risks. REMS can include medication guides, communication plans for healthcare professionals, and elements to assure safe use ("ETASU"). ETASU can include, but are not limited to, special training or certification for prescribing or dispensing, dispensing only under certain circumstances, special monitoring and the use of patient registries. The FDA may prevent or limit further marketing of a product based on the results of post-market studies or surveillance programs. After licensing, many types of changes to the licensed product, such as adding new indications, manufacturing changes and additional labeling claims, are subject to further testing requirements and FDA review and approval.

Post-Licensing Regulation

If regulatory licensing for marketing of a product or new indication for an existing product is obtained, the sponsor will be required to comply with all regular post-licensing regulatory requirements as well as any post-licensing requirements that the FDA may have imposed as part of the licensing process. The sponsor will be required to report, among other things, certain adverse reactions and manufacturing problems to the FDA, provide updated safety and potency or efficacy information and comply with requirements concerning advertising and promotional labeling requirements. Manufacturers and certain of their subcontractors are required to register their facilities with the FDA and certain state agencies, and are subject to periodic unannounced inspections by the FDA and certain state agencies for compliance with ongoing regulatory requirements, including cGMP regulations, which impose certain procedural and documentation requirements upon manufacturers. Changes to the manufacturing processes are strictly regulated and often require prior FDA approval before being implemented. Accordingly, the sponsor and its third-party manufacturers must continue to expend time, money, and effort in the areas of production and quality control to maintain compliance with cGMP regulations and other regulatory requirements.

As part of the manufacturing process, the manufacturer is required to perform certain tests on each lot of the product before it is released for distribution. After a BLA is approved for a biological product, the product may also be subject to official lot release, meaning that the manufacturer is required to perform certain tests on each lot of the product before it is released for distribution. If the product is subject to official release, the manufacturer must submit samples of each lot, together with a release protocol showing a summary of the history of manufacture of the lot and

the results of all of the manufacturer's tests performed on the lot, to the FDA. The FDA may in addition perform certain confirmatory tests on lots of some products before releasing the lots for distribution. In addition, the FDA conducts laboratory research related to the regulatory standards on the safety, purity, potency, and effectiveness of biological products.

Once a license is granted, the FDA may suspend or revoke the license if compliance with regulatory requirements is not maintained or if problems occur after the product reaches the market. Later discovery of previously unknown problems with a product, including adverse events of unanticipated severity or frequency, or with manufacturing processes, or failure to comply with regulatory requirements, may result in revisions to the labeling to add new safety information; imposition of post-market studies or clinical trials to assess safety risks; or imposition of distribution or other restrictions under a REMS program. Other potential consequences include, among other things:

- restrictions on the marketing or manufacturing of the product, complete withdrawal of the product from the market, or product recalls;
- fines, warning letters, or holds on post-licensing clinical trials;
- refusal of the FDA to approve pending applications or supplements to licensed applications, or suspension or revocation of product licenses;
- product seizure or detention, or refusal to permit the import or export of products; or
- injunctions or the imposition of civil or criminal penalties.

The FDA strictly regulates the marketing, labeling, advertising and promotion of prescription drug products placed on the market. This regulation includes, among other things, standards and regulations for direct-to-consumer advertising, communications regarding unapproved uses, industry-sponsored scientific and educational activities, and promotional activities involving the Internet and social media. After licensing, a drug product generally may not be promoted for uses that are not licensed by the FDA, as reflected in the product's prescribing information. In the United States, healthcare professionals are generally permitted to prescribe drugs for such uses not described in the drug's labeling, known as off-label uses, because the FDA does not regulate the practice of medicine. However, FDA regulations impose rigorous restrictions on manufacturers' communications, prohibiting the promotion of off-label uses. It may be permissible, under very specific, narrow conditions, for a manufacturer to engage in nonpromotional, non-misleading communication regarding off-label information, such as distributing scientific or medical journal information.

If a company is found to have promoted off-label uses, it may become subject to adverse public relations and administrative and judicial enforcement by the FDA, the Department of Justice, or the Office of the Inspector General of the HHS, as well as state authorities. This could subject a company to a range of penalties that could have a significant commercial impact, including civil and criminal fines and agreements that materially restrict the manner in which a company promotes or distributes drug products. The federal government has levied large civil and criminal fines against companies for alleged improper promotion and has also requested that companies enter into consent decrees or permanent injunctions under which specified promotional conduct is changed or curtailed.

In addition, the distribution of prescription pharmaceutical products is subject to the Prescription Drug Marketing Act ("PDMA") and its implementing regulations as well as the Drug Supply Chain Security Act ("DSCA"), which regulate the distribution and tracing of prescription drug samples at the federal level and set minimum standards

for the regulation of distributors by the states. The PDMA, its implementing regulations and state laws limit the distribution of prescription pharmaceutical product samples, and the DSCA imposes requirements to ensure accountability in distribution and to identify and remove counterfeit and other illegitimate products from the market.

Pediatric Studies and Exclusivity

Under the Pediatric Research Equity Act, a BLA or supplement thereto for a biological product with a new active ingredient, indication, dosage form, dosing regimen or route of administration must contain data that are adequate to assess the safety and effectiveness of the product for the claimed indications in all relevant pediatric subpopulations, and to support dosing and administration for each pediatric subpopulation for which the product is safe and effective. Sponsors must also submit pediatric study plans prior to the assessment data. Those plans must contain an outline of the proposed pediatric study or studies the applicant plans to conduct, including study objectives and design, any deferral or waiver requests and other information required by regulation. The applicant, the FDA, and the FDA's internal review committee must then review the information submitted, consult with each other and agree upon a final plan. The FDA or the applicant may request an amendment to the plan at any time.

For products intended to treat a serious or life-threatening disease or condition, the FDA must, upon the request of an applicant, meet to discuss preparation of the initial pediatric study plan or to discuss deferral or waiver of pediatric assessments. In addition, FDA will meet early in the development process to discuss pediatric study plans with sponsors and FDA must meet with sponsors by no later than the end-of-Phase 1 meeting for serious or life-threatening diseases and by no later than ninety (90) days after FDA's receipt of the study plan.

The FDA may, on its own initiative or at the request of the applicant, grant deferrals for submission of some or all pediatric data until after licensing of the product for use in adults, or full or partial waivers from the pediatric data requirements. Generally, the pediatric data requirements do not apply to products with orphan designation.

The FDA Reauthorization Act of 2017 established new requirements to govern certain molecularly targeted cancer indications. Any company that submits a BLA three years after the date of enactment of that statute must submit pediatric assessments with the BLA if the biologic is intended for the treatment of an adult cancer and is directed at a molecular target that FDA determines to be substantially relevant to the growth or progression of a pediatric cancer. The investigation must be designed to yield clinically meaningful pediatric study data regarding the dosing, safety and preliminary potency to inform pediatric labeling for the product. Deferrals and waivers as described above are also available. Exemptions for pediatric assessments usually do not apply for molecularly targeted cancer indications.

Pediatric exclusivity is another type of non-patent marketing exclusivity in the United States and, if granted, provides for the attachment of an additional six months of marketing protection to the term of any existing regulatory exclusivity, including the non-patent and orphan exclusivity. This six-month exclusivity may be granted if a BLA sponsor submits pediatric data that fairly respond to a written request from the FDA for such data. The data do not need to show the product to be effective in the pediatric population studied. If reports of requested pediatric studies are submitted to and accepted by the FDA within the statutory time limits, whatever statutory or regulatory periods of exclusivity or patent protection cover the product are extended by six months. This is not a patent term extension, but it effectively extends the regulatory period during which the FDA cannot license another application.

Orphan Drug Designations and Exclusivity

Under the Orphan Drug Act, the FDA may designate a biological product as an "orphan drug" if it is intended to treat a rare disease or condition, generally meaning that it affects fewer than 200,000 individuals in the United States, or more in cases in which there is no reasonable expectation that the cost of developing and making a product available in the United States for treatment of disease or condition will be recovered from sales of the product. A company must seek orphan drug designation before submitting a BLA for the candidate product. If the request is granted, the FDA will disclose the identity of the therapeutic agent and its potential use. Orphan drug designation does not shorten the PDUFA goal dates for the regulatory review and licensing process, although it does convey certain advantages such as tax benefits and exemption from the PDUFA application fee.

If a product with orphan designation receives the first FDA approval for the disease or condition for which it has such designation or for a select indication or use within the rare disease or condition for which it was designated, the product generally will receive orphan drug exclusivity. Orphan drug exclusivity means that the FDA may not license another sponsor's marketing application for the same drug for the same condition for seven years, except in certain limited circumstances. Orphan exclusivity does not block the licensing of a different product for the same rare disease or condition, nor does it block the licensing of the same product for different conditions. If a biologic designated as an orphan drug ultimately receives marketing licensing for an indication broader than what was designated in its orphan drug application, it may not be entitled to exclusivity.

Orphan drug exclusivity will not bar licensing of another product under certain circumstances, including if a subsequent product with the same biologic for the same condition is shown to be clinically superior to the licensed product on the basis of greater effectiveness, safety in a substantial portion of the target populations, or providing a major contribution to patient care, or if the company with orphan drug exclusivity is not able to meet market demand.

Biosimilars and Regulatory Exclusivity

The 2010 Patient Protection and Affordable Care Act, which was signed into law on March 23, 2010, included a subtitle called the Biologics Price Competition and Innovation Act of 2009 ("BPCIA"). The BPCIA established a regulatory scheme authorizing the FDA to license biosimilars and interchangeable biosimilars. The FDA has licensed several biosimilar products for use in the United States. The FDA has issued several guidance documents outlining an approach to review and licensing of biosimilars.

Under the BPCIA, a manufacturer may apply for licensure of a biological product that is "biosimilar to" or "interchangeable with" a previously licensed biological product or "reference product." In order for the FDA to license a biosimilar product, it must find, among other things, that the product is "highly similar" to the reference product notwithstanding minor differences in clinically inactive components and that there are no clinically meaningful differences between the reference product and proposed biosimilar product in terms of safety, purity, and potency. For the FDA to license a biosimilar product as interchangeable with a reference product, the agency must find that the biosimilar product can be expected to produce the same clinical results as the reference product, and, for products administered multiple times, that the biologic and the reference biologic may be switched after one has been previously administered without increasing safety risks or risks of diminished potency relative to exclusive use of the reference biologic.

Under the BPCIA, an application for a biosimilar or interchangeable biological product may not be submitted to the FDA until four years following the date of licensing of the reference product. The FDA may not license a biosimilar or interchangeable biological product until 12 years from the date on which the reference product was licensed. Even if a product is considered to be a reference product eligible for exclusivity, another company could market a competing version of that product if the FDA licenses a full BLA for such product containing the sponsor's own preclinical data and data from adequate and well-controlled clinical trials to demonstrate the safety, purity, and potency of their product. The BPCIA also created certain exclusivity periods for biosimilars licensed as interchangeable products. At this juncture, it is unclear whether products deemed "interchangeable" by the FDA will, in fact, be readily substituted by pharmacies, which are governed by state pharmacy law.

Patent Term Restoration and Extension

The term of individual patents depends upon the legal term of the patents in the countries in which they are obtained. In most countries in which we file, including the United States, the patent term is 20 years from the earliest date of filing of a non-provisional patent application. In the United States, a patent claiming a new FDA-approved biological product may be eligible for a limited patent term extension under the Hatch-Waxman Act, which permits a patent restoration of up to five years for patent term lost during product development and FDA regulatory review. The restoration period granted on a patent covering a product is typically one-half the time between the effective date of an IND and the submission date of a marketing application (such as a BLA), plus the time between the submission date of a marketing application and the ultimate licensing date. Patent term restoration cannot be used to extend the remaining term of a patent past a total of 14 years from the product's licensing date. Only one patent applicable to a licensed product is eligible for the extension, only those claims covering the approved product, a method for using it, or a method for manufacturing it may be extended and the application for the extension must be submitted prior to the expiration of the patent in question and within 60 days after approval of the relevant marketing application. A patent that covers multiple products for which licensing is sought can only be extended in connection with one of the licenses. The USPTO reviews and licenses the application for any patent term extension or restoration in consultation with the FDA. Similar provisions are available in Europe and other foreign jurisdictions to extend the term of a patent that covers an approved drug. In the future, if and when our products receive FDA approval, we expect to apply for patent term extensions on patents covering those products. We plan to seek patent term extensions to any of our issued patents in any jurisdiction where these are available, however there is no guarantee that the applicable authorities, including the FDA in the United States, will agree with our assessment of whether such extensions should be granted, and if granted, the length of such extensions.

Regulation of Companion Diagnostics

The success of certain of our product candidates may depend, in part, on the development and commercialization of a companion diagnostic. Companion diagnostics identify patients who are most likely to benefit from a particular therapeutic product; identify patients likely to be at increased risk for serious side effects as a result of treatment with a particular therapeutic product; or monitor response to treatment with a particular therapeutic product for the purpose of adjusting treatment to achieve improved safety or effectiveness. Companion diagnostics are regulated as medical devices by the FDA. In the United States, the FDCA and its implementing regulations, and other federal and state statutes and regulations govern, among other things, medical device design and development,

preclinical and clinical testing, premarket clearance or approval, registration and listing, manufacturing, labeling, storage, advertising and promotion, sales and distribution, export and import, and post-market surveillance. Unless an exemption or FDA exercise of enforcement discretion applies, diagnostic tests generally require marketing clearance or approval from the FDA prior to commercialization. The two primary types of FDA marketing authorization applicable to a medical device are premarket notification, also called 510(k) clearance, and approval of a premarket approval ("PMA").

To obtain 510(k) clearance for a medical device, or for certain modifications to devices that have received 510(k) clearance, a manufacturer must submit a premarket notification demonstrating that the proposed device is substantially equivalent to a previously cleared 510(k) device or to a preamendment device that was in commercial distribution before May 28, 1976, or a predicate device, for which the FDA has not yet called for the submission of a PMA. In making a determination that the device is substantially equivalent to a predicate device, the FDA compares the proposed device to the predicate device or predicate devices and assesses whether the subject device is comparable to the predicate device or predicate devices with respect to intended use, technology, design and other features which could affect safety and effectiveness. If the FDA determines that the subject device is substantially equivalent to the predicate device or predicate devices, the subject device may be cleared for marketing.

PMA applications must be supported by valid scientific evidence, which typically requires extensive data, including technical, preclinical, clinical and manufacturing data, to demonstrate to the FDA's satisfaction the safety and effectiveness of the device. For diagnostic tests, a PMA application typically includes data regarding analytical and clinical validation studies. As part of its review of the PMA, the FDA will conduct a pre-approval inspection of the manufacturing facility or facilities to ensure compliance with the Quality System Regulation ("QSR"), which requires manufacturers to follow design, testing, control, documentation and other quality assurance procedures. If the FDA evaluations of both the PMA application and the manufacturing facilities are favorable, the FDA will either issue an approval letter or an approvable letter, which usually contains a number of conditions that must be met in order to secure the final approval of the PMA. If the FDA's evaluation of the PMA or manufacturing facilities is not favorable, the FDA will deny the approval of the PMA or issue a not approvable letter. A not approvable letter will outline the deficiencies in the application and, where practical, will identify what is necessary to make the PMA approvable. Once granted, PMA approval may be withdrawn by the FDA if compliance with post-approval requirements, conditions of approval or other regulatory standards is not maintained or problems are identified following initial marketing.

On July 31, 2014, the FDA issued a final guidance document addressing the development and approval process for "In Vitro Companion Diagnostic Devices." According to the guidance document, for novel therapeutic products that depend on the use of a diagnostic test and where the diagnostic device could be essential for the safe and effective use of the corresponding therapeutic product, the premarket application for the companion diagnostic device should be developed and approved or cleared contemporaneously with the therapeutic, although the FDA recognizes that there may be cases when contemporaneous development may not be possible. However, in cases where a drug cannot be used safely or effectively without the companion diagnostic, the FDA's guidance indicates it will generally not approve the drug without the approval or clearance of the diagnostic device. The FDA also issued a draft guidance in July 2016 setting forth the principles for co-development of an ***in vitro*** companion diagnostic device with a therapeutic product. The draft guidance describes principles to guide the development and contemporaneous marketing authorization for the therapeutic product and its corresponding in vitro companion diagnostic.

Once cleared or approved, the companion diagnostic device must adhere to post-marketing requirements including the requirements of FDA's quality system regulation, adverse event reporting, recalls and corrections along with product marketing requirements and limitations. Like drug and biologic makers, companion diagnostic makers are subject to unannounced FDA inspections at any time during which the FDA will conduct an audit of the product(s) and the company's facilities for compliance with its authorities.

Healthcare Law and Regulation

See chapter 3.3 of this report under Risks Related to Our Business and Industry.

Review and Approval of Medicinal Products in the EU

In order to market any product outside of the United States, a company must also comply with numerous and varying regulatory requirements of other countries and jurisdictions regarding quality, safety and efficacy and governing, among other things, clinical trials, marketing authorization, commercial sales and distribution of products. Whether or not it obtains FDA licensing for a product, an applicant will need to obtain the necessary approvals by the comparable non-U.S. regulatory authorities before it can commence clinical trials or marketing of the product in those countries or jurisdictions. Specifically, the process governing approval of medicinal products in the EU generally follows similar lines as in the United States. It entails satisfactory completion of preclinical studies and adequate and well-controlled clinical trials to establish the safety and efficacy of the product for each proposed indication. It also requires the submission to the relevant competent authorities of a MAA, and granting of a marketing authorization by these authorities before the product can be marketed and sold in the EU.

Clinical Trial Approval in the EU

The Clinical Trials Directive 2001/20/EC, the Directive 2005/28/EC on GCP and the related national implementing provisions of the individual EU Member States govern the system for the approval of clinical trials in the EU. Under this system, an applicant must obtain prior approval from the competent national authority of the EU Member States in which the clinical trial is to be conducted. Furthermore, the applicant may only start a clinical trial at a specific study site after the lead ethics committee has issued a favorable opinion. The clinical trial application must be accompanied by, among other documents, an investigational medicinal product dossier (the Common Technical Document) with supporting information prescribed by Directive 2001/20/EC, Directive 2005/28/EC, where relevant the implementing national provisions of the individual EU Member States and further detailed in applicable guidance documents.

In April 2014, the EU adopted a new Clinical Trials Regulation (EU) No 536/2014, which is set to replace the current Clinical Trials Directive 2001/20/EC. The new Clinical Trials Regulation (EU) No 536/2014 applies since January 31, 2022 and overhauls the current system of approvals for clinical studies in the EU. Specifically, the new regulation, which is directly applicable in all member states, aims at simplifying and streamlining the approval of clinical studies in the EU. For instance, the new Clinical Trials Regulation provides for a streamlined application procedure via a single point and strictly defined deadlines for the assessment of clinical study applications.

PRIME Designation in the EU

In March 2016, the EMA launched an initiative to facilitate development of product candidates in indications, often rare, for which few or no therapies currently exist. The PRIority MEdicines ("PRIME") scheme is intended to encourage drug development in areas of unmet medical need and provides accelerated assessment of products representing substantial innovation reviewed under the centralized procedure. Products from small and medium-sized enterprises may qualify for earlier entry into the PRIME scheme than products from larger companies. Many benefits accrue to sponsors of product candidates with PRIME designation, including but not limited to, early and proactive regulatory dialogue with the EMA, frequent discussions on clinical trial designs and other development program elements, and accelerated marketing authorization application assessment once a dossier has been submitted. Importantly, a dedicated agency contact and a rapporteur from the Committee for Human Medicinal Products ("CHMP") or Committee for Advanced Therapies are appointed early in the PRIME scheme facilitating increased understanding of the product at EMA's Committee level. A kick-off meeting initiates these relationships and includes a team of multidisciplinary experts at the EMA to provide guidance on the overall development and regulatory strategies.

Marketing Authorization in the EU

To obtain a marketing authorization for a product under EU regulatory systems, an applicant must submit an MAA, either under a centralized procedure administered by the EMA or one of the procedures administered by competent authorities in EU Member States (decentralized procedure, national procedure, or mutual recognition procedure). A marketing authorization may be granted only to an applicant established in the EU. Regulation (EC) No. 1901/2006 provides that prior to obtaining a marketing authorization in the EU, applicants must demonstrate compliance with all measures included in an EMA-approved Pediatric Investigation Plan ("PIP") covering all subsets of the pediatric population, unless the EMA has granted a product-specific waiver, class waiver, or a deferral for one or more of the measures included in the PIP.

The centralized procedure provides for the grant of a single marketing authorization by the European Commission that is valid across the European Economic Area. Pursuant to Regulation (EC) No. 726/2004, the centralized procedure is compulsory for specific products, including for medicines produced by certain biotechnological processes, products designated as orphan medicinal products, ATMPs and products with a new active substance indicated for the treatment of certain diseases, including products for the treatment of cancer. For products with a new active substance indicated for the treatment of other diseases and products that are highly innovative or for which a centralized process is in the interest of patients, the centralized procedure may be optional. The centralized procedure may at the request of the applicant also be used in certain other cases. We anticipate that the centralized procedure will be mandatory for the product candidates we are developing.

Under the centralized procedure, the CHMP is also responsible for several post-authorization and maintenance activities, such as the assessment of modifications or extensions to an existing marketing authorization. Under the centralized procedure in the EU, the maximum timeframe for the evaluation of an MAA is 210 days, excluding clock stops when additional information or written or oral explanation is to be provided by the applicant in response to questions of the CHMP. Accelerated evaluation may be granted by the CHMP in exceptional cases and under PRIME designation, when a medicinal product is of major interest from the point of view of public health and, in particular,

from the viewpoint of therapeutic innovation. If the CHMP accepts such a request, the time limit of 210 days will be reduced to 150 days, but it is possible that the CHMP may revert to the standard time limit for the centralized procedure if it determines that it is no longer appropriate to conduct an accelerated assessment. At the end of this period, the CHMP provides a scientific opinion on whether or not a marketing authorization should be granted in relation to a medicinal product. Within 15 calendar days of receipt of a final opinion from the CHMP, the European Commission must prepare a draft decision concerning an application for marketing authorization. This draft decision must take the opinion and any relevant provisions of EU law into account. Before arriving at a final decision on an application for centralized authorization of a medicinal product the European Commission must consult the Standing Committee on Medicinal Products for Human Use. The Standing Committee is composed of representatives of the EU Member States and chaired by a non-voting European Commission representative. The European Parliament also has a related "droit de regard." The European Parliament's role is to ensure that the European Commission has not exceeded its powers in deciding to grant or refuse to grant a marketing authorization.

The European Commission may grant a so-called "marketing authorization under exceptional circumstances." Such authorization is intended for products for which the applicant can demonstrate that it is unable to provide comprehensive data on the efficacy and safety under normal conditions of use, because the indications for which the product in question is intended are encountered so rarely that the applicant cannot reasonably be expected to provide comprehensive evidence, or in the present state of scientific knowledge, comprehensive information cannot be provided, or it would be contrary to generally accepted principles of medical ethics to collect such information. Consequently, marketing authorization under exceptional circumstances may be granted subject to certain specific obligations, which may include the following:

- the applicant must complete an identified program of studies within a time period specified by the competent authority, the results of which form the basis of a reassessment of the benefit/risk profile;
- the medicinal product in question may be supplied on medical prescription only and may in certain cases be administered only under strict medical supervision, possibly in a hospital and in the case of a radiopharmaceutical, by an authorized person; and
- the package leaflet and any medical information must draw the attention of the medical practitioner to the fact that the particulars available concerning the medicinal product in question are as yet inadequate in certain specified respects.

A marketing authorization under exceptional circumstances is subject to annual review to reassess the risk-benefit balance in an annual reassessment procedure. Continuation of the authorization is linked to the annual reassessment and a negative assessment could potentially result in the marketing authorization being suspended or revoked. The renewal of a marketing authorization of a medicinal product under exceptional circumstances, however, follows the same rules as a "normal" marketing authorization. Thus, a marketing authorization under exceptional circumstances is granted for an initial five years, after which the authorization will become valid indefinitely, unless the EMA decides that safety grounds merit one additional five-year renewal.

The European Commission may also grant a so-called "conditional marketing authorization" prior to obtaining the comprehensive clinical data required for an application for a full marketing authorization. Such

conditional marketing authorizations may be granted for product candidates (including medicines designated as orphan medicinal products), if (i) the risk-benefit balance of the product candidate is positive, (ii) it is likely that the applicant will be in a position to provide the required comprehensive clinical trial data, (iii) the product fulfills an unmet medical need and (iv) the benefit to public health of the immediate availability on the market of the medicinal product concerned outweighs the risk inherent in the fact that additional data are still required. A conditional marketing authorization may contain specific obligations to be fulfilled by the marketing authorization holder, including obligations with respect to the completion of ongoing or new studies, and with respect to the collection of pharmacovigilance data. Conditional marketing authorizations are valid for one year, and may be renewed annually, if the risk-benefit balance remains positive, and after an assessment of the need for additional or modified conditions and/or specific obligations. The timelines for the centralized procedure described above also apply with respect to the review by the CHMP of applications for a conditional marketing authorization.

The EU medicines rules expressly permit the EU Member States to adopt national legislation prohibiting or restricting the sale, supply or use of any medicinal product containing, consisting of or derived from a specific type of human or animal cell, such as embryonic stem cells. While the product candidates we have in development do not make use of embryonic stem cells, it is possible that the national laws in certain EU Member States may prohibit or restrict us from commercializing our product candidates, even if they have been granted an EU marketing authorization.

Regulatory Data Protection in the EU

In the EU, innovative medicinal products approved on the basis of a complete independent data package qualify for eight years of data exclusivity upon marketing authorization and an additional two years of market exclusivity pursuant to Directive 2001/83/EC. Regulation (EC) No. 726/2004 repeats the entitlement for medicinal products authorized in accordance with the centralized authorization procedure. Data exclusivity prevents applicants for authorization of generics of these innovative products from referencing the innovator's data to assess a generic (abridged) application for a period of eight years. During the additional two-year period of market exclusivity, a generic marketing authorization application can be submitted and authorized, and the innovator's data may be referenced, but no generic medicinal product can be placed on the EU market until the expiration of the market exclusivity. The overall ten-year period will be extended to a maximum of 11 years if, during the first eight years of those ten years, the marketing authorization holder obtains an authorization for one or more new therapeutic indications which, during the scientific evaluation prior to their authorization, are held to bring a significant clinical benefit in comparison with existing therapies. Even if a compound is considered to be a new chemical entity so that the innovator gains the prescribed period of data exclusivity, another company may market another version of the product if such company obtained marketing authorization based on an MAA with a complete independent data package of pharmaceutical tests, non-clinical tests and clinical trials.

Periods of Authorization and Renewals

A marketing authorization has an initial validity for five years in principle. The marketing authorization may be renewed after five years on the basis of a reevaluation of the risk-benefit balance by the EMA or by the competent authority of the EU Member State. To this end, the marketing authorization holder must provide the EMA or the competent authority with a consolidated version of the file in respect of quality, safety, and efficacy, including all

variations introduced since the marketing authorization was granted, at least six months before the marketing authorization ceases to be valid.

The European Commission or the competent authorities of the EU Member States may decide, on justified grounds relating to pharmacovigilance, to proceed with one further five-year period of marketing authorization. Once subsequently definitively renewed, the marketing authorization shall be valid for an unlimited period. Any authorization which is not followed by the actual placing of the medicinal product on the EU market (in case of centralized procedure) or on the market of the authorizing EU Member State within three years after authorization ceases to be valid (the so-called sunset clause).

Orphan Drug Designation and Exclusivity

Regulation (EC) No. 141/2000, as implemented by Regulation (EC) No. 847/2000 provides that a drug can be designated as an orphan drug by the European Commission if its sponsor can establish: that the product is intended for the diagnosis, prevention or treatment of (1) a life-threatening or chronically debilitating condition affecting not more than five in ten thousand persons in the EU when the application is made, or (2) a life-threatening, seriously debilitating or serious and chronic condition in the EU and that without incentives it is unlikely that the marketing of the drug in the EU would generate sufficient return to justify the necessary investment. For either of these conditions, the applicant must demonstrate that there exists no satisfactory method of diagnosis, prevention or treatment of the condition in question that has been authorized in the EU or, if such method exists, the drug will be of significant benefit to those affected by that condition.

Once authorized, orphan medicinal products are entitled to 10 years of market exclusivity in all EU Member States and, in addition, a range of other benefits during the development and regulatory review process including scientific assistance for study protocols, authorization through the centralized marketing authorization procedure covering all member countries and a reduction or elimination of registration and marketing authorization fees. However, marketing authorization may be granted to a similar medicinal product with the same orphan indication during the 10-year period with the consent of the marketing authorization holder for the original orphan medicinal product or if the manufacturer of the original orphan medicinal product is unable to supply sufficient quantities. Marketing authorization may also be granted to a similar medicinal product with the same orphan indication if this product is safer, more effective or otherwise clinically superior to the original orphan medicinal product. The period of market exclusivity may, in addition, be reduced to six years if it can be demonstrated on the basis of available evidence that the original orphan medicinal product is sufficiently profitable not to justify maintenance of market exclusivity.

Regulatory Requirements After a Marketing Authorization Has Been Obtained

In case an authorization for a medicinal product in the EU is obtained, the holder of the marketing authorization is required to comply with a range of requirements applicable to the manufacturing, marketing, promotion and sale of medicinal products. These include:

- compliance with the European Union's stringent pharmacovigilance or safety reporting rules must be ensured. These rules can impose post-authorization studies and additional monitoring obligations;

- the manufacturing of authorized medicinal products, for which a separate manufacturer's license is mandatory, must also be conducted in strict compliance with the applicable EU laws, regulations and guidance, including Directive 2001/83/EC, Directive 2003/94/EC, Regulation (EC) No 726/2004 and the European Commission Guidelines for Good Manufacturing Practice. These requirements include compliance with EU cGMP standards when manufacturing medicinal products and active pharmaceutical ingredients, including the manufacture of active pharmaceutical ingredients outside of the EU with the intention to import the active pharmaceutical ingredients into the EU; and

- the marketing and promotion of authorized drugs, including industry-sponsored continuing medical education and advertising directed toward the prescribers of drugs and/or the general public, are strictly regulated in the EU notably under Directive 2001/83EC, as amended, and EU Member State laws. Direct-to-consumer advertising of prescription medicines is prohibited across the EU.

2.2 Material subsequent events

See Note 27 to the Consolidated Financial Statements for an overview of events which do not need to be discussed in the Company's statutory annual accounts and which might influence the Company's outlook.

2.3 Organisational structure

As of December 31, 2022, we had two subsidiaries. The following table set out for each of our principal subsidiaries, the countries of incorporation, and the percentage ownership and voting interest held by us (directly or indirectly through subsidiaries).

Company	Jurisdiction of Incorporation	Percentage Ownership and Voting Interest
Immatics Biotechnologies GmbH	Germany	100%
Immatics US, Inc.	Delaware, United States	100%

For the corporate governance of Immatics N.V., please refer to section 8 in our Board report.

Immatics Biotechnologies GmbH is managed by six managing directors, all of them are at the same time members of the Executive Committee of Immatics N.V. We are employing approximately 287 employees at Immatics Biotechnologies GmbH and six employees at Immatics N.V. as of December 31, 2022.

Immatics US Inc. is managed also by members of the Executive Committee of Immatics N.V., especially Steffen Walter, who is located in Houston, Texas. We are employing approximately 149 employees at Immatics US Inc as of December 31, 2022.

2.4 Stakeholder dialogue

We believe communication with our key stakeholders is crucial. Key stakeholders of the Company are shareholders, employees, suppliers, patients and regulatory authorities. We communicate with our shareholders regularly via our securities filings with the US Securities and Exchange Commission, press releases and webcasts. We also regularly communicate with our employees, among other things on major changes and achievements. We conduct transparent communication with regulatory authorities.

3. RISK FACTORS

3.1 Summary of key risk factors

The principal risks and uncertainties which the Company faces include the risks and uncertainties summarized in this chapter 3. See chapter 3.3 of this report for additional detail and additional risks and uncertainties which the Company faces.

This section should include a summary of the principal risks and uncertainties described in chapter 3.3. Whilst not a legal requirement to include this, there have been examples where the Dutch AFM has requested listed companies to include this summary.

Our business faces significant risks and uncertainties. You should carefully consider all of the information set forth in this Report and in other documents we file with or furnish to the SEC, including the following risk factors, before deciding to invest in or to maintain an investment in our securities. Our business, as well as our reputation, financial condition, results of operations and share price, could be materially adversely affected by any of these risks, as well as other risks and uncertainties not currently known to us or not currently considered material. These risks include, among others, the following:

- We have a history of operating losses and expect to continue to incur losses and will need additional capital to fund our operations and complete the development and commercialization of our product candidates.
- Our product candidates represent novel approaches to the treatment of diseases, and there are many uncertainties regarding the development of our product candidates.
- Our current product candidates are in various stages of development, and it is possible that none of our product candidates will ever become commercial products.
- Delays in the commencement and completion of clinical trials could increase costs and delay or prevent regulatory approval and commercialization of our product candidates.
- Clinical trials are expensive, time-consuming and difficult to design and implement, and our clinical trial costs may be higher than for more conventional therapeutic technologies or drug products.
- Our product candidates may cause undesirable side effects or have other properties that may delay or prevent their development or regulatory approval or limit their commercial potential.
- The regulatory review and approval processes of the FDA, the EMA and comparable regulatory authorities are lengthy, time-consuming and uncertain. If we are unable to obtain, or if there are delays in obtaining, regulatory approval for our product candidates, we will not be able to commercialize our product candidates and our ability to generate revenue will be materially impaired.
- The regulatory landscape that will govern our product candidates is still evolving. Regulations relating to more established gene therapy and cell therapy products and TCR Bispecific products are still developing, and changes in regulatory requirements could result in delays or discontinuation of development of our product candidates or unexpected costs in obtaining regulatory approval.
- Our product candidates are complex and difficult to manufacture. We could experience manufacturing problems that result in delays in our development or commercialization programs.
- We rely on third parties to conduct preclinical studies and/or clinical trials of our product candidates. If they do not properly and successfully perform their obligations to us, we may not be able to obtain regulatory approvals for our product candidates.

- We currently rely on third parties for the manufacture of our product candidates. Our dependence on these third parties may impair the clinical advancement and commercialization of our product candidates.
- We face substantial competition, which may result in others discovering, developing or commercializing products, treatment methods and/or technologies before or more successfully than we do.

3.2 Risk Control Measures

Our risk appetite varies from risk to risk. We have a zero-tolerance strategy for regulatory and fraud risks. Our business has significant inherent risks, and we are accepting moderate to high risks e.g., related to the outcome of our clinical trials. Management monitors operational risks as they arise and evolve, assesses their development and implements necessary countermeasures. The risks are reported and discussed regularly with the Audit Committee.

3.3 Risk factors

Risks Related to Our Financial Position and Need for Additional Capital

We have a history of operating losses and expect to continue to incur losses.

We are a clinical-stage biopharmaceutical company active in the development and discovery of potential T cell redirecting immunotherapies for the treatment of cancer. We have no products approved for commercial sale and have not generated revenue from operations. We have incurred net losses in each year since inception except for the year ended December 31, 2022, as a result of our having received upfront payments from our licensing agreements which we have recorded partially as a one-time revenue under revenue recognition guidelines. As of December 31, 2022, we had accumulated consolidated losses of €500.3 million. We do not expect to generate any meaningful revenue from commercializing products for the foreseeable future. We expect to incur significant additional operating losses in the future as we continue and expand our research and development efforts for our product candidates.

We do not know when or whether we will become profitable. To become and remain profitable, we must succeed in developing, obtaining regulatory approval for and commercializing one or more of our product candidates. This will require us to be successful in a range of challenging activities, including completing preclinical studies and clinical trials of our product candidates, discovering and developing additional product candidates, making regulatory submissions, obtaining regulatory approval for any product candidates that successfully complete clinical trials, establishing commercialization capabilities for any approved products, manufacturing any approved products and achieving market acceptance for any approved products. We may never succeed in these activities. Even if we succeed in these activities, we may never generate revenue in an amount sufficient to achieve profitability.

Because of the numerous risks and uncertainties associated with biotechnology product development and commercialization, we are unable to accurately predict whether and when we will achieve profitability.

Even if we achieve profitability, we may not be able to sustain profitability in subsequent periods. After we achieve profitability, if ever, we expect to continue to engage in substantial research and development activities and to incur substantial expenses to develop, manufacture and commercialize additional product candidates. In addition, we

may encounter unforeseen expenses, difficulties, complications, delays and other unknown factors that may adversely affect our revenues, expenses and profitability.

Our failure to achieve or sustain profitability would depress our market value and could impair our ability to execute our business plan, raise capital, develop additional product candidates or continue our operations. A decline in the value of our company could cause our shareholders to lose all or part of their investment.

We will need additional capital to fund our operations and complete the development and commercialization of our product candidates. Our inability to obtain this capital when needed could force us to delay, limit, reduce or terminate our product development efforts.

Our operations have consumed substantial amounts of cash since inception. The development of biotechnology product candidates is capital intensive and we expect that we will continue to expend substantial resources for the foreseeable future to develop and commercialize our current and future product candidates. Our expenditures in the foreseeable future may include costs associated with conducting research and development activities, conducting preclinical studies and clinical trials, obtaining regulatory approvals, undertaking commercialization activities, establishing our sales and marketing capabilities, manufacturing and selling approved products and potentially acquiring or in-licensing new technologies.

As of December 31, 2022, we had €362.2 million in cash and cash equivalents and other financial assets. We believe that we have sufficient financial resources available to fund our projected operating requirements for at least the next twelve months. Because the outcome of our current and planned clinical trials is highly uncertain, we cannot reasonably estimate the actual amounts necessary to successfully complete the development and commercialization of our product candidates. Our future funding requirements will depend on many factors, including, but not limited to:

- progress, timing, scope and costs of our clinical trials, including the ability to timely initiate clinical sites, enroll subjects and manufacture ACT and TCR Bispecific product candidates for our ongoing, planned and potential future clinical trials;
- time and cost to conduct IND- or CTA-enabling studies for our preclinical programs;
- time and costs required to perform research and development to identify and characterize new product candidates from our research programs;
- 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;
- our ability to successfully commercialize our product candidates, if approved;
- our ability to have clinical and commercial products successfully manufactured consistent with FDA, the EMA and comparable regulatory authorities' regulations;
- 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;
- sales and marketing costs associated with commercializing our products, if approved, including the cost and timing of building our marketing and sales capabilities;
- cost of building, staffing and validating our manufacturing processes, which may include capital expenditure;

- terms and timing of our current and any potential future collaborations, licensing or other arrangements that we have established or may establish;
- cash requirements of any future acquisitions or the development of other product candidates;
- costs of operating as a public company;
- time and cost necessary to respond to technological, regulatory, political and market developments;
- costs of filing, prosecuting, defending and enforcing any patent claims and other intellectual property rights; and
- costs associated with any potential business or product acquisitions, strategic collaborations, licensing agreements or other arrangements that we may establish.

Additional funds may not be available when we need them or on terms that are acceptable to us. If adequate funds are not available to us on a timely basis or on terms acceptable to us, we may be required to delay, limit, reduce or terminate our research and development efforts.

If we raise additional capital through the sale of equity or convertible debt securities, our existing shareholders' ownership interest will be diluted, and the terms of such equity or convertible debt securities may include liquidation or other preferences that are senior to or otherwise adversely affect the rights of our existing shareholders. If we raise additional capital through the sale of debt securities or through entering into credit or loan facilities, we may be restricted in our ability to take certain actions, such as incurring additional debt, making capital expenditures, acquiring or licensing intellectual property rights, declaring dividends or encumbering our assets to secure future indebtedness. Such restrictions could adversely impact our ability to conduct our operations and execute our business plan. If we raise additional capital through collaborations with third parties, we may be required to relinquish valuable rights to our intellectual property or product candidates or we may be required to grant licenses for our intellectual property or product candidates on unfavorable terms.

We are exposed to risks related to currency exchange rates.

We operate internationally and are exposed to fluctuations in foreign exchange rates between the euro and other currencies, particularly the U.S. dollar. Our reporting currency is the euro and, as a result, financial line items are converted into euros at the applicable foreign exchange rates. As our business grows, we expect that at least some of our revenues and expenses will continue to be denominated in currencies other than the euro. Unfavorable developments in the value of the euro relative to other relevant currencies, especially the U.S. dollar, could adversely affect our business and financial condition. In the past, we have seen USD-EUR exchange rate fluctuations, that materially impacted our Statement of Profit and Loss.

The use of net operating loss carryforwards may be limited.

Both Immatics OpCo and Immatics US, Inc. ("Immatics US") incurred significant losses in the past and therefore are entitled to use net operating loss carryforwards. For the year ended December 31, 2022, we had German federal net operating loss carryforwards of €210.4 million and Immatics US had U.S. federal net operating loss carryforwards of €146.8 million. German federal net operating loss carryforwards and U.S. federal net operating loss

carryforwards arising in taxable years ending after December 31, 2017 do not expire, whereas U.S. federal net operating loss carryforwards arising before or in taxable years ending December 31, 2017 will begin to expire in 2027. Limitation on tax loss carry forwards with respect to U.S. federal net operating losses is 80% of each subsequent year`s net income starting with losses generated after January 1, 2018 and with respect to German federal net operating losses, 60% of each subsequent year`s net income. These have an indefinite carry forward period, but no carry back option. The operating loss carryforwards are subject to various limitations, including limitations under Sections 382 and 383 of the U.S. Internal Revenue Code of 1986, as amended (the "Code") if Immatics US has a cumulative change in ownership of more than 50% within a three-year period. Further, due to our limited income, there is a high risk that our operating loss carryforwards will expire in part and cannot be used to offset future taxable income.

Furthermore, any net operating loss carryforwards that we report on our tax returns are subject to review by the relevant tax authorities. Consequently, we are exposed to the risk that the tax authorities may not accept the reported net operating loss carryforwards in part or in their entirety. Any limitations in our ability to use net operating loss carryforwards to offset taxable income could adversely affect our financial condition.

Risks Related to the Development of Our Product Candidates

Our product candidates represent novel approaches to the treatment of diseases, and there are many uncertainties regarding the development of our product candidates.

Human immunotherapy products are a new category of therapeutics. Because this is a relatively new and expanding area of novel therapeutic interventions, there are many uncertainties related to development of our product candidates. There can be no assurance as to the number of required clinical trials, the length of the trial period, the number of patients the FDA, the EMA or comparable regulatory authorities will require to be enrolled in the trials in order to establish the safety and efficacy of immunotherapy products, or that the data generated in these trials will be acceptable to the FDA, the EMA or comparable regulatory authorities to support marketing approval. The FDA, the EMA and comparable regulatory authorities may take longer than usual to come to a decision on any BLA, MAA or similar marketing application that we submit and may ultimately determine that there is not enough data, information or experience with our product candidates to support an approval decision. Regulatory authorities may also require that we conduct additional post-marketing studies or implement risk management programs.

Our current product candidates are in various stages of development, and it is possible that none of our product candidates will ever become commercial products.

Our success depends heavily on the successful further development of our current and future product candidates and our research pipeline and regulatory approval of our current and future product candidates, all of which are subject to risks and uncertainties beyond our control. We are conducting clinical trials for IMA201, IMA203 and IMA401 and preclinical studies for our other product candidates. However, the FDA, the EMA and comparable regulatory authorities may ultimately disagree that data generated from our clinical trials are sufficient for regulatory approval. There can be no assurance that any of our product candidates will prove to be safe, effective or commercially viable treatments for cancer.

If we discontinue development of a product candidate, we will not receive the anticipated revenues from that product candidate, and we may not receive any return on our investment in that product candidate. In the future, we may discontinue other product candidates for clinical reasons if such product candidates do not prove to be safe and effective. Any unexpected safety events or our failure to generate sufficient data in our clinical trials to demonstrate efficacy may cause a product candidate to fail clinical development. Furthermore, even if that product candidate meets its safety and efficacy endpoints, we may discontinue its development for various reasons, such as changes in the competitive environment or the standard of care and the prioritization of our resources.

We may also find that the development of a companion diagnostic for our product candidates is more difficult or more expensive than anticipated, resulting in an inability to provide the required diagnostic testing for our clinical trials, or if approved, for the market. Moreover, because of the complexity and novelty of our companion diagnostic biomarker, there are only a limited number of providers who have the capability of supporting the development of a companion diagnostic. Should any of our clinical research organizations ("CROs") fail to meet our development goals, it may take us significant time to find a replacement, if we are able to find a replacement at all.

Due to the uncertain and time-consuming clinical development and regulatory approval process, we may not successfully develop any of our product candidates and may choose to discontinue the development of any of our product candidates. Therefore, it is possible that none of our current product candidates will ever become commercial products. Our failure to develop and commercialize our current and future product candidates could have a material adverse effect on our business, results of operations, financial condition and prospects.

Delays in the commencement and completion of clinical trials could increase costs and delay or prevent regulatory approval and commercialization of our product candidates.

We cannot guarantee that clinical trials of our product candidates will be conducted as planned or completed on schedule, if at all. A failure of one or more clinical trials can occur at any stage of the clinical trial process, and other events may cause us to temporarily or permanently stop a clinical trial. Events that may prevent successful or timely commencement and completion of clinical development include:

- negative preclinical data;
- delays in receiving the required regulatory clearance from the appropriate regulatory authorities to commence clinical trials or amend clinical trial protocols, including any objections to our INDs or CTAs or protocol amendments from regulatory authorities;
- delays in reaching, or a failure to reach, a consensus with regulatory authorities on study design;
- delays in reaching, or a failure to reach, an agreement on acceptable terms with prospective independent clinical investigators, CROs and clinical trial sites, the terms of which can be subject to extensive negotiation and may vary significantly among different investigators, CROs and clinical trial sites;
- difficulties in obtaining required Institutional Review Board ("IRB") or ethics committee approval at each clinical trial site;
- challenges in recruiting and enrolling suitable patients that meet the study criteria to participate in clinical trials;
- the inability to enroll a sufficient number of patients in clinical trials to ensure adequate statistical power to detect statistically significant treatment effects;

- imposition of a clinical hold by regulatory authorities or IRBs for any reason, including safety concerns and non-compliance with regulatory requirements;
- failure by independent clinical investigators, CROs, other third parties or us to adhere to clinical trial requirements;
- failure to perform in accordance with the FDA's good clinical practices ("GCP") or applicable regulatory guidelines in other jurisdictions;
- the inability to manufacture adequate quantities of a product candidate or other materials necessary in accordance with current Good Manufacturing Practices ("cGMPs") and current Good Tissue Practices ("cGTPs") to conduct clinical trials;
- lower than anticipated patient retention rates;
- difficulties in maintaining contact with patients after treatment, resulting in incomplete data;
- ambiguous or negative interim results;
- our independent clinical investigators, CROs or clinical trial sites failing to comply with regulatory requirements or meet their contractual obligations to us in a timely manner, or at all, deviating from the protocol or dropping out of a clinical trial;
- unforeseen safety issues, including occurrence of adverse events associated with the product candidate that are viewed to outweigh the product candidate's potential benefits;
- changes in regulatory requirements and guidance that require amending or submitting new clinical protocols;
- lack of adequate funding to continue the clinical trial; or
- delays and disruptions as a result of the COVID-19 pandemic or the conflict between Russia and Ukraine.

Delays, including delays caused by the above factors, can be costly and could negatively affect our ability to complete a clinical trial. Further, there can be no assurance that submission of an IND, IND amendment or CTA will result in the FDA or any comparable regulatory authority allowing testing and clinical trials to begin, or that, once begun, issues will not arise that suspend or terminate such clinical trials. The manufacturing and preclinical safety and efficacy testing requirements of both ACT and TCR Bispecifics remain emerging and evolving fields. Accordingly, we expect chemistry, manufacturing and control related topics, including product specification, as well as preclinical safety testing, will be a focus of IND reviews, which may delay the allowance of INDs by the FDA or CTA approval by comparable regulatory authorities. If we are not able to successfully complete clinical trials, we will not be able to obtain regulatory approval and will not be able to commercialize our product candidates.

If we experience delays or difficulties in patient enrollment for clinical trials, our research and development efforts and the receipt of necessary regulatory approvals could be significantly delayed or prevented.

Commencement and successful and timely completion of clinical trials require us to enroll a sufficient number of eligible patients to participate in these trials as required by the FDA, the EMA or comparable regulatory authorities. Any delay or difficulty in patient enrollment could significantly delay or otherwise hinder our research and development efforts and delay or prevent receipt of necessary regulatory approvals. Despite diligent planning of our clinical trials and analysis of their feasibility regarding patient recruitment, we may experience difficulties, delays or inability in patient enrollment in our clinical trials for a variety of reasons, including:

- the size and nature of the patient population;
- the severity and incidence of the disease under investigation;
- the eligibility criteria for the study in question, including any misjudgment of, and resultant adjustment to, the appropriate ranges applicable to the exclusion and inclusion criteria;
- the size of the study population required for analysis of the trial's primary endpoints;
- the ability to recruit clinical trial investigators with the appropriate competencies and experience;
- the number of clinical trial sites and the proximity of prospective patients to those sites;
- the design of the trial and the complexity for patients and clinical sites;
- the nature, severity and frequency of adverse side effects associated with our product candidates;
- the screening procedures and the rate of patients failing screening procedures;
- the ability to provide appropriate screening assays;
- the risk that patients' general health conditions do not allow the conduct of study/screening procedures (for example, tumor biopsy, or leukapheresis) or application of lymphodepletion regimen;
- the ability to manufacture patient products appropriately (for example, at a sufficient high dose, or with sufficiently active T cells);
- the efforts to facilitate timely enrollment in clinical trials and the effectiveness of recruiting publicity;
- the patient referral practices of physicians within the same hospital as well as within other hospitals or private practices;
- competing clinical trials for similar therapies, other new therapeutics, new combination treatments, new medicinal products;
- approval of new indications for existing therapies or approval of new therapies in general or changes in standard of care;
- clinicians' and patients' perceptions as to the potential advantages and side effects of the product candidate being studied in relation to other available therapies, including any new drugs or treatments that may be approved or become standard of care for the indications we are investigating;
- the ability to obtain and maintain patient consents; and
- inability of clinical sites to enroll patients as healthcare capacities are required to cope with natural disasters, epidemics or other health system emergencies, such as the COVID-19 pandemic.

Not all patients suffering from a specific cancer that is in principle addressable by our product candidates are eligible for our clinical trials and therapies. First, patients must express a specific genetic marker called HLA-A*02. While this marker is found on approximately 40-50% of individuals in North America and Europe, it is less frequent in other populations, such as China or Japan. If human leukocyte antigen ("HLA") screening for a patient shows that HLA-A*02 is not expressed, he or she cannot be treated with our current product candidates. Second, the prevalence of the targets addressed by IMA201, IMA203 and IMA401 differs between different tumor entities. For a given patient, a biomarker assay must be performed in order to find out whether he or she expresses one of the targets and can be treated with one of our product candidates. We cannot be certain that the anticipated and assumed target prevalence rates are confirmed in the patient populations of our clinical trials, and lower target prevalence rates may be experienced. Third, further eligibility criteria are in place to ensure that the patients can tolerate and potentially benefit from the treatment. Thus, only a few of the patients screened for our clinical trials will receive cellular or TCR Bispecifics products. Patients may therefore be hesitant to consent to our trials, and overall, many more patients will

have to be screened to treat the targeted number of patients. It is uncertain how many more patients we will be required to screen. If the required number of patient screenings is much higher than anticipated, our clinical trial costs may increase. To mitigate this risk, we are testing several tumor targets in parallel in our clinical trials and have further product candidates against other HLA-types in early preclinical development. However, we cannot be certain whether this will be successful and effective in enhancing recruitment.

Our clinical trials will compete with other clinical trials for product candidates that are in the same therapeutic areas as our product candidates, and this competition will reduce the number and types of patients available to us because some eligible patients may instead opt to enroll in a competitor's trial. Because the number of qualified clinical investigators is limited, we expect to conduct some of our clinical trials at the same clinical trial sites that some of our competitors use, which will reduce the number of patients who are available for our clinical trials at such clinical trial sites. Enrolling patients at the same sites as our competitors may compromise the quality and conclusiveness of our clinical data by introducing bias. Moreover, because our product candidates represent a departure from more commonly used methods for cancer treatment, potential patients and their doctors may be inclined to use conventional therapies, such as chemotherapy and approved immunotherapies, rather than enroll patients in any clinical trial. In addition, potential enrollees in our ACT trials with IMA201 or IMA203 may opt to participate in other clinical trials because of the length of time between the time that their tumor is analyzed, and the cellular product is manufactured and infused back into the patient. Challenges in recruiting and enrolling suitable patients to participate in clinical trials could increase costs, affect the timing and outcome of our planned clinical trials and result in delays to our current development plan for our product candidates.

Clinical trials are expensive, time-consuming and difficult to design and implement, and our clinical trial costs may be higher than for more conventional therapeutic technologies or drug products.

Clinical trials are expensive and difficult to design, implement and conduct, in part because they are subject to rigorous regulatory requirements. Because our ACT product candidates are based on new cell therapy technologies and manufactured on a patient-by-patient basis, we expect that such candidates will require extensive research and development and have substantial manufacturing costs per dose. Our TCR Bispecific product candidates also require extensive research and development, as the applicable technology is new and experience with developing such biologics is rare in the field. Moreover, the development of a companion diagnostic will also require extensive research and development, and such companion diagnostic must be suitable to support both enrollment into larger clinical trials and routine hospital procedures after marketing approval. Any failure or delay in developing a suitable companion diagnostic will delay or make it impossible to conduct larger clinical trials for ACT product candidates and/or TCR Bispecific product candidates.

In addition, costs to treat patients with recurrent and/or refractory cancer and to treat potential side effects that may result from our product candidates, non-investigational medicinal products, rescue or prophylactic medication applied in our clinical trials can be significant. Some clinical trial sites do not bill or obtain coverage from Medicare, Medicaid, health insurance or other third-party payors for some or all of these costs for patients enrolled in our clinical trials, and we can be required by those trial sites to pay such costs. In countries outside the United States, we expect that all costs related to the clinical trial and to the management of study patients (for example, management of adverse reactions or hospitalization) are paid by the sponsor of the clinical trial. As trial designs for development of our product

candidates are complex, our clinical trial costs are likely to be significantly higher per patient than those of more conventional therapeutic technologies or drug products. At some point, we may combine two or more of our ACT or TCR Bispecific product candidates within one clinical trial or within a multi-TCR-T or multi-TCR Bispecifics concept in order to enhance clinical efficacy results and to increase the patient population. The setup and conduct of such multi-TCR-T or multi-TCR Bispecifics clinical trials is expensive and may bear unknown risks, such as regulatory, preclinical, safety and manufacturing risks. In addition, our proposed personalized product candidates involve several complex and costly manufacturing and processing steps, the costs of which will be borne by us. We are also responsible for the manufacturing costs of products for patients that do not receive the product due to any reason (for example, rapid degradation of general health status, not meeting inclusion/exclusion criteria for infusion). Depending on the number of patients that we ultimately screen and enroll in our trials, the number of trials that we may need to conduct, and the companion diagnostic we need to develop, our overall clinical trial costs may be higher than for more conventional treatments.

Our product candidates may cause undesirable side effects or have other properties that may delay or prevent their development or regulatory approval or limit their commercial potential.

Undesirable side effects caused by our product candidates or by similar product candidates developed by others could cause us or regulatory authorities to interrupt, delay or halt clinical trials and could result in more restrictive labeling or the denial of regulatory approval by the FDA, the EMA or comparable regulatory authorities and potential product liability claims.

In our cell therapy clinical trials, most commonly reported Grade ≥3 treatment-emergent adverse events ("TEAEs") were cytopenias. In addition, we have observed dose-limiting toxicities ("DLT"). There can be no assurance that patients treated with our product candidates will not experience these and other serious adverse side effects and there can be no assurance that the FDA, the EMA or comparable regulatory authorities will not place clinical holds on our current or future clinical trials, the result of which could delay or prevent us from obtaining regulatory approval. In particular, our clinical trials enroll patients who have failed all available standard-of-care treatments. As a result, these patients may be immunocompromised and thus are more susceptible to serious adverse side effects. In addition, certain of our protocols involve further weakening of patients' immune response (e.g., through lymphodepletion) prior to receiving our product candidates, which may further increase the severity and frequency of serious adverse side effects.

Further, because our product candidates represent novel approaches to the treatment of cancer, we may be less able to predict the nature, severity and frequency of adverse events and thus less able to undertake measures to prevent serious adverse events and mitigate their effects. For example, infused T cells may be more active than we expect or than we previously observed. Moreover, because our ACTengine product candidates for a specific patient are manufactured using that patient's white blood cells, each patient receives an individually manufactured ACTengine product candidate. As a result, it may be difficult to predict how a patient will respond to that individualized product candidate.

This could lead to more severe or prolonged toxicities or even patient deaths, which could result in us or the FDA, the EMA or comparable regulatory authorities delaying, suspending or terminating one or more of our clinical trials and which could jeopardize regulatory approval.

Furthermore, clinical trials by their nature utilize a sample of the potential patient population. With a limited number of subjects and limited duration of exposure, rare and severe side effects of our product candidates may only be uncovered with a significantly larger number of patients exposed to the drug. In addition, some of our product candidates are developed or intended to be used in combination with other therapies. When used in combination, the severity and frequency of undesirable side effects may be greater than the cumulative severity and frequency of such side effects when the therapies are used as monotherapies and the nature of undesirable side effects may be different than such side effects when the therapies are used as monotherapies.

If we or others identify undesirable side effects caused by our product candidates or those of our competitors, a number of potentially significant negative consequences could result, including:

- we may encounter delays or difficulties in enrolling patients for our clinical trials due to a negative perception of our product candidates' safety and tolerability profile;
- we and/or regulatory authorities may temporarily or permanently put our clinical trials on hold;
- we may be unable to obtain regulatory approval for our product candidates;
- regulatory authorities may withdraw or limit their approvals of our product candidates;
- regulatory authorities may require the addition of labeling statements, such as a contraindication, boxed warnings or additional warnings;
- the FDA may require development of a Risk Evaluation and Mitigation Strategy with Elements to Assure Safe Use as a condition of approval;
- we may decide to remove our product candidates from the marketplace;
- we may be subject to regulatory investigations and government enforcement actions;
- we could be sued and held liable for harm caused to patients, including as a result of hospital errors; and
- our reputation may suffer.

Any of these events could prevent us from achieving or maintaining regulatory approval and market acceptance of our product candidates and could substantially increase commercialization costs.

Results from preclinical studies and early-stage clinical trials may not be predictive of results from late-stage or other clinical trials.

Positive and promising results from preclinical studies and early-stage clinical trials may not be predictive of results from late-stage clinical trials or from clinical trials of the same product candidates. Product candidates in later stages of clinical trials may fail to show the desired safety and efficacy traits despite having progressed through preclinical studies and initial clinical trials. Late-stage clinical trials could differ in significant ways from early-stage clinical trials, including changes to inclusion and exclusion criteria, efficacy endpoints, dosing regimen and statistical design. In particular, we expect there may be greater variability in results for products processed and administered on a patient-by-patient basis, as for our cellular therapy product candidates, than for "off-the-shelf" products, like many other drugs. Therefore, despite positive results observed in early-stage clinical trials, our product candidates may fail to demonstrate sufficient efficacy in our pivotal or confirmatory clinical trials.

Preliminary interim or "top-line" data that we announce or publish from time to time may change as more data become available and are subject to audit and verification procedures that could result in material changes in the final data.

From time to time, we may announce or publish preliminary interim or "top-line" data from clinical trials. Positive preliminary data may not be predictive of such trial's subsequent or overall results. Preliminary data are subject to the risk that one or more of the outcomes may materially change as more data become available. Additionally, preliminary data are subject to the risk that one or more of the clinical outcomes may materially change as patient enrollment continues and more patient data become available.

For example, our studies of cellular therapies in patients without any indicated standard-of-care treatment utilize an "open-label, single arm, dose-escalation/de-escalation" trial design. This trial design has the potential to create selection bias by encouraging the investigators to enrol a more favorable patient population (for example, indications better suitable for immunotherapies, fitter patients, fewer prior therapies) compared to a broader patient population. In our current Phase 1 clinical trials, investigators have significant discretion over the selection of patient participants. As the trials continue, the investigators may prioritize patients with more progressed forms of cancer and/or worse general health condition than the initial patient population, based on the safety/success or perceived safety/success of that initial population. Patients with more progressed forms of cancer or worse general health conditions may experience more and/or worse adverse events or be less responsive to treatment, and accordingly, interim or final safety and efficacy data may show an increase in frequency or severity of adverse events and/or a decline in patient response rate or change in other assessment metrics. As the trials continue or in subsequent trials, investigators may shift their approach to the patient population, which may ultimately experience more and/or worse adverse events and/or result in a decline in both interim and final efficacy data from the preliminary data, or conversely, a decrease in frequency and/or severity of adverse events or an increase in final efficacy data following a decline in the interim efficacy data, as patients with more progressed forms of cancer or worse general health condition are cycled out of the trials and replaced by patients with less advanced forms of cancer or with better general health conditions. This opportunity for investigator selection bias in our trials as a result of open-label design, which is standard in dose-escalation/de-escalation trials, may not be adequately handled and may cause a decline in or distortion of clinical trial data from our preliminary results.

Therefore, positive preliminary results in any ongoing clinical trial may not be predictive of such results in the completed trial. We also make assumptions, estimations, calculations and conclusions as part of our analyses of data, and we may not have received or had the opportunity to fully evaluate all data. As a result, preliminary data that we report may differ from future results from the same clinical trials, or different conclusions or considerations may qualify such results, once additional data have been received and fully evaluated. Preliminary data also remain subject to audit and verification procedures that may result in the final data being materially different from the preliminary data we previously published. As a result, preliminary data should be viewed with caution until the final data are available. Material adverse changes in the final data compared to preliminary data could significantly harm our business prospects.

The deviations in our proposed new products from existing products may require us to perform additional testing, which will increase the cost, and extend the time for obtaining approval.

Our ACT based therapy is based on first-generation adoptive cell therapy technology suitable for delivering for small, early-phase clinical trials. While we have implemented advancements to the process, the current methods of treatment are very labor intensive and expensive, which has limited their widespread application. We have developed new processes that we anticipate will enable more efficient manufacturing of ACT. We may have difficulty demonstrating that the products produced from our new processes are comparable to the existing products. The FDA, the EMA and comparable regulatory authorities may require additional clinical testing before permitting a larger clinical trial with the new processes, and the product may not demonstrate the desired activity in new clinical trials. In the manufacturing of cellular products, even small changes in manufacturing processes could alter the cell types, so our ability to predict the outcomes with newer manufacturing processes is limited. The changes that we have made to the historical manufacturing process may require additional testing, which may increase costs and timelines associated with these developments.

Our TCR Bispecific product candidates contain features that have not been previously tested in this composition in clinical trials or marketed products. The FDA, the EMA and comparable regulatory authorities may require additional non-clinical studies before permitting us to enter clinical trials with our product candidates. Regulatory authorities may also ask for additional early-stage trials or production of additional batches of TCR Bispecific product candidates before permitting larger clinical trials or registration trials. To comply with those requests would increase costs and timelines for the development of our TCR Bispecific product candidates.

Risks Related to Regulatory Approval of Our Product Candidates

The regulatory review and approval processes of the FDA, the EMA and comparable regulatory authorities are lengthy, time-consuming and uncertain. If we are unable to obtain, or if there are delays in obtaining, regulatory approval for our product candidates, we will not be able to commercialize our product candidates and our ability to generate revenue will be materially impaired.

Our product candidates must be approved by the FDA in the United States, by the EMA in the European Union and by comparable regulatory authorities in other jurisdictions prior to commercialization. In order to obtain regulatory approval for the commercial sale of any product candidates, we must demonstrate through extensive preclinical studies and clinical trials that the product candidate is safe and effective for use in each target indication and that manufacturing of the product candidate is robust and reproducible. The time required to obtain approval by the FDA, the EMA and comparable regulatory authorities is uncertain, typically takes many years following the commencement of clinical trials and depends upon numerous factors. Accordingly, there can be no assurance that any of our product candidates will receive regulatory approval in the United States, the European Union or other jurisdictions.

Regulatory authorities have substantial discretion in the approval process. They may refuse to accept any application or may decide that our data are insufficient for approval and require additional clinical trials or other studies. We expect the novel nature of our product candidates to create additional challenges in obtaining regulatory

approval. For example, the FDA has limited experience with commercial development of T cell directed therapies for cancer. Therefore, even if we believe the data collected from clinical trials of our product candidates are promising, such data may not be sufficient to support approval by the FDA, the EMA or any comparable regulatory authority. If we are required to conduct additional clinical trials or other testing of any of our product candidates beyond those that are contemplated, we may incur significant additional costs and the regulatory approval of our product candidates may be delayed or prevented. Furthermore, additional clinical trials or other testing could shorten any periods during which we may have the exclusive right to commercialize our product candidates and could allow our competitors to bring products to market before we do, which may prevent the successful commercialization of our product candidates.

Furthermore, the process and time required to obtain regulatory approval differ by jurisdiction. In many countries outside the United States, a drug must be approved for reimbursement before it can be approved for sale in that country. Approval by one regulatory authority does not ensure approval by regulatory authorities in other jurisdictions. Obtaining foreign regulatory approvals and compliance with foreign regulatory requirements could result in significant delays, difficulties and costs for us and could delay or prevent the introduction of our products in certain countries. If we fail to comply with the regulatory requirements in international markets and/or receive applicable marketing approvals, our target market will be reduced and our ability to realize the full market potential of our product candidates will be harmed.

Moreover, principal investigators for our clinical trials may serve as scientific advisors or consultants to us from time to time and receive compensation in connection with such services at market rates. Under certain circumstances, we may be required to report some of these relationships to the FDA, the EMA or comparable regulatory authorities, which could conclude that a financial relationship between us and a principal investigator has created a conflict of interest or otherwise affected the integrity of the study. The FDA, the EMA or comparable regulatory authorities may, therefore, question the integrity of the data generated at the applicable clinical trial site, and the utility of the clinical trial itself may be jeopardized. This could delay, or result in the rejection of, our marketing applications.

Applications for regulatory approval and regulatory approval of our product candidates could be delayed or be denied for many reasons, including but not limited to the following:

- the FDA, the EMA or comparable regulatory authorities may disagree with the number, design or implementation of our clinical trials;
- the population studied in the clinical trial may not be considered sufficiently broad or representative to assure safety in the full population for which we seek approval;
- the FDA, the EMA or comparable regulatory authorities may disagree with our interpretation of data from preclinical studies or clinical trials;
- the data collected from clinical trials of our product candidates may not meet the level of statistical or clinical significance required by the FDA, the EMA or comparable regulatory authorities or may otherwise not be sufficient to support the submission of a BLA, MAA or other submission or to obtain regulatory approval in the United States, the European Union or elsewhere;
- the FDA, the EMA or comparable regulatory authorities may not accept data generated by our preclinical service providers and clinical trial sites;
- the FDA, the EMA or comparable regulatory authorities may require us to conduct additional preclinical studies and clinical trials;

- the FDA, the EMA or comparable regulatory authorities may fail to approve the manufacturing processes, test procedures and specifications applicable to the manufacture of our product candidates, the facilities of third-party manufacturers with which we contract for clinical or commercial supplies may fail to maintain a compliance status acceptable to the FDA, the EMA or comparable regulatory authorities or the EMA or comparable regulatory authorities may fail to approve facilities of third-party manufacturers with which we contract for clinical and commercial supplies;
- we or any third-party service providers may be unable to demonstrate compliance with cGMPs and cGTPs to the satisfaction of the FDA, the EMA or comparable regulatory authorities, which could result in delays in regulatory approval or require us to withdraw or recall products and interrupt commercial supply of our products;
- the approval policies or regulations of the FDA, the EMA or comparable regulatory authorities may change in a manner rendering our clinical data insufficient for approval; or
- political factors surrounding the approval process, such as government shutdowns and political instability.

Any of these factors, some of which are beyond our control, may result in our failing to obtain regulatory approval for any of our product candidates, which would significantly harm our business, financial condition and prospects.

The regulatory landscape that will govern our product candidates is still evolving. Regulations relating to more established gene therapy and cell therapy products and TCR Bispecific products are still developing, and changes in regulatory requirements could result in delays or discontinuation of development of our product candidates or unexpected costs in obtaining regulatory approval.

Because we are developing novel cell immunotherapy product candidates that are unique biological entities, the regulatory requirements to which we will be subject are not entirely clear and may change rapidly. Even with respect to more established products that fit into the categories of gene therapies or cell therapies, the regulatory landscape is still developing. For example, regulatory requirements governing gene therapy products and cell therapy products have become more stringent and comprehensive frequently and may continue to extend in the future. Moreover, there is substantial, and sometimes uncoordinated, overlap in those responsible for regulation of existing gene therapy products and cell therapy products. For example, in the United States, the FDA has established the Office of Tissues and Advanced Therapies ("OTAT"), formerly known as the Office of Cellular, Tissue and Gene Therapies ("OCTGT"), within its Center for Biologics Evaluation and Research ("CBER") to consolidate the review of gene therapy and related products, and the Cellular, Tissue and Gene Therapies Advisory Committee to advise CBER on its review. Gene therapy clinical trials in the U.S. are also subject to review and oversight by an institutional biosafety committee ("IBC"), a local institutional committee that reviews and oversees basic and clinical research conducted at the institution participating in the clinical trial. Similar regulatory bodies exist in Europe and other jurisdictions. In addition, adverse developments in clinical trials of gene therapy products conducted by others may cause the FDA, the EMA and comparable regulatory authorities to change the requirements for approval of any of our product candidates.

While there is already a T cell engaging bispecific molecule approved and regulatory guidelines have been issued for this class of drugs, bispecific therapeutics are still new in the field and regulators have even less experience with TCR Bispecifics. Thus, guidance for development and regulatory approval of such drugs may change.

Complex regulatory environments exist in the different jurisdictions in which we might consider seeking regulatory approvals for our product candidates, further complicating the regulatory landscape. For example, in the European Union, a special committee called the Committee for Advanced Therapies was established within the EMA in accordance with Regulation (EC) No. 1394/2007 on advanced therapy medicinal products ("ATMPs") to assess the quality, safety and efficacy of ATMPs, and to follow scientific developments in the field. ATMPs include gene therapy products as well as somatic cell therapy products and tissue engineered products.

These various regulatory review committees and advisory groups and new or revised guidelines that they promulgate from time to time may lengthen the regulatory review process, require us to perform additional studies, increase our development costs, lead to changes in regulatory positions and interpretations, delay or prevent approval and commercialization of our product candidates or lead to significant post-approval limitations or restrictions. Because the regulatory landscape for our cell immunotherapy product candidates is new, our product candidates may face even more cumbersome and complex regulations than those emerging for other gene therapy products and cell therapy products. Furthermore, even if our product candidates obtain required regulatory approvals, such approvals may later be revoked, suspended or otherwise withdrawn as a result of changes in regulations or the interpretation of regulations by applicable regulatory agencies. Delay or failure to obtain, or unexpected costs in obtaining, the regulatory approval necessary to bring a potential product to market could decrease our ability to generate sufficient product revenue to maintain our business.

Development of a product candidate intended for use in combination with an already approved product may present more or different challenges than development of a product candidate for use as a single agent.

We evaluate our ACT and TCR Bispecifics product candidates in combination with other therapies, such as checkpoint inhibitor immunotherapies. The development of product candidates for use in combination with another product may present challenges. For example, the FDA may require us to use more complex clinical trial designs, in order to evaluate the contribution of each product and product candidate to any observed effects. It is possible that the results of these trials could show that most or any positive results are attributable to the already approved product. Moreover, following product approval, the FDA may require that products used in conjunction with each other be cross-labelled. To the extent that we do not have rights to already approved products, this may require us to work with another company to satisfy such a requirement. Moreover, developments related to the already approved products may impact our clinical trials for the combination as well as our commercial prospects should we receive marketing approval. Such developments may include changes to the approved product's safety or efficacy profile, changes to the availability of the approved product, and changes to the standard of care.

The FDA may disagree with our regulatory plan and we may fail to obtain regulatory approval of our product candidates.

If and when our ongoing Phase 1 clinical trials for IMA203 and/or IMA401 are completed and, assuming positive data, we expect to advance to potential registrational trials, either directly or following a Phase 2 trial.

If the trial results are sufficiently compelling, we intend to discuss with the FDA a BLA submission for the relevant product candidate. Further, we plan to have discussions with other authorities, such as the EMA or Health Canada regarding any planned marketing authorization submissions. It cannot be guaranteed that FDA, the EMA and other regulatory authorities will agree to move to a registrational trial on the basis of data generated and may ask for additional data. Even if the FDA, the EMA or other regulatory authorities agrees with the design and implementation of the clinical trials set forth in an IND and CTA, we cannot guarantee that the regulatory authorities will not change their requirements in the future. For example, the regulatory authorities may require that we conduct a comparative trial against an approved therapy including potentially an approved autologous T cell therapy, which would significantly delay our development timelines and require substantially more resources. In addition, the regulatory authorities may only allow us to evaluate patients that have already failed autologous therapy or very late-stage patients, which are extremely difficult patients to treat and patients with advanced and aggressive cancer, and our product candidates may fail to improve outcomes for such patients.

Certain of our current clinical trials are being conducted outside the United States, and the FDA may not accept data from trials conducted in foreign locations.

Certain current clinical trials of our drug candidates are being conducted or planned to be conducted partially or fully outside the United States. We may also conduct future clinical trials for our drug candidates partially or fully outside the United States. Although the FDA may accept data from clinical trials conducted outside the United States, acceptance of this data is subject to certain conditions imposed by the FDA. For example, the clinical trial must be well designed and conducted and performed by qualified investigators in accordance with ethical principles and good clinical practice ("GCP") requirements. Further, the data must be applicable to the U.S. population and U.S. medical practice in ways that the FDA deems clinically meaningful. In general, the patient population for any clinical trials conducted outside of the United States must be representative of the population for whom we intend to label the product in the United States. In addition, while these clinical trials are subject to the applicable local laws, FDA acceptance of the data will be dependent upon its determination that the trials also complied with all applicable U.S. laws and regulations.

There can be no assurance that the FDA will accept data from trials conducted outside of the United States. If the FDA does not accept the data from such clinical trials, it would likely result in the need for additional clinical trials, which would be costly and time-consuming and delay or permanently halt our development of our product candidates.

We may seek accelerated approval for some of our product candidates, which may not lead to a faster development or regulatory review or approval process, and does not increase the likelihood that the product candidates will receive marketing approval.

We may attempt to seek approval on a per indication basis for our product candidates on the basis of a single pivotal trial or on the basis of data from one or more uncontrolled trials. While the FDA requires in most cases two adequate and well-controlled pivotal clinical trials to demonstrate the efficacy of a product candidate, a single trial with strong confirmatory evidence may be sufficient in instances where the trial is a large multicenter trial demonstrating internal consistency and a statistically very persuasive finding of a clinically meaningful effect on mortality, irreversible morbidity or prevention of a disease with a potentially serious outcome and if confirmation of the result in a second trial would be practically or ethically impossible. In rare cancer indications with very limited treatment options, a large and/or controlled trial is often not feasible and thus data from smaller and even uncontrolled trials may be sufficient for regulatory approval. It is difficult for us to predict with such a novel technology exactly what will be required by the regulatory authorities in order to take our product candidates to market or the timeframes under which the relevant regulatory approvals can be obtained.

For treatments granted accelerated approval, post-marketing confirmatory clinical trials are required to describe the anticipated effect on irreversible morbidity or mortality or other clinical benefit. These confirmatory clinical trials must be completed with due diligence and, in some cases, the FDA may require that the trial be designed, initiated and/or fully enrolled prior to approval. If any of our competitors were to receive full approval on the basis of a confirmatory clinical trial for an indication for which we seek accelerated approval before we receive accelerated approval, the indication we are seeking may no longer qualify as a condition for which there is an unmet medical end and accelerated approval of our product candidate would be more difficult. Moreover, the FDA may withdraw approval of our product candidate approved under the accelerated approval pathway if, for example:

- the clinical trial(s) required to verify the predicted clinical benefit of a product candidate fails to verify such benefit or does not demonstrate sufficient clinical benefit to justify the risks associated with the product candidate;
- other evidence demonstrates that a product candidate is not shown to be safe or effective under the conditions of use;
- we fail to conduct any required post-marketing confirmatory clinical trial with due diligence; or
- we disseminate false or misleading promotional materials relating to the relevant product candidate.

Recently, the accelerated approval pathway has come under scrutiny within the FDA and by Congress. The FDA has put increased focus on ensuring that confirmatory studies are conducted with diligence and, ultimately, that such studies confirm the benefit. For example, FDA has convened its Oncologic Drugs Advisory Committee to review what the FDA has called dangling or delinquent accelerated approvals where confirmatory studies have not been completed or where results did not confirm benefit. In addition, Congress recently enacted the Food and Drug Omnibus Reform Act ("FDORA"), which included provisions related to the accelerated approval pathway and authorizes the FDA to require a post-approval study to be underway prior to approval or within a specified time period following approval.

We may pursue orphan drug designation for certain of our product candidates, which we may not receive, and even if we receive such designation, we may be unable to maintain the associated benefits.

Regulatory authorities in some jurisdictions, including the United States and the European Union, may designate drugs for relatively small patient populations as orphan drugs.

In the United States, orphan drug designation entitles a party to financial incentives such as opportunities for grant funding towards clinical trial costs, tax advantages and user fee waivers. In addition, if a product receives the first FDA approval for the indication for which it has orphan designation, the product is entitled to orphan drug exclusivity, which means the FDA may not approve any other application to market the same biologic (meaning, a product with the same principal molecular structural features) for that indication for a period of seven years, except in limited circumstances, such as a showing of clinical superiority over the product with orphan exclusivity or where the manufacturer is unable to assure sufficient product quantity. In the European Union, orphan drug designation entitles a party to financial incentives such as reduction of fees or fee waivers and ten years of market exclusivity for the orphan indication following drug or biological product approval, provided that the criteria for orphan designation are still applicable at the time of the granting of the marketing authorization. This period may be reduced to six years if, at the end of the fifth year, the orphan drug designation criteria are no longer met, including where it is shown that the product is sufficiently profitable not to justify maintenance of market exclusivity. However, orphan drug designation neither shortens the development time or regulatory review time of a drug or therapeutic biologic nor gives the drug or therapeutic biologic any advantage in the regulatory review or approval process.

We may pursue orphan drug designation for one or more of our product candidates. However, obtaining an orphan drug designation can be difficult, and we may not be successful in doing so. Even if we obtain orphan drug designation for our product candidates in specific indications, we may not be the first to obtain regulatory approval of these product candidates for the orphan-designated indication. In addition, exclusive marketing rights in the United States may be limited if we seek approval for an indication broader than the orphan-designated indication or may be lost if the FDA later determines that the request for designation was materially defective or if the manufacturer is unable to assure sufficient quantities of the product to meet the needs of patients with the rare disease or condition. Furthermore, even if we obtain orphan drug exclusivity for a product, that exclusivity may not effectively protect the product from competition because a different biologic (with different principal molecular structural features) can be approved for the same condition. Even after an orphan product is approved, the FDA can subsequently approve the same biologic for the same condition if the FDA concludes that the later biologic is safer, more effective or makes a major contribution to patient care. Our inability to obtain orphan drug designation for any product candidates for the treatment of rare cancers and/or our inability to maintain that designation for the duration of the applicable exclusivity period, could reduce our ability to make sufficient sales of the applicable product candidate to balance our expenses incurred to develop it.

Breakthrough Therapy Designation, Fast Track Designation and Priority Review Designation by the FDA, or comparable designations by comparable regulatory authorities, for our product candidates may not lead to a faster development or regulatory review or approval process and do not increase the likelihood that a product candidate would receive regulatory approval.

We do not currently have Breakthrough Therapy Designation, Fast Track Designation or Priority Review Designation or comparable designations by comparable regulatory authorities for our product candidates. A breakthrough therapy is defined as a product candidate that is intended, alone or in combination with one or more other drugs, to treat a serious or life-threatening disease or condition, and preliminary clinical evidence indicates that the drug may demonstrate substantial improvement over currently approved therapies on one or more clinically significant endpoints, such as substantial treatment effects observed early in clinical development. For product candidates that have been designated as breakthrough therapies, interaction and communication between the FDA and the sponsor can help to identify the most efficient path for development. A Fast Track Designation may be available if a product candidate is intended for the treatment of a serious or life-threatening condition and preclinical or clinical data demonstrate the potential to address an unmet medical need for this condition. Priority review may be granted for products that are intended to treat a serious or life-threatening condition and, if approved, would provide a significant improvement in safety and effectiveness compared to available therapies. The FDA will attempt to direct additional resources to the evaluation of an application designated for priority review in an effort to facilitate the review.

In Europe, the EMA has implemented the so-called "PRIME" (PRIority MEdicines) status in order support the development and accelerate the approval of complex innovative medicinal products addressing an unmet medical need. The PRIME status enables early dialogue with the relevant EMA scientific committees and, possibly, some payers; and thus, reinforces the EMA's scientific and regulatory support. It also opens accelerated assessment of the marketing authorization application (150 days instead of 210 days). The PRIME status, which is decided by the EMA, is reserved to medicines that may benefit from accelerated assessment, i.e., medicines of major interest from a public health perspective, in particular from a therapeutic innovation perspective and that target unmet medical need.

The FDA, the EMA and comparable regulatory authorities have broad discretion whether or not to grant Breakthrough Therapy Designation, Fast Track Designation and Priority Review Designation and comparable designations. Accordingly, even if we believe, after completing early clinical trials, that one of our product candidates meets the criteria for such designations, the applicable regulatory authority may disagree and instead determine not to make such designations. Even if we receive such designation for a product candidate, it may not result in a faster development process, review or approval compared to conventional procedures and does not guarantee ultimate approval by the applicable regulatory authority. Many drugs that have received such designations have failed to obtain ultimate approval. In addition, the applicable regulatory authority may decide to rescind such designations if it determines that our product candidates no longer meet the conditions for qualification, including as a result of the product candidates' failure to meet endpoints in any clinical trial.

We are required to comply with comprehensive and ongoing regulatory requirements for any product candidates that receive regulatory approval, including conducting confirmatory clinical trials of any product candidates that receive accelerated approval.

Any product candidates for which we receive accelerated approval from the FDA or similar conditional approval from the EMA or comparable regulatory authorities are required to undergo one or more confirmatory and post-marketing clinical trials. If such a product candidate fails to meet its safety and efficacy endpoints in such confirmatory and post-marketing clinical trials, the regulatory authority may withdraw its approval. There is no assurance that any such product will successfully advance through its confirmatory and post-marketing clinical trial(s).

Moreover, the FDA and comparable foreign regulatory authorities will continue to closely monitor the safety profile of any product even after approval. If the FDA or comparable foreign regulatory authorities become aware of new safety information after approval of any of our product candidates, they may withdraw approval, require labeling changes or establishment of a REMS or similar strategy, impose significant restrictions on a product's indicated uses or marketing, or impose ongoing requirements for potentially costly post-approval studies or post-market surveillance.

In addition, any product candidates for which we receive regulatory approval in a particular jurisdiction and the activities associated with their commercialization, including testing, manufacture, recordkeeping, labeling, storage, approval, advertising, promotion, sale and distribution, will be subject to comprehensive regulation by the FDA, the EMA or comparable regulatory authorities. These requirements include, without limitation, submissions of safety and other post-marketing information and reports, registration and listing requirements, the FDA's cGMP and cGTPs requirements or comparable requirements in foreign jurisdictions, requirements relating to manufacturing, quality control, quality assurance and corresponding maintenance of records and documents, including periodic inspections by the FDA, the EMA or comparable regulatory authorities, requirements regarding the distribution of samples to physicians, tracking and reporting of payments to physicians and other healthcare providers and recordkeeping. In the United States, the FDA closely regulates the post-approval marketing and promotion of drugs to ensure drugs are marketed only for the approved indications and in a manner consistent with the provisions of the approved labeling. The FDA also imposes stringent restrictions on manufacturers' communications regarding use of their products and, if we promote our products beyond their approved indications or in a manner inconsistent with the approved labeling, we may be subject to enforcement action for off-label promotion. Violations of the U.S. Federal Food, Drug, and Cosmetic Act (the "FDCA") relating to the promotion of prescription drugs may lead to investigations alleging violations of federal and state healthcare fraud and abuse laws, as well as state consumer protection laws.

The policies of the FDA, the EMA and comparable regulatory authorities may change and additional regulations may be enacted. If we are slow or unable to adapt to changes in existing requirements or to the adoption of new requirements, or not able to maintain regulatory compliance, we may lose any regulatory approval that may have been obtained. We cannot predict the likelihood, nature or extent of government regulation that may arise from future legislation or administrative action, either in the United States or abroad, as the regulatory environment changes rapidly.

Risks Related to the Manufacturing of Our Product Candidates

Our product candidates are complex and difficult to manufacture. We could experience manufacturing problems that result in delays in our development or commercialization programs.

Our product candidates are cellular products or biologics and the process of manufacturing our products is complex, highly regulated and subject to multiple risks. The manufacture of our cellular product candidates involves complex processes, including, for example, for ACTengine genetically modified autologous T cell products (IMA201, IMA203, and IMA204), harvesting and transporting blood cells from every patient for T cell isolation, engineering of the T cells to express a specific T cell receptor for a tumor target, ex vivo multiplying the T cells to obtain the desired cell numbers for the dose, and finally transporting of the T cell product back to the patient for infusing the modified T cells back into the same patient. As a result of the complexities, the cost to manufacture cellular products per dose is generally higher than traditional small molecule chemical compounds or biologics, and the manufacturing process is less reliable, more variable and is more difficult to reproduce. Our manufacturing process may be susceptible to product loss or failure due to logistical issues associated with the collection of patients' blood cells, shipping such material to the manufacturing site, shipping the final product back to the patient, and infusing the patient with the product. Product loss or failure may also be caused by manufacturing issues associated with the variability in patient starting material especially from heavily treated cancer patients, interruptions in the manufacturing process, contamination, equipment failure, assay failures, improper installation or operation of equipment, vendor or operator error, inconsistency in cell growth, and variability in product characteristics. Even minor deviations from normal manufacturing processes could result in reduced production yields, product defects, and other supply disruptions.

If for any reason we lose a patient's starting material, or any intermediate product at any point in the process, or if any product does not meet the present specifications, the manufacturing process for that patient will need to be restarted, sometimes including re-collection of blood cells from the patient, and the resulting delay may adversely affect that patient's outcome. It may even happen, that failed product manufacture may prevent a patient from getting a T cell product. If microbial, environmental or other contaminations are discovered in our product candidates or in the manufacturing facilities in which our product candidates are made, such manufacturing facilities may need to be closed for an extended period of time to investigate and remedy the contamination. If such contaminations or other product quality issues are not discovered and if as a result thereof patients are exposed to a health risk, we may be held liable. Our insurance may not cover those cases, or the financial coverage may not be sufficient.

Because our ACTengine cellular product candidates are manufactured specifically for each individual patient, we will be required to maintain a chain of identity with respect to the patient's cellular material as it moves from the patient to the manufacturing facility, through the manufacturing process, and back to the patient. Maintaining such a chain of identity is difficult and complex, and failure to do so could result in adverse patient outcomes, loss of product, or regulatory action including withdrawal of our products from the market. Further, as product candidates are developed through preclinical to late-stage clinical trials towards approval and commercialization, it is common that various aspects of the development program, such as manufacturing methods, are altered along the way to optimize processes and results. Such changes carry the risk that they will not achieve these intended objectives, and any of these changes could cause our product candidates to perform differently and affect the results of planned clinical trials or other future clinical trials or otherwise necessitate the conduct of additional studies, including bridging clinical trials, which can be costly and time-consuming.

Currently, our cellular product candidates are manufactured using processes developed or modified by us but based on current industry standards sufficient to serve early-stage development of our product candidates. We anticipate to implement further developments for registration-directed and commercial manufacturing. The final process will be closed, partially automated and viable for advanced clinical trials through product registration, and all ongoing and future company-sponsored clinical trials. Although we believe that this process is commercially viable, there are risks associated with scaling to the level required for advanced clinical trials or commercialization, including, among others, cost overruns, potential problems with process upscaling, scale-out, process reproducibility, technology transfer, stability issues, lot consistency, and timely availability of raw materials. This includes potential risks associated with FDA not agreeing with all of the details of our validation data or our potency assay for our Phase 1 or future Phase 2 clinical trials. Furthermore, we or some of our CMOs may not be able to establish comparability of our/their products with the ACT products used in our Phase 1 or future Phase 2 clinical trials or may not be fully validated prior to starting our pivotal or registration clinical trial. As a result of these challenges, we may experience delays in our clinical development and/or commercialization plans. We may ultimately be unable to reduce the cost of goods for our product candidates to levels that will allow for an attractive return on investment if and when those product candidates are commercialized.

Our manufacturing capabilities for our allogenic cellular therapy product candidate(s) IMA30x are still in the process of being developed. We may not successfully establish a robust production process that fulfills the requirements of the FDA, the EMA and comparable regulatory authorities. If we fail to establish such a manufacturing process, we may not be able to commence clinical trials or clinical trials may be delayed. There can be no assurance that the production process we are currently developing is viable and can be effectively scaled up or transferred to a CMO for later-phase clinical testing and commercialization. If we fail to develop a process that can be used throughout the life cycle of the product candidate, commercialization may be delayed or may not occur.

Manufacturing of TCR Bispecifics (TCER), such as IMA401, IMA402, IMA403 and potential future product candidates, is susceptible to product loss due to contamination, equipment failure or improper installation or operation of equipment, vendor or operator error, inconsistency in yields, issues with purity, variability in product characteristics and difficulties in scaling the production process. Even minor deviations from normal manufacturing processes could result in reduced production yields, inacceptable purity, product defects, loss of production batches and other supply disruptions. In such cases, our development program may experience major delays and we may have to produce a new batch of a given TCER. This will be costly and will delay our TCER development program. In particular, production of a new cGMP batch may be time-consuming, as it relies on the availability of facilities with cGMP capabilities at our CMO, and such facilities must be booked far in advance. We may also experience failure of production of the master cell bank that is used to produce our TCER molecules. For example, missing clonality of the cell line or non-sterility of the cell bank may require production of a new master cell bank which would be associated with additional costs and delays.

Any failure to follow cGMP and cGTP or other regulatory requirements or any delay, interruption or other issues that arise in the manufacture, fill and finish, packaging, or storage of our product candidates as a result of a failure of our facilities or the facilities or operations of third parties to comply with regulatory requirements or pass any regulatory authority inspection could significantly impair our ability to develop and commercialize our product

candidates, including leading to significant delays in the availability of drug product for our clinical trials or the termination of or hold on a clinical trial, or the delay or prevention of a filing or approval of marketing applications for our product candidates.

Our TCR Bispecific product candidates that have been produced and are stored for later use may degrade, become contaminated or suffer other quality defects, which may cause the affected product candidates to no longer be suitable for their intended use in clinical trials or other development activities. If the defective product candidates cannot be replaced in a timely fashion, we may incur significant delays in our development programs that could adversely affect the value of such product candidates.

We are constructing our own manufacturing facility. However, we have no experience as a company in developing a large manufacturing facility. The designing and building process will be time consuming, expensive, and we may not realize the benefit of this investment. The manufacture of biopharmaceutical products, especially of those cellular in nature like our ACT product candidates, is complex and requires significant expertise, including the development of advanced manufacturing techniques and process controls.

Manufacturers of cell therapy products often encounter difficulties in production, particularly in scaling up initial production. These problems include difficulties with production costs and yields, quality control, including stability, patient to patient variability of the product candidate and quality assurance testing, shortages of qualified personnel, and compliance with strictly enforced federal, state, local and foreign regulations. Any problems or delays we or our CMOs experience in preparing for commercial scale manufacturing of a cell therapy or biologic product candidate or component may result in a delay in the regulatory approval of the product candidate or may impair our ability to manufacture commercial quantities or such quantities at an acceptable cost, which could result in the delay, prevention, or impairment of clinical development and commercialization of our product candidates and could adversely affect our business. Furthermore, if we or our commercial manufacturers fail to deliver the required commercial quantities or supply of our product candidates on a timely basis and at reasonable costs, we would likely be unable to meet demand for our products, and we would lose potential revenues.

In addition, the manufacturing process and facilities for any products that we may develop is subject to FDA, the EMA and comparable regulatory authority approval processes, and we and our CMOs will need to meet all applicable regulatory authority requirements, including cGMP and cGTP requirements, on an ongoing basis, including requirements pertaining to quality control, quality assurance, and the maintenance of records and documentation. The FDA, the EMA and comparable regulatory authorities enforce these requirements through facility inspections. Manufacturing facilities must be approved by the FDA pursuant to inspections that will be conducted after we submit our marketing applications. Manufacturers are also subject to continuing FDA, the EMA and comparable regulatory authority inspections following marketing approval. Further, we, in cooperation with our CMOs, must supply all necessary chemistry, manufacturing, and control documentation in support of a BLA on a timely basis.

We, or our CMOs' manufacturing facilities, may be unable to comply with our specifications, cGMP and cGTP requirements, and with other regulatory requirements. Poor control of production processes can lead to the introduction of adventitious agents or other contaminants, or to inadvertent changes in the properties or stability of product candidates that may not be detectable in final product testing. If we or our CMOs are unable to reliably produce

products to specifications acceptable to the FDA, the EMA or comparable regulatory authorities, or in accordance with the strict regulatory requirements, we may not obtain or maintain the approvals we need to commercialize such products. Even if we obtain regulatory approval for any of our product candidates, there can be no assurance that either we or our CMOs will be able to manufacture the approved product to specifications acceptable to the FDA, the EMA or comparable regulatory authorities, to produce it in sufficient quantities to meet the requirements for the potential launch of the product, or to meet potential future demand. Deviations from manufacturing requirements may further require remedial measures that may be costly and/or time-consuming for us or a third party to implement and may include the temporary or permanent suspension of a clinical trial or commercial sales or the temporary or permanent closure of a facility. Any such remedial measures imposed upon us or third parties with whom we contract could materially harm our business.

Risks Related to the Commercialization of Our Product Candidates

As a company, we have never commercialized a product. We currently have no active sales force or commercial infrastructure. We may lack the necessary expertise, personnel and resources to successfully commercialize our product candidates.

We currently have no active sales force or commercial infrastructure. As a company, we have never commercialized a product for any indication. Even if we receive regulatory approval for one or more of our product candidates from the FDA, the EMA or comparable regulatory authorities, we will need to develop robust internal sales, marketing and distribution capabilities to commercialize such products, which will be expensive and time-consuming, or enter into collaborations with third parties to perform these services.

There are costs and risks involved with establishing our own sales, marketing and distribution capabilities. For example, recruiting and training a sales force is expensive and time-consuming and could delay any product launch. If the commercial launch of a product candidate for which we recruit a sales force and establish marketing capabilities is delayed or does not occur for any reason, we would have prematurely or unnecessarily incurred these commercialization expenses. This may be costly, and our investment would be lost if we cannot retain or reposition our sales and marketing personnel. We must also compete with other biotechnology companies to recruit, hire, train and retain marketing and sales personnel.

Alternatively, we may wish to establish collaborations with third parties to maximize the potential of our product candidates jurisdictions in which a product candidate has been approved. The biotechnology industry is characterized by intense competition. Therefore, we may not be successful in entering into such commercialization arrangements with third parties on favorable terms, or at all. In addition, we may have limited control over such third parties, and any of them may fail to devote the necessary resources and attention to sell, market and distribute our products effectively.

There can be no assurance that we will be able to develop the necessary commercial infrastructure and capabilities to successfully commercialize our product candidates or be able to establish or maintain relationships with third parties necessary to perform these services. As a result, we may not successfully commercialize any product in any jurisdiction.

Our commercial success depends upon attaining significant market acceptance of our product candidates, if approved, among physicians, patients, patient advocacy groups, third-party payors and the medical community.

If we obtain regulatory approval for any of our current or future product candidates, that product candidate may nevertheless not gain sufficient market acceptance among physicians, patients, patient advocacy groups, third-party payors and the medical community. For example, they may prefer current, well-established cancer treatments, such as chemotherapy and radiation therapy, to the exclusion of our product candidates or may prefer other novel product candidates rather than our product candidates. Efforts to educate physicians, patients, patient advocacy groups and third-party payors on the benefits of our product candidates may require significant resources and may not be successful. If our product candidates do not achieve an adequate level of acceptance, we may not generate significant product revenues and may not receive a satisfactory return on our investment into the research and development of those product candidates.

Market acceptance of our product candidates is heavily dependent on patients' and physicians' perceptions that our product candidates are safe and effective treatments. The perceptions of any product are influenced by perceptions of competitors' products that are in the same class or that have a similar mechanism of action. As a result, adverse public perception of our competitors' products may negatively impact the market acceptance of our product candidates. If any approved products are not accepted by the market to the extent that we expect, we may not be able to generate significant product revenues and may not become or remain profitable.

The market opportunities for our product candidates may be smaller than we estimate.

Our projections of both the number of people who have the cancers we are targeting, as well as the subset of people with these cancers who are in a position to receive our product candidates, and who have the potential to benefit from treatment with our product candidates, are based on our beliefs and estimates that have been derived from a variety of sources, including scientific literature, surveys of clinics, patient foundations, or market research by third parties, and may prove to be incorrect. These estimates may be inaccurate or based on imprecise data. We do not have verifiable internal marketing data regarding the potential size of the commercial market for our product candidates, nor have we obtained current independent marketing surveys to verify the potential size of the commercial markets for our current product candidates or any future product candidates. Since our current product candidates and any future product candidates will represent novel approaches to treating various conditions, it may be difficult, in any event, to accurately estimate the potential revenues from these product candidates. The number of patients in the addressable markets may turn out to be lower than expected, patients may not be otherwise amenable to treatment with our product candidates or new patients may become increasingly difficult to identify or gain access to, all of which could materially adversely affect our business, financial condition, results of operations and prospects.

For any product candidates developed in combination with other therapies, regulatory approval, safety or supply issues with these other therapies may delay or prevent the development and approval of our product candidates.

For any product candidates developed for use in combination with an approved therapy, we are subject to the risk that the FDA, the EMA or comparable regulatory authorities could revoke approval of, or that safety, efficacy,

manufacturing or supply issues could arise with, the therapy used in combination with our product candidate. If the therapies we use in combination with our product candidates are replaced as the standard of care, the FDA, the EMA or comparable regulatory authorities may require us to conduct additional clinical trials. The occurrence of any of these risks could result in our product candidates, if approved, being removed from the market or being less successful commercially.

For any product candidates developed for us in combination with a therapy that has not been approved by the FDA, the EMA or comparable regulatory authorities, we may not be able to market our product candidate for use in combination with such an unapproved therapy, unless and until the unapproved therapy receives regulatory approval. These unapproved therapies face the same risks described with respect to our product candidates currently in development, including serious adverse effects and delays in their clinical trials. In addition, other companies may also develop their products or product candidates in combination with the unapproved therapies with which we are developing our product candidates for use in combination. Any setbacks in these companies' clinical trials, including the emergence of serious adverse effects, may delay or prevent the development and approval of our product candidates.

If the FDA, the EMA or comparable regulatory authorities do not approve or revoke their approval of, or if safety, efficacy, manufacturing, or supply issues arise with, therapies we choose to evaluate in combination with any of our product candidates, we may be unable to obtain regulatory approval of or to commercialize such product candidates in combination with these therapies.

Coverage and reimbursement may be limited or unavailable for our product candidates, which could make it difficult to sell our products profitably.

The availability and extent of coverage and adequate reimbursement by governmental and private third-party payors are essential for most patients to be able to afford expensive medical treatments. In both domestic and foreign markets, sales of our product candidates will depend substantially on the extent to which the costs of our product candidates will be covered by third-party payors, such as government health programs, commercial insurance and managed healthcare organizations. These third-party payors decide which products will be covered and establish reimbursement levels for those products. We cannot be certain that coverage and adequate reimbursement will be available for any of our product candidates, if approved, or that reimbursement policies will not reduce the demand for any of our product candidates, if approved. If coverage and adequate reimbursement are not available, or are available only to limited levels, we may not be able to successfully commercialize our product candidates.

Obtaining coverage approval and reimbursement for a product from a government or other third-party payor is a time-consuming and costly process that could require us to provide supporting scientific, clinical and cost-effectiveness data for the use of our products to the payor. We may not be able to provide data sufficient to gain acceptance with respect to coverage and reimbursement at a satisfactory level. If coverage and adequate reimbursement of our future products, if any, are unavailable or limited in scope or amount, such as may result where alternative or generic treatments are available, we may be unable to achieve or sustain profitability. Adverse coverage and reimbursement limitations may hinder our ability to recoup our investment in our product candidates, even if such product candidates obtain regulatory approval.

Our ACT product candidate may be provided to patients in combination with other agents provided by third parties. The cost of such combination therapy may increase the overall cost of ACT therapy and may result in issues regarding the allocation of reimbursements between our therapy and the other agents, all of which may affect our ability to obtain reimbursement coverage for the combination therapy from third-party medical insurers.

Furthermore, the containment of healthcare costs has become a priority of foreign and domestic governments as well as private third-party payors. The prices of drugs have been a focus in this effort. Governments and private third-party payors have attempted to control costs by limiting coverage and the amount of reimbursement for particular medications, which could affect our ability to sell our product candidates profitably. We also expect to experience pricing pressures due to the trend towards managed healthcare, the increasing influence of health maintenance organizations and additional legislative changes. These and other cost-control initiatives could cause us to decrease the price we might establish for products, which could result in lower-than-anticipated product revenues. In addition, the publication of discounts by third-party payors or authorities may lead to further pressure on the prices or reimbursement levels within the country of publication and other countries. If pricing is set at unsatisfactory levels or if coverage and adequate reimbursement of our products is unavailable or limited in scope or amount, our revenues and the potential profitability of our product candidates in those countries would be negatively affected.

Healthcare reform legislation and other changes in the healthcare industry and in healthcare spending may adversely affect our business model.

Our revenue prospects could be affected by changes in healthcare spending and policies in the United States, the European Union and any other potential jurisdictions we may seek to commercialize our product candidates, if approved. We operate in a highly regulated industry, and new laws, regulations and judicial decisions, or new interpretations of existing laws, regulations and decisions, related to healthcare availability, the method of delivery and payment for healthcare products and services could negatively affect our business, financial condition and prospects. There is significant interest in promoting healthcare reforms, and it is likely that federal and state legislatures within the United States and the governments of other countries will continue to consider changes to existing healthcare legislation.

In addition, there have been and continue to be a number of initiatives at the United States federal and state levels that seek to reduce healthcare costs. Any significant spending reductions affecting Medicare, Medicaid or other publicly funded or subsidized health programs that may be implemented, or any significant taxes or fees that may be imposed on us, as part of any broader healthcare cost reduction effort, could have an adverse impact on our anticipated product revenues. In addition, regional healthcare authorities and individual hospitals are increasingly using bidding procedures to determine what pharmaceutical products and which suppliers will be included in their prescription drug and other healthcare programs. We expect that additional state and federal healthcare reform measures will be adopted in the future. Any adopted health reform measure could reduce the ultimate demand for our products, if approved, or put pressure on our product pricing.

Risks Related to Our Relationships with Third Parties

We rely on third parties to conduct preclinical studies and/or clinical trials of our product candidates. If they do not properly and successfully perform their obligations to us, we may not be able to obtain regulatory approvals for our product candidates.

We currently, and we expect that we will continue to, rely on independent clinical investigators and CROs to conduct our clinical trials. CROs also assist us in the collection and analysis of data. As a result of our reliance on these third parties, we have less direct control over the conduct, timing and completion of these clinical trials and the management of data developed through clinical trials than we would otherwise have if we relied entirely upon our own staff. These third parties are not our employees and we have limited control over the amount of time and resources that they dedicate to our product candidates. In addition, communications with outside parties can also be challenging, potentially leading to mistakes as well as difficulties in coordinating activities. Outside parties may:

- have staffing difficulties;
- fail to comply with contractual obligations;
- experience regulatory compliance issues;
- undergo changes in priorities or become financially distressed; or
- form relationships with other entities, some of which may be our competitors.

If these third parties do not successfully carry out their duties under their agreements, or if the quality or accuracy of the data they obtain is compromised due to their failure to adhere to clinical trial protocols or to regulatory requirements, or if they otherwise fail to comply with clinical trial protocols or meet expected deadlines, the clinical trials of our product candidates may not meet regulatory requirements. Specifically, the FDA, the EMA and comparable regulatory authorities require compliance with regulations and standards, including GCP, for designing, conducting, monitoring, recording, analyzing and reporting the results of clinical trials to assure that the data and results are credible and accurate and that the rights, integrity and confidentiality of study participants are protected. Although we rely, and intend to continue to rely, on third parties to conduct our clinical trials, they are not our employees, and we are responsible for ensuring that each of these clinical trials is conducted in accordance with its general investigational plan, protocol, legal and regulatory requirements and scientific standards. Our reliance on these third parties for research and development activities will reduce our control over these activities, but will not relieve us of our responsibilities. If our third-party research and development partners fail to comply with applicable GCPs or other regulatory requirements, the clinical data generated in our clinical trials may be deemed unreliable and preclinical development activities or clinical trials may be extended, delayed, suspended or terminated.

We compete with many other companies for the resources of these third parties. These third parties may have contractual relationships with other entities, some of which may be our competitors, which may draw time and resources from our product candidates. The third parties with whom we contract might not be diligent, careful or timely in conducting our preclinical studies or clinical trials, resulting in the preclinical studies or clinical trials being delayed or unsuccessful.

If any of our relationships with any third-party research and development partner terminates its relationship with us, we may not be able to enter into arrangements with alternative third-party research and development partners

or to do so on commercially reasonable terms. Switching or adding additional third-party research and development partners involves additional cost and requires management time and focus. In addition, there is a natural transition period when a new third-party research and development partner commences work. As a result, delays may occur in our clinical trials, which can materially impact our ability to meet our desired clinical development timelines. There can be no assurance that we will not encounter challenges or delays in the future or that these delays or challenges will not have a material adverse impact on our business, results of operations, financial condition and prospects.

We rely on third parties to obtain reagents and raw materials.

The manufacture of our product candidates by us or any of our CMOs requires access to a number of reagents and other critical raw materials from third-party suppliers. Such third parties may refuse to supply such reagents or other raw materials or alternatively refuse to supply on commercially reasonable terms. There may also be capacity issues at such third-party suppliers that impact our ability to increase production of our product candidates. Some of the materials used in the manufacture and processing of our product candidates may only be supplied by one or a few vendors, which means that, should those vendors be unable to supply, for whatever reason, our ability to manufacture product candidates and progress product candidates through clinical trials could be severely impacted and result in additional delays. Such failure to supply could also impact other supply relationships with other third parties and potentially result in additional payments being made or required in relation to such delays. In addition, where any raw material or precursor material (including, for example, lentiviral vector, cell culture medium, chromatographic column material or other essential raw material) is currently supplied by one or a few vendors, replacing such raw material or precursor or finding alternative vendors may not be possible or may significantly impact on the timescales for manufacture and supply of our product candidates. Even where alternative materials or precursors or alternative vendors are identified, such alternative materials, precursors or vendors and their materials will need to be properly assessed and qualified and additional regulatory approvals may also need to be obtained all of which could result in significant delays to the supply of our product candidates or an inability to supply product candidates within anticipated timescales, if at all.

We currently rely on third parties for the manufacture of our product candidates. Our dependence on these third parties may impair the clinical advancement and commercialization of our product candidates.

All clinical T cell products are currently manufactured by our employees through a collaboration with the Evelyn H. Griffin Stem Cell Therapeutics Research Laboratory at UTHealth ("UTH") McGovern Medical School in Houston, Texas.

To scale our cell therapies for pivotal trials and initial commercial manufacturing, we have started the construction of a state-of-the-art GMP manufacturing facility in Houston metropolitan area, Texas. We have contractual agreements in place with GMP suppliers of lentiviral vectors, which is the most critical raw material for the manufacturing of genetically modified T cells products.

Our manufacturing strategy for TCER includes CMOs for cell line development, process development, formulation development, cGMP manufacturing, analytics, release testing, fill and finish, packaging and storage.

Reliance on third-party providers may expose us to different risks than if we were to manufacture and supply product candidates ourselves. The facilities used by our CMOs or other third-party manufacturers to manufacture our product candidates must be approved by the EMA and comparable regulatory authorities, and the FDA requires our CMOs or other third-party manufacturers to maintain a compliance status acceptable to the FDA, pursuant to inspections that will be conducted after we submit the marketing application to the applicable regulatory authorities. Although we have auditing rights with all our manufacturing counterparties, we do not have control over a supplier's or manufacturer's compliance with these laws, regulations, applicable cGMP and cGTP standards and other laws and regulations, such as those related to environmental health and safety matters.

If our CMOs or other third-party manufacturers cannot successfully manufacture material that conforms to our specifications and the strict regulatory requirements of the FDA, the EMA and comparable regulatory authorities, or if the quality or accuracy of the manufacturing and quality control data they obtain is compromised due to their failure to adhere to protocols or to regulatory requirements, we will not be able to secure and/or maintain regulatory approval for our product candidates. In addition, we have no control over the ability of our CMOs or other third-party manufacturers to maintain adequate quality control, quality assurance and qualified personnel. If a CMO or other third-party manufacturer cannot maintain a compliance status acceptable to the FDA, or if the EMA or a comparable regulatory authority does not approve these facilities for the manufacture of our product candidates or if it withdraws any such approval in the future, we may need to find alternative manufacturing facilities, which would significantly impact our ability to develop, obtain regulatory approval for or market our product candidates, if approved. Any failure to achieve and maintain compliance with these laws, regulations and standards could subject us to the risk that we may have to suspend the manufacturing of our product candidates and that obtained approvals could be revoked, which would adversely affect our business and reputation.

Establishing additional or replacement CMOs could take a substantial amount of time and it may be difficult to establish replacement CMOs who meet regulatory requirements. There are a limited number of manufacturers that operate under cGMP and, for cellular products, also under cGTP regulations and that are both capable of manufacturing for us and willing to do so. In addition, there are limited CMOs specialized in the manufacturing of cellular therapy products. If we have to switch to a replacement CMO, the manufacture and delivery of our product candidates could be interrupted for an extended period, which could adversely affect our business. If we are able to find a replacement CMO, the replacement CMO would need to be qualified and may require additional regulatory authority approval, which could result in further delay regulatory approval and commercialization of our product candidates.

Furthermore, third-party providers may breach, terminate or decline to renew agreements they have with us because of factors beyond our control, such as their own financial difficulties or business priorities, international trade restrictions and financial costs, potentially at a time that is costly or otherwise inconvenient for us or our partners. In such cases, we would face the challenge of transferring complicated manufacturing techniques to other CMOs. We may incur significant costs and be required to devote significant time to verify that the new manufacturer maintains facilities and procedures that comply with quality standards and with all applicable regulations and guidelines. A transfer of the manufacturing process for our product candidates would be time-consuming, and we or our partners may not be able to achieve such transfer. If we are unable to find an adequate replacement or another acceptable solution in time, clinical trials of our product candidates could be delayed or our commercial activities could be harmed.

Failure of third-party contractors to successfully develop and commercialize companion diagnostics for use with our product candidates could harm our ability to commercialize our product candidates.

We plan to develop companion diagnostics for our product candidates where appropriate. Such developments are expensive and time-consuming. The FDA, the EMA and comparable regulatory authorities may request or require the development and regulatory approval of a companion diagnostic as a condition to approving one or more of our product candidates. We do not have experience or capabilities in developing, seeking regulatory approval for or commercializing diagnostics and plan to rely in large part on third parties to perform these functions.

We will likely outsource the development, production and commercialization of companion diagnostics to third parties. By outsourcing these companion diagnostics to third parties, we become dependent on the efforts of our third-party contractors to successfully develop and commercialize these companion diagnostics. Our contractors:

- may not perform their obligations as expected;
- may encounter production difficulties that could constrain the supply of the companion diagnostic;
- may encounter difficulties in obtaining regulatory approval;
- may have difficulties gaining acceptance of the use of the companion diagnostic in the clinical community;
- may not commit sufficient resources to the marketing and distribution of such product; and
- may terminate their relationship with us.

We collaborate with third parties in the research, development and commercialization of certain of our product candidates and may enter into other collaborations in the future for our other product candidates. If our collaborators do not perform as expected or if we are unable to maintain existing or establish additional collaborations, our ability to develop and commercialize our product candidates may be adversely affected.

From time to time, we may enter into collaboration agreements with third parties that have experience in product development, manufacturing and/or commercialization for other product candidates and/or research programs. We may face significant competition in seeking appropriate partners for our product candidates, and the negotiation process may be time-consuming and complex. In order for us to successfully partner our product candidates, potential collaborators must view these product candidates as economically valuable in markets they determine to be attractive in light of the terms that we are seeking and other available products for licensing by other companies. Even if we are successful in our efforts to establish collaborations, the terms that we agree upon may not be favorable to us, and we may not be able to maintain such collaborations if, for example, development or approval of a product candidate is delayed or sales of an approved product are disappointing. If we fail to establish and maintain collaborations related to our product candidates, we could bear all of the risk and costs related to the development of any such product candidate, and we may need to seek additional financing, hire additional employees and otherwise develop expertise for which we have not budgeted. This could negatively affect the development and commercialization of our product candidates.

We have collaboration agreements and license agreements with, for example MD Anderson, Genmab and Bristol-Myers Squibb ("BMS"). These agreements provide us with important funding for our development programs and technology platforms. If our therapeutic programs and related collaborations do not result in the successful

development and commercialization of products or if one of our collaborators or licensors terminates its agreement with us, we may not receive any future research funding or milestone or royalty payments associated with such collaboration or license arrangement. For example, our collaboration agreement with GlaxoSmithKline was terminated in 2022. As a result, we will not receive any future milestone or royalty payments under these collaborations. In addition, any termination of an agreement by the relevant collaborators could affect our ability to develop further such product candidates or adversely affect how we are perceived in scientific and financial communities. All of the risks relating to product development, regulatory approval and commercialization described in this report also apply to the activities of our program collaborators.

In our collaboration arrangements, we depend on the performance of our collaborators. Our collaborators may fail to perform their obligations under the collaboration agreements or may not perform their obligations in a timely manner. If conflicts arise between our collaborators and us, the other party may act in a manner adverse to us and could limit our ability to implement our strategies. Furthermore, our collaborators may not properly obtain, maintain, enforce or defend our intellectual property or proprietary rights or may use our proprietary information in such a way as to invite litigation that could jeopardize or invalidate our proprietary information or expose us to potential litigation. In addition, we cannot control the amount and timing of resources our collaborators may devote to our product candidates. They may separately pursue competing products, therapeutic approaches or technologies to develop treatments for the diseases targeted by us. Competing products, either developed by the collaborators or to which the collaborators have rights, may result in the withdrawal of support for our product candidates. Even if our collaborators continue their contributions to the strategic collaborations, they may nevertheless determine not to actively pursue the development or commercialization of any resulting products. Additionally, if our collaborators pursue different clinical or regulatory strategies with their product candidates based on similar technology as used in our product candidates, adverse events with their product candidates could negatively affect our product candidates. Any of these developments could harm our product development efforts.

If our collaborators terminate or breach our agreements with them, or otherwise fail to complete their obligations in a timely manner, it may have a detrimental effect on our financial position by reducing or eliminating the potential for us to receive technology access and license fees, milestones and royalties, reimbursement of development costs, as well as possibly requiring us to devote additional efforts and incur costs associated with pursuing internal development of product candidates. Furthermore, if our collaborators do not prioritize and commit sufficient resources to our product candidates, we or our partners may be unable to develop or commercialize these product candidates, which would limit our ability to generate revenue and become profitable.

We may form or seek strategic alliances or enter into additional licensing arrangements in the future, and we may not realize the benefits of such alliances or licensing arrangements.

We may form or seek strategic alliances, create joint ventures or collaborations or enter into additional licensing arrangements with third parties that we believe will complement or augment our development and commercialization efforts with respect to our product candidates and any future product candidates that we may develop. Additionally, although we intend to develop product candidates through our own internal research, we may need to obtain additional licenses from others to advance our research or allow commercialization of our product candidates and it is possible that we may be unable to obtain additional licenses at a reasonable cost or on reasonable

terms, if at all. Any of these relationships may require us to incur non-recurring and other charges, increase our near and long-term expenditures, issue securities that dilute our existing shareholders or disrupt our management and business. In addition, we face significant competition in seeking appropriate strategic collaborations and licenses and the negotiation process is time-consuming and complex. We may also be unable to identify product candidates that we believe are an appropriate strategic fit for our company and intellectual property relating to, or necessary for, such product candidates. The in-licensing and acquisition of third-party intellectual property is a competitive area, and a number of more established companies are also pursuing strategies to in-license or acquire third-party intellectual property rights that we may consider attractive or necessary. These established companies may have a competitive advantage over us due to their size, cash resources and greater clinical development and commercialization capabilities. Furthermore, companies that perceive us to be a competitor may be unwilling to assign or license rights to us. We also may not be successful in our efforts to establish strategic collaborations or other alternative arrangements for our product candidates because they may be deemed to be at too early a stage of development for collaborative effort and third parties may not view our product candidates as having the requisite potential to demonstrate safety and efficacy. Any delays in entering into new strategic collaboration agreements related to our product candidates could delay the development and commercialization of our product candidates in certain geographies for certain indications, which would harm our business prospects, financial condition and results of operations.

We depend on intellectual property licensed from third parties and termination of any of these licenses could result in the loss of significant rights, which would harm our business.

We are dependent or may depend in the future on patents, know-how and proprietary technology licensed from others. We may also enter into additional license agreements that are material to the development of our product candidates. Our current license agreements impose, and future agreements may impose, various development, diligence, commercialization and other obligations on us and require us to meet development timelines, or to exercise commercially reasonable efforts to develop and commercialize licensed products, in order to maintain the licenses. Disputes may arise between us and our licensors and licensees regarding intellectual property subject to a license agreement, including those related to:

- the scope of rights granted under the license agreement and other interpretation-related issues;
- whether and the extent to which our technology and processes infringe on intellectual property of the licensor that is not subject to the licensing agreement;
- our right to sublicense patent and other rights to third parties under collaborative development relationships;
- our diligence obligations with respect to the use of the licensed technology in relation to our development and commercialization of our product candidates, and what activities satisfy those diligence obligations; and
- the ownership of inventions and know-how resulting from the joint creation or use of intellectual property by us, our licensors, and our collaborators.

If disputes over intellectual property that we have licensed, or will license in the future, prevent or impair our ability to maintain our current licensing arrangements on acceptable terms, we may be unable to successfully develop and commercialize the affected product candidates. Furthermore, if our licenses are terminated, or if the underlying patents fail to provide the intended exclusivity, competitors or other third parties would have the freedom to seek

regulatory approval of, and to market, products identical or competitive to ours and we may be required to cease our development and commercialization of certain of our product candidates. We are generally also subject to all of the same risks with respect to protection of intellectual property that we license, as it is for intellectual property that we own, which are described below. If we or our licensors fail to adequately protect this intellectual property, our ability to commercialize products could suffer.

Risks Related to Our Intellectual Property

If we are unable to obtain and maintain sufficient patent protection for our product candidates, or if the scope of the patent protection is not sufficiently broad, our competitors could develop and commercialize products similar or identical to ours, and our ability to commercialize our product candidates successfully may be adversely affected.

Our success depends in large part on our ability to obtain and maintain patent protection in the United States and other countries with respect to our product candidates. If we do not adequately protect or enforce our intellectual property, competitors and other third parties may be able to erode or negate any competitive advantage we may have, which could harm our business. To protect our proprietary position, we file patent applications in the United States and abroad related to our product candidates that are important to our business. The patent application and approval process is expensive, complex and time-consuming. We may not be able to file and prosecute all necessary or desirable patent applications at a reasonable cost or in a timely manner.

The patent position of biotechnology and pharmaceutical companies generally is highly uncertain. No consistent policy regarding the breadth of claims allowed in biotechnology and pharmaceutical patents has emerged to date in the United States or in many foreign jurisdictions. In addition, the determination of patent rights with respect to biological and pharmaceutical products commonly involves complex legal and factual questions, which has in recent years been the subject of much litigation. As a result, the issuance, scope, validity, enforceability and commercial value of our patent rights are highly uncertain. Our pending patent applications cannot be enforced against third parties practicing the technology claimed in such applications unless and until a patent issue from such applications. Assuming the other requirements for patentability are met, currently, the first to file a patent application is generally entitled to the patent. However, prior to March 16, 2013, in the United States, the first to invent was entitled to the patent. Publications of discoveries in the scientific literature often lag behind the actual discoveries, and patent applications in the United States and other jurisdictions are typically not published until 18 months after filing, or in some cases not at all. Therefore, we cannot be certain that we were the first to make the inventions claimed in our patents or pending patent applications, or that we were the first to file for patent protection of such inventions.

Moreover, because the issuance of a patent is not conclusive as to its inventorship, scope, validity or enforceability, our patents or pending patent applications may be challenged in the courts or patent offices in the United States and abroad. For example, we may be subject to a third-party preissuance submission of prior art to the U.S. Patent and Trademark Office ("USPTO"), or become involved in post-grant review procedures, oppositions, derivations, reexaminations, inter partes review or interference proceedings, in the United States or elsewhere, challenging our patent rights or the patent rights of others. An adverse determination in any such challenges may result in loss of exclusivity or in patent claims being narrowed, invalidated or held unenforceable, in whole or in part, which could limit our ability to stop others from using or commercializing similar or identical technology and products, or limit the duration of the patent protection of our technology and products. In addition, given the amount of time

required for the development, testing and regulatory review of new product candidates, patents protecting such candidates might expire before or shortly after such candidates are commercialized.

Even if our patent applications issue as patents, they may not issue in a form that will provide us with any meaningful protection, prevent competitors from competing with us or otherwise provide us with any competitive advantage. Our competitors may be able to circumvent our patents by developing similar or alternative technologies or products in a non-infringing manner. Alternatively, our competitors may seek to market generic versions of any approved products and may claim that patents owned or licensed by us are invalid, unenforceable or not infringed. In these circumstances, we may need to defend or assert our patents, or both, including by filing lawsuits alleging patent infringement. In any of these types of proceedings, a court or other agency with jurisdiction may find our patents invalid or unenforceable, or that our competitors are competing in a non-infringing manner. Thus, even if we have valid and enforceable patents, these patents still may not provide protection against competing products or processes sufficient to achieve our business objectives. Any of the foregoing could have a material adverse effect on our business.

If third parties claim that our activities or products infringe upon their intellectual property, our operations could be adversely affected.

There is a substantial amount of litigation, both within and outside the United States, involving patents and other intellectual property rights in the pharmaceutical industry. We may, from time to time, be notified of claims that we or our third-party suppliers are infringing upon patents, trademarks, copyrights, or other intellectual property rights owned by third parties, and we cannot provide assurances that other companies will not, in the future, pursue such infringement claims against us or any third-party proprietary technologies we have licensed. If we or our third-party suppliers were found to infringe upon a patent or other intellectual property right, or if we failed to obtain or renew a license under a patent or other intellectual property right from a third party, or if a third party that we were licensing technologies from was found to infringe upon a patent or other intellectual property rights of another third party, we may be required to pay damages, including treble damages if the infringement is found to be willful, suspend the manufacture of certain product candidates or reengineer or rebrand our product candidates, if feasible, or we may be unable to enter certain new product markets.

We could also be required to obtain a license to such patents in order to continue the development and commercialization of the infringing product or technology, however such a license may not be available on commercially reasonable terms or at all. Even if such license were available, it may require substantial payments or cross-licenses under our intellectual property rights, and it may only be available on a nonexclusive basis, in which case third parties, including our competitors, could use the same licensed intellectual property to compete with us. Any such claims could also be expensive and time-consuming to defend and divert management's attention and resources. Our competitive position could suffer as a result. In addition, if we have declined to enter into a valid non-disclosure or assignment agreement for any reason, we may not own an invention or intellectual property rights and may not be adequately protected. Although we have reviewed certain third-party patents and patent filings that we believe may be relevant to our product candidates, we have not conducted a full freedom-to-operate search or analysis for such product candidates, and we may not be aware of patents or pending or future patent applications that, if issued, would block us from commercializing our product candidates. In addition, because patent applications can take many years to issue, may be confidential for 18 months or more after filing and can be revised before issuance, there may be applications

now pending which may later result in issued patents that may be infringed by the manufacture, use, sale or importation of our product candidates and we may not be aware of such patents. Thus, we cannot guarantee that we can successfully commercialize product candidates in a way that will not infringe any third party's intellectual property.

Where we license certain technology from a third party, the prosecution, maintenance and defense of the patent rights licensed from such third party may be controlled by the third party which may impact the scope of patent protection which will be obtained or enforced.

Where we license patent rights or technology from a third party, control of such third-party patent rights may vest in the licensor, particularly where the license is non-exclusive or field restricted. This may mean that we are not able to control or affect the scope of the claims of any relevant third-party patent or have control over any enforcement of such a patent. Therefore, we cannot be certain that such patents and patent applications will be prepared, filed, prosecuted, maintained, enforced, and defended in a manner consistent with the best interests of our business. Where a licensor brings an enforcement action, this could negatively impact our business or result in additional restrictions being imposed on the license we have and the scope of such license or result in invalidation or limitation of the scope of the licensed patent. In addition, should we wish to enforce the relevant patent rights against a third person, we may be reliant on consent from the relevant licensor or the cooperation of the licensor. The licensor may refuse to bring such action and leave us unable to restrict competitor entry into the market.

We may be involved in lawsuits to protect or enforce our patents or the patents of our licensors, or lawsuits accusing our products of patent infringement, which could be expensive, time-consuming and unsuccessful.

Competitors or third parties may infringe our patents or the patents of our licensors. To counter infringement or unauthorized use, we may be required to file infringement claims, which can be expensive and time-consuming. In addition, in an infringement proceeding, a court may decide that one or more of our patents is not valid or is unenforceable or may refuse to stop the other party from using the technology at issue on the grounds that our patents do not cover the technology in question. Further, such third parties could counterclaim that we infringe, misappropriate or otherwise violate their intellectual property or that a patent or other intellectual property right asserted against them is invalid or unenforceable. In patent litigation in the United States, defendant counterclaims challenging the validity, enforceability or scope of asserted patents are commonplace. The outcome of any such proceeding is generally unpredictable.

An adverse result in any litigation or defense proceedings could put one or more of our patents at risk of being invalidated, held unenforceable, or interpreted narrowly and could put our patents applications at risk of not issuing. Defense of these claims, regardless of their merit, would involve substantial litigation expenses and would be a substantial diversion of employee resources from our business. In the event of a successful claim of infringement against us, we may be enjoined from manufacturing, using, and marketing our products, or may have to pay substantial damages, including treble damages and attorneys' fees for willful infringement, obtain one or more licenses from third parties, pay royalties or redesign our infringing products, which may be impossible or require substantial time and monetary expenditure. Any required license may not be available on commercially reasonable terms or at all. Even if such license were available, it may require substantial payments or cross-licenses under our intellectual property rights, and it may only be available on a nonexclusive basis, in which case third parties, including our competitors, could use the same licensed intellectual property to compete with us. Furthermore, because of the substantial amount of discovery

required in connection with intellectual property litigation, there is a risk that some of our confidential information could be compromised by disclosure during litigation. There could also be public announcements of the results of hearing, motions, or other interim developments. If securities analysts or investors perceive these results to be negative, it could have a material adverse effect on the price of shares of our stock.

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

Periodic maintenance fees on any issued patent are due to be paid to the USPTO and foreign patent agencies in several stages over the lifetime of the patent. The USPTO and various foreign governmental patent agencies require compliance with several procedural, documentary, fee payment and other similar provisions during the patent application process. While an inadvertent lapse can in many cases be cured by payment of a late fee or by other means in accordance with the applicable rules, there are situations in which noncompliance can result in abandonment or lapse of the patent or patent application, resulting in partial or complete loss of patent rights in the relevant jurisdiction. Noncompliance events that could result in abandonment or lapse of a patent or patent application include, but are not limited to, failure to respond to official actions within prescribed time limits, non-payment of fees and failure to properly legalize and submit formal documents. In such an event, our competitors might be able to enter the market, which would have a material adverse effect on our business.

We may incur substantial costs as a result of litigation or other proceedings relating to patent and other intellectual property rights.

The cost to us of any litigation or other proceeding relating to intellectual property rights, even if resolved in our favor, could be substantial. Some of our competitors may be better able to sustain the costs of complex patent litigation because they have substantially greater resources. If there is litigation against us, we may not be able to continue to operate.

Should third parties file patent applications or be issued patents claiming technology we also use or claim, we may be required to participate in interference proceedings in the USPTO to determine priority of invention. We may be required to participate in interference proceedings involving our issued patents and pending applications. We may be required to cease using the technology or to license rights from prevailing third parties as a result of an unfavorable outcome in an interference proceeding. A prevailing party in that case may not offer us a license on commercially acceptable terms or at all.

Issued patents covering our product candidates could be found invalid or unenforceable if challenged in court or the USPTO.

If we or one of our licensing collaborators initiates legal proceedings against a third party to enforce a patent covering one of our product candidates, the defendant could counterclaim that the patent covering our product candidate, as applicable, is invalid and/or unenforceable. In patent litigation in the United States, defendant counterclaims alleging invalidity and/or unenforceability are commonplace, and there are numerous grounds upon

which a third party can assert invalidity or unenforceability of a patent. Third parties may also raise similar claims before administrative bodies in the United States or abroad, even outside the context of litigation. Such mechanisms include re-examination, inter partes and post grant review, and equivalent proceedings in foreign jurisdictions (for example, opposition proceedings). Such proceedings could result in revocation or amendment to our patents in such a way that they no longer cover our product candidates. The outcome following legal assertions of invalidity and unenforceability is unpredictable. With respect to the validity question, for example, we cannot be certain that there is no invalidating prior art of which we, our patent counsel and the patent examiner were unaware during prosecution. If a defendant were to prevail on a legal assertion of invalidity and/or unenforceability, we would lose at least part, and perhaps all, of the patent protection on our product candidates. Such a loss of patent protection could have a material adverse impact on our business.

We may be subject to claims challenging the inventorship or ownership of our patents and other intellectual property.

Our agreements with employees and our personnel policies generally provide that any inventions conceived by such individuals in the course of rendering services to us shall be our exclusive property or that we may obtain full rights to such inventions, at our election. However, we may not obtain these agreements in all circumstances, and individuals with whom we have these agreements may not comply with their terms. We may be subject to claims that former employees, collaborators, or other third parties have an ownership interest in our patents or other intellectual property. Ownership disputes may arise, for example, from conflicting obligations of consultants or others who are involved in developing our development candidates.

We also face the risk that present or former employees could continue to hold rights to intellectual property we use, may demand the registration of intellectual property rights in their name and demand damages or compensation pursuant to the German Employee Invention Act. In addition, under the German Employee Invention Act, certain employees retain rights to patents they invented or co-invented and disclosed to us prior to October 1, 2009 if the employee inventions were not actively claimed by us after notification by the employee inventors. While we believe that all of our current and past German employee inventors have assigned to us their interest in inventions and patents they invented or co-invented, there can be no assurance that all such assignments are fully effective. Even if we lawfully own all inventions of our employee inventors who are subject to the German Act on Employees' Inventions, we are required under German law to reasonably compensate such employees for the use of the inventions. If we are required to pay increased compensation or face other disputes under the German Act on Employees' Inventions, our business could be adversely affected.

Litigation may be necessary to defend against these and other claims challenging inventorship or ownership. If we fail in defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights, such as exclusive ownership of, or right to use, valuable intellectual property. Such an outcome could have a material adverse impact on our business. Even if we are successful in defending against such claims, litigation could result in substantial costs and be a distraction to management and other employees.

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

In addition to the protection afforded by patents, we seek to rely on trade secret protection and confidentiality agreements to protect proprietary know-how that is not patentable, processes for which patents are difficult to enforce and any other elements of our product discovery and development processes that involve proprietary know-how, information or technology that is not covered by patents. Trade secrets, however, may be difficult to protect. Although we require all of our employees to assign their inventions to us, and require all of our employees and key consultants who have access to our proprietary know-how, information, or technology to enter into confidentiality agreements, we cannot be certain that our trade secrets and other confidential proprietary information will not be disclosed or that competitors will not otherwise gain access to our trade secrets or independently develop substantially equivalent information and techniques. Furthermore, the laws of some foreign countries do not protect proprietary rights to the same extent or in the same manner as the laws of the United States. As a result, we may encounter significant problems in protecting and defending our intellectual property both in the United States and abroad. If we are unable to prevent unauthorized material disclosure of our intellectual property to third parties, we will not be able to establish or maintain a competitive advantage in our market, which could materially adversely affect our business, operating results and financial condition.

We may be subject to claims that we or our employees, consultants or independent contractors have wrongfully used or disclosed confidential information of third parties, that our employees have wrongfully used or disclosed alleged trade secrets of their former employers, or claiming ownership of what we regard as our own intellectual property.

We employ individuals who were previously employed at universities or other biotechnology or pharmaceutical companies, including our competitors or potential competitors. In addition, our employees involved in our strategic collaborations have access to certain joint confidential information or such information from the collaborator. Although we try to ensure that our employees, consultants, and independent contractors do not use the proprietary information or know-how of others in their work for us, from time to time we may be subject to claims that we, or our employees, consultants, or independent contractors, have inadvertently or otherwise used or disclosed intellectual property, including trade secrets or other proprietary information, of any of our employees' former employers or other third parties, or that patents and applications we have filed to protect inventions of these individuals, even those related to one or more of our product candidates, are rightfully owned by their former or concurrent employer. Litigation may be necessary to defend against these claims. If we fail in defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights or personnel, which could adversely impact our business. Such intellectual property rights could be awarded to a third party, and we could be required to obtain a license from such third party to commercialize our technology or products. Such a license may not be available on an exclusive basis or on commercially reasonable terms or at all. Even if we are successful in defending against such claims, litigation could result in substantial costs and be a distraction to management and other employees. Such liability can also occur if we publish or disclose confidential information from our collaboration without permission of the respective collaborator.

Changes in U.S. or foreign countries' patent law could diminish the value of patents in general, thereby impairing our ability to protect our products.

As is the case with other biopharmaceutical companies, our success is dependent on intellectual property, particularly patents. Obtaining and enforcing patents in the biopharmaceutical industry involve both technological and legal complexity, and is therefore costly, time-consuming and inherently uncertain. In addition, the U.S. Congress or other foreign legislative bodies may pass patent reform legislation that is unfavorable to us. Recent U.S. Supreme Court rulings have narrowed the scope of patent protection available in certain circumstances and weakened the rights of patent owners in certain situations. In addition to increasing uncertainty with regard to our ability to obtain patents in the future, this combination of events has created uncertainty with respect to the value of patents, once obtained. Depending on decisions by the U.S. Congress, the federal courts, and the USPTO, or similar authorities in foreign jurisdictions, the laws and regulations governing patents could change in unpredictable ways that would weaken our ability to obtain new patents or to enforce our existing patents and patents that we might obtain in the future. We cannot predict how future decisions by the courts, the U.S. Congress or the USPTO may impact the value of our patents, nor can we predict changes in international patent law.

We may not be able to protect our intellectual property rights throughout the world.

The legal protection afforded to inventors and owners of intellectual property in countries outside of the United States may not be as protective or effective as that in the United States and we may, therefore, be unable to acquire and enforce intellectual property rights outside the United States to the same extent as in the United States. Many countries have compulsory licensing laws under which a patent owner may be compelled to grant licenses to third parties. In addition, many countries limit the enforceability of patents against government agencies or government contractors. In these countries, the patent owner may have limited remedies, which could materially diminish the value of such patent. If we or any of our licensors is forced to grant a license to third parties with respect to any patents relevant to our business, our competitive position may be impaired and our business may be harmed.

Whether filed in the United States or abroad, our patent applications may be challenged or may fail to result in issued patents. In addition, our existing patents and any future patents we obtain may not be sufficiently broad to prevent others from utilizing our technologies or from developing or commercializing competing products. Furthermore, others may independently develop or commercialize similar or alternative technologies or therapies, or design around our patents. Our patents may be challenged, invalidated, circumvented or narrowed, or fail to provide us with any competitive advantages. In many foreign countries, patent applications and/or issued patents, or parts thereof, must be translated into the native language. If our patent applications or issued patents are translated incorrectly, they may not adequately cover our technologies; in some countries, it may not be possible to rectify an incorrect translation, which may result in patent protection that does not adequately cover our technologies in those countries. Filing, prosecuting, enforcing, and defending patents on product candidates in all countries throughout the world would be prohibitively expensive, and our intellectual property rights in some countries outside the United States are less extensive than those in the United States. In addition, the laws of some foreign countries do not protect intellectual property rights to the same extent as federal and certain state laws in the United States. Consequently, we may not be able to prevent third parties from utilizing our inventions in all countries outside the United States, or from selling or importing products made using our inventions in and into the United States or other jurisdictions. Competitors or other third parties may use our technologies, or technology that we license, in jurisdictions where we

have not obtained patent protection to develop our own products and, further, may export otherwise infringing products to territories where we have patent protection, but enforcement is not as strong as that in the United States. These products may compete with our lead product candidate or any other current or future product candidates and our patents or other intellectual property rights may not be effective or sufficient to prevent them from competing.

Many companies have encountered significant problems in protecting and defending intellectual property rights in foreign jurisdictions. The legal systems of certain countries, particularly certain developing countries, do not favor the enforcement of patents and other intellectual property protection, particularly those relating to biotechnology. In addition, certain countries have compulsory licensing laws under which a patent owner may be compelled to grant licenses to third parties. Thus, it may be difficult for us to stop the infringement of our patents or the marketing of competing products in violation of our proprietary rights, generally. Proceedings to enforce our patent rights in foreign jurisdictions could result in substantial costs and divert our efforts and attention from other aspects of our business, could put our patents at risk of being invalidated or interpreted narrowly, could place our patent applications at risk of not issuing, and could provoke third parties to assert claims against us. We may not prevail in any lawsuits that we initiate, and the damages or other remedies awarded, if any, may not be commercially meaningful. Accordingly, our efforts to enforce intellectual property rights around the world may be inadequate to obtain a significant commercial advantage from the intellectual property that we own or license.

Patent terms may be inadequate to protect our competitive position on our product candidates or any future product candidates for an adequate amount of time.

Patents have a limited lifespan. In the United States, if all maintenance fees are timely paid, the natural expiration of a patent is generally 20 years from our earliest U.S. non-provisional filing date. Various extensions may be available, but the life of a patent, and the protection it affords, is limited. Depending upon the timing, duration and specifics of any FDA marketing approval of any product candidates we may develop, one or more of our U.S. patents may be eligible for limited patent term extension under the Drug Price Competition and Patent Term Restoration Action of 1984 (the "Hatch-Waxman Act"). The Hatch-Waxman Act permits a patent extension term of up to five years as compensation for patent term lost during the FDA regulatory review process. A patent term extension cannot extend the remaining term of a patent beyond a total of 14 years from the date of product approval, only one patent may be extended and only those claims covering the approved drug, a method for using it, or a method for manufacturing it may be extended. In the European Union, a maximum of five and a half years of supplementary protection can be achieved for an active ingredient or combinations of active ingredients of a medicinal product protected by a basic patent, if a valid marketing authorization exists (which must be the first authorization to place the product on the market as a medicinal product) and if the product has not already been the subject of supplementary protection. However, we may not receive an extension because of, for example, failing to exercise due diligence during the testing phase or regulatory review process, failing to apply within applicable deadlines, failing to apply prior to expiration of relevant patents, or otherwise failing to satisfy applicable requirements. Moreover, the length of the extension could be less than we request.

Even if patents covering our product candidates or any future product candidates are obtained and even if we are successful in obtaining patent term extension, once the patent life has expired, we may be open to competition from competitive products. The launch of a similar or biosimilar version of one of our products would likely result in an immediate and substantial reduction in the demand for our product, which could have a material adverse effect on our

business. Given the amount of time required for the development, testing, and regulatory review of new product candidates, patents protecting our current product candidates or any future product candidates might expire before or shortly after we or our collaborators commercialize those candidates. As a result, our patent portfolio may not provide us with sufficient rights to exclude others from commercializing products similar or identical to ours.

Our business depends on a strong and trusted brand, and any failure to maintain, protect, and enhance our trademarks, trade names and brand would have an adverse impact on our business, financial condition, results or operations and prospects.

We may rely on trademarks and trade names to protect our business. Our trademarks or trade names may be challenged, infringed, circumvented or declared generic or determined to be infringing on other marks. We may not be able to protect our rights to these trademarks and trade names or may be forced to stop using these names or marks which we need for name recognition by potential partners or customers in our markets of interest. During trademark registration proceedings, we may receive rejections. Although we would be given an opportunity to respond to those rejections, we may be unable to overcome such rejections. In addition, in the USPTO and in comparable agencies in many foreign jurisdictions, third parties are given an opportunity to oppose pending trademark applications and to seek to cancel registered trademarks. Opposition or cancellation proceedings may be filed against our trademarks, and our trademarks may not survive such proceedings. If we are unable to establish name recognition based on our trademarks and trade names, we may not be able to compete effectively and our business, financial condition, results of operations, and prospects may be adversely affected. At times, competitors may adopt trade names or trademarks similar to ours, thereby impeding our ability to build brand identity and possibly leading to market confusion. At times, competitors may adopt trade names or trademarks similar to ours, thereby impeding our ability to build brand identity and possibly leading to market confusion. For example, we have filed an opposition against Immunocore Limited's U.S. trademark application for IMMTAX and a petition to cancel Immunocore Limited's EU trademark registration for IMMTAX and Immunocore Limited has brought counterclaims against our registered trademark IMMATICS and IMTX. In addition, TaurX Pharmaceutical Ltd. has also filed a trademark opposition against our EU trademark IMTX. If we are unsuccessful in this opposition or cancellation proceeding or if Immunocore Limited and/or TaurX Pharmaceutical Ltd. is successful in its counterclaims, we may be required to change our branding which could cause us to incur substantial costs and impede our ability to build and sustain name recognition for such platform. For more information on the opposition proceeding see chapter 6 of this report. Over the long term, if we are unable to establish name recognition based on our trademarks and trade names, then we may not be able to compete effectively, and our business, financial condition, results of operations and prospects may be significantly harmed. Our efforts to enforce or protect our proprietary rights related to trademarks, trade secrets, domain names, copyrights or other intellectual property may be ineffective and could result in substantial costs and diversion of resources and could significantly harm our business, financial condition, results of operations and prospects.

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

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

- we may not be able to detect infringement of our issued patents;
- others may be able to develop products that are similar to our products or product candidates, or any future product candidates we may develop, but that are not covered by the claims of the patents that we may in-license in the future or own;
- we, or our current or future collaborators or license partners, might not have been the first to make the inventions covered by the issued patents or patent application that we may in-license in the future or own;
- we, or our current or future collaborators or license partners, might be found not have been the first to file patent applications covering certain of our or their inventions;
- others may independently develop similar or alternative technologies or duplicate any of our technologies without infringing our intellectual property rights;
- it is possible that the pending patent applications we may in-license in the future or own will not lead to issued patents;
- it is possible that there are prior public disclosures that could invalidate our patents, or parts of our patents, for which we are not aware;
- issued patents that we hold rights to may be held invalid or unenforceable, as a result of legal challenges by our competitors;
- issued patents may not have sufficient term or geographic scope to provide meaningful protection;
- our competitors might conduct research and development activities in countries where we do not have patent rights and then use the information learned from such activities to develop competitive products for sale in our major commercial markets;
- we may not develop additional proprietary technologies that are patentable;
- the patents of others may have an adverse effect on our business; and
- we may choose not to file a patent in order to maintain certain trade secrets, and a third party may subsequently file a patent covering such intellectual property.

Should any of these events occur, it could significantly harm our business, financial condition, results of operations and prospects.

Risks Related to Our Business and Industry

Our business could be adversely affected by the effects of health epidemics in regions where we or third parties on which we rely have significant manufacturing facilities, concentrations of clinical trial sites or other business operations.

Our business could be adversely affected by health epidemics in regions where we have clinical trial sites or other business operations; epidemics could also cause significant disruptions in the operations of third-party manufacturers and CROs upon whom we rely. The COVID-19 pandemic has caused us to modify our business practices including restricting employee travel, developing social distancing plans for our employees and cancelling physical participation in meetings, events and conferences. In addition to these observed impacts of the COVID-19 pandemic, pandemics, epidemics or outbreaks of infectious diseases generally, including new variants of COVID-19, could also disrupt our research and development outcomes and schedules, clinical trials, supply and manufacturing of our products and regulatory submissions and interactions and could subject us to additional expenses and obligations. To the extent any pandemic, epidemic or outbreak of an infectious disease adversely affects our business and financial results, it may also have the effect of heightening many of the other risks described in this “Risk Factors” section.

We are highly dependent on our key personnel, and if we are not successful in attracting and retaining highly qualified personnel, we may not be able to successfully implement our business strategy.

Our ability to compete in the highly competitive biotechnology and pharmaceutical industries depends upon our ability to attract and retain highly qualified managerial, scientific and medical personnel. We are highly dependent on our management, scientific and medical personnel, including our Chief Executive Officer and other executive officers in our senior management. Despite our efforts to retain valuable employees, members of our management, scientific and development teams could always terminate their employment with us on short notice. Even though we have employment agreements in place with all our employees including key personnel, these employment agreements provide for at-will employment, which means that any of our employees could leave us at any time, subject to notice periods and non-competition clauses. The loss of the services of any of our executive officers, other key employees and other scientific and medical advisors, and our inability to find suitable replacements could result in delays in product development and harm our business.

In addition, our failure to put in place adequate succession plans for senior and key management roles or the failure of key employees to successfully transition into new roles could have an adverse effect on our business and operating results. The unexpected or abrupt departure of one or more of our key personnel and the failure to effectively transfer knowledge and effect smooth key personnel transitions may have an adverse effect on our business resulting from the loss of such person's skills, knowledge of our business, and years of industry experience. If we cannot effectively manage leadership transitions and management changes in the future, our reputation and future business prospects could be adversely affected.

Competition for skilled personnel is intense, particularly in the biotechnology industry. We conduct substantially all of our operations at our facilities in Tübingen, Germany, Houston, Texas and Munich, Germany. We face competition for personnel from other companies, universities, public and private research institutions and other organizations. This competition may limit our ability to hire and retain highly qualified personnel on acceptable terms, or at all. We may not be able to attract and retain these personnel on acceptable terms. This possibility is further compounded by the novel nature of our product candidates, as fewer people are trained in or are experienced with product candidates of this type. In addition, we rely on consultants and advisors, including scientific and clinical advisors, to assist us in formulating our research and development and commercialization strategy. Our consultants and advisors may be employed or may have commitments under consulting or advisory contracts with other entities that may limit their availability to us.

We may encounter difficulties in managing our growth and expanding our operations successfully.

As we seek to advance our product candidates through clinical trials and commercialization, we are expanding our development, regulatory, manufacturing, marketing and sales capabilities and may need to further expand or contract with third parties to provide these capabilities. In addition, as our operations expand, we expect that we will need to manage additional relationships with various collaborators, suppliers and other third parties. Our growth will impose significant added responsibilities on members of management. Our management may have to divert a disproportionate amount of its attention away from our day-to-day activities and devote a substantial amount of time to these growth activities, including identifying, recruiting, integrating, maintaining and motivating additional

employees, managing our research and development efforts effectively, including the clinical trials and the FDA's, the EMA's or comparable regulatory authority's review process for our product candidates, while complying with our contractual obligations to contractors and other third parties and improving our operational, financial and management controls, reporting systems and procedures.

Our future financial performance and our ability to commercialize our product candidates and to compete effectively will depend, in part, on our ability to manage our growth effectively. To that end, we must be able to effectively manage our research and development efforts and hire, train and integrate additional management, administrative and sales and marketing personnel. We may not be able to accomplish these tasks, and our failure to accomplish any of them could prevent us from successfully growing our company or could disrupt our operations.

In addition, we currently rely, and for the foreseeable future will continue to rely, in substantial part on certain independent organizations, advisors and consultants to provide certain services. There can be no assurance that the services of these independent organizations, advisors and consultants will continue to be available to us on a timely basis when needed or that we can find qualified replacements. Furthermore, if we are unable to effectively manage our outsourced activities or if the quality or accuracy of the services provided by consultants is compromised for any reason, our clinical trials may be extended, delayed or terminated, and we may not be able to obtain regulatory approval of our product candidates or otherwise advance our business. There can be no assurance that we will be able to manage our existing consultants or find other competent outside contractors and consultants on economically reasonable terms, if at all.

If we are not able to effectively expand our organization by hiring new employees and expanding our groups of consultants and contractors, we may not be able to successfully implement the tasks necessary to further develop and commercialize our product candidates and, accordingly, may not achieve our research, development and commercialization goals.

As a result of being a public company, we have incurred costs and expect to continue to incur additional costs, and we may not manage to comply with our internal control procedures and corporate governance structures.

To comply with the requirements imposed on us as a public company, we have incurred, and expect to continue to incur, significant legal, insurance, accounting and other expenses that we did not incur as a private company. The increased costs may require us to reduce costs in other areas of our business. In addition, our board of directors (the "Board"), management and administrative staff are required to perform additional tasks. For example, we bear all of the internal and external costs of preparing and distributing periodic public reports in compliance with our obligations under the securities laws. We have invested, and intend to continue to invest, resources to comply with evolving laws, regulations and standards, and this investment will result in increased general and administrative expenses and may divert management's time and attention from research and development activities. These laws, regulations and standards are often subject to varying interpretations, in many cases due to their lack of specificity, and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters, enforcement proceedings and higher costs necessitated by ongoing revisions to disclosure and governance practices, which could have a material adverse impact on our business, financial condition, results of operations and prospects.

We face substantial competition, which may result in others discovering, developing or commercializing products, treatment methods and/or technologies before or more successfully than we do.

The biotechnology industry is characterized by rapidly advancing technologies, intense competition and a strong emphasis on proprietary products. We face competition with respect to our current product candidates and will face competition with respect to any product candidates that we may seek to develop or commercialize in the future. See chapter 2.1 of this report under Competition. Our competitors include large pharmaceutical and biotechnology companies, academic institutions, government agencies and other public and private research organizations that conduct research, seek patent protection and establish collaborative arrangements for research, development, manufacturing and commercialization. Many of our competitors have significantly greater financial resources and capabilities in research and development, manufacturing, preclinical testing, conducting clinical trials, obtaining regulatory approval and marketing than we do. In addition, many of these competitors are active in seeking patent protection and licensing arrangements in anticipation of collecting royalties for use of technology that they have developed. Smaller or early-stage companies may also prove to be significant competitors, particularly through strategic collaborations with large and established companies. Furthermore, mergers and acquisitions in the biotechnology industry may result in even more resources being concentrated among a smaller number of our competitors.

Our commercial opportunities could be reduced or eliminated if our competitors develop and commercialize products that are safer, more effective, have fewer or less severe side effects or are more convenient than any products that we may develop, which would render our products obsolete or non-competitive. Our competitors also may obtain FDA, the EMA or regulatory approval in other jurisdictions for their products more rapidly than we may obtain approval for ours, which could result in our competitors establishing a strong market position before we are able to enter the market. We anticipate that we will face increased competition in the future as additional companies enter our market and scientific developments surrounding other cancer therapies continue to accelerate.

If we do not achieve our projected development and commercialization goals in the timeframes we announce and expect, the commercialization of any of our product candidates may be delayed, and our business will be harmed.

For planning purposes, we sometimes estimate the timing of the accomplishment of various scientific, clinical, regulatory and other product development objectives. These milestones may include our expectations regarding the commencement or completion of scientific studies and clinical trials, the regulatory submissions or commercialization objectives. From time to time, we may publicly announce the expected timing of some of these milestones, such as the completion of an ongoing clinical trial, the initiation of other clinical trials, receipt of regulatory approval or the commercial launch of a product. The achievement of many of these milestones may be outside of our control. All of these milestones are based on a variety of assumptions which may cause the timing of achievement of the milestones to vary considerably from our estimates, including:

- our available capital resources or capital constraints we experience;
- the rate of progress, costs and results of our clinical trials and research and development activities, including the extent of scheduling conflicts with participating clinicians and collaborators;
- our ability to identify and enroll patients who meet clinical trial eligibility criteria;
- our receipt of approvals by the FDA, the EMA and comparable regulatory authorities, and the timing thereof;

- other actions, decisions or rules issued by regulators;
- our ability to access sufficient, reliable and affordable supplies of materials used in the manufacture of our product candidates;
- our ability to manufacture and supply clinical trial materials to our clinical sites on a timely basis;
- the efforts of our collaborators with respect to the commercialization of our products; and
- the securing of, costs related to, and timing issues associated with, commercial product manufacturing as well as sales and marketing activities.

If we fail to achieve announced milestones in the timeframes we expect, the commercialization of any of our product candidates may be delayed, and our business, results of operations, financial condition and prospects may be adversely affected.

Failure to comply with health and data protection laws and regulations could lead to government enforcement actions, private litigation and/or adverse publicity and could negatively affect our operating results and business.

We receive, generate and store significant and increasing volumes of sensitive information, such as employee and patient data. In addition, we actively seek access to medical information, including patient data, through research and development collaborations or otherwise. We have legal and contractual obligations regarding the protection of confidentiality and appropriate use of personal data. We and any potential collaborators may be subject to federal, state, local and foreign laws and regulations that apply to the collection, use, retention, protection, disclosure, transfer and other processing of personal data. In the United States, numerous federal and state laws and regulations, including federal health information privacy laws, state data breach notification laws, state health information privacy laws, and federal and state consumer protection laws (for example, Section 5 of the Federal Trade Commission Act), that govern the collection, use, disclosure and protection of health-related and other personal information could apply to our operations or the operations of our collaborators. In addition, we may obtain health information from third parties, including research institutions from which we obtain clinical trial data, that are subject to privacy and security requirements under the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), as amended by the Health Information Technology for Economic and Clinical Health Act of 2009 ("HITECH"). Depending on the facts and circumstances, we could be subject to civil, criminal and administrative penalties if we knowingly obtain, use, or disclose individually identifiable health information maintained by a HIPAA-covered entity in a manner that is not authorized or permitted by HIPAA.

Several foreign jurisdictions, including the European Union, its member states and Australia, among others, have adopted legislation and regulations that increase or change the requirements governing the collection, use, disclosure and transfer of the personal information of individuals in these jurisdictions and place greater control with the data subject. In the United States, the California Consumer Privacy Act ("CCPA") increased the requirements governing the collection, use, disclosure and transfer of the personal information of individuals in the state of California. The CCPA gives California residents expanded rights to access and request deletion of their personal information, opt out of certain sales of personal information and receive detailed information about how their personal information is used by requiring covered companies to provide new disclosures to California residents regarding such use. The CCPA provides for civil penalties for violations, as well as a private right of action for data breaches that is expected to increase data breach litigation. Additionally, California voters approved a new privacy law, the California Privacy Rights Act ("CPRA"), which went into effect on January 1, 2023, and significantly modifies the CCPA,

including by expanding consumers' rights with respect to certain sensitive personal information. The CPRA also creates a new state agency that will be vested with authority to implement and enforce the CCPA and the CPRA. As we expand our operations and research and development efforts, the CCPA and CPRA may impose new and burdensome privacy compliance obligations on our business, may increase our compliance costs and potential liability. Other states are considering similar laws.

These laws and regulations are complex and change frequently, at times due to changes in political climate, and existing laws and regulations are subject to different and conflicting interpretations, which adds to the complexity of processing personal data from these jurisdictions. These laws have the potential to increase costs of compliance, risks of non-compliance and penalties for non-compliance. Regulation 2016/679, known as the General Data Protection Regulation ("GDPR"), as well as European Union member state implementing legislations, apply to the collection and processing of personal data, including health-related information, by companies located in the European Union, or in certain circumstances, by companies located outside of the European Union and processing personal information of individuals located in the European Union.

These laws impose strict obligations on the ability to process personal data, including health-related information, in particular in relation to their collection, use, disclosure and transfer. These include several requirements relating to (i) obtaining, in some situations, the consent of the individuals to whom the personal data relates, (ii) the information provided to the individuals about how their personal information is used, (iii) ensuring the security and confidentiality of the personal data, (iv) the obligation to notify regulatory authorities and affected individuals of personal data breaches, (v) extensive internal privacy governance obligations, and (vi) obligations to honor rights of individuals in relation to their personal data (for example, the right to access, correct and delete their data). The GDPR prohibits the transfer of personal data to countries outside of the European Economic Area (the "EEA"), such as the United States, which are not considered by the European Commission to provide an adequate level of data protection. Switzerland has adopted similar restrictions. Although there are legal mechanisms to allow for the transfer of personal data from the EEA and Switzerland to the United States, they are subject to legal challenges and uncertainty about compliance with European Union data protection laws remains. For example, in July 2020, the Court of Justice of the European Union invalidated the so-called Privacy Shield, which provided a framework for data transferred from the European Union to the United States. To the extent that we were to rely on the EU-U.S. Privacy Shield Framework, we will not be able to do so in the future, which could increase our costs and limit our ability to process personal data from the EU. The same decision also cast doubt on the ability to use one of the primary alternatives to the Privacy Shield, namely, the European Commission's Standard Contractual Clauses, to lawfully transfer personal data from Europe to the United States and most other countries. At present, there are few if any viable alternatives to the Privacy Shield and the Standard Contractual Clauses.

Potential pecuniary fines for noncompliant companies may be up to the greater of €20 million or 4% of annual global revenue. Such penalties are in addition to any civil litigation claims by data controllers, customers and data subjects. The GDPR has increased our responsibility and liability in relation to personal data that we process, and we may be required to put in place additional potential mechanisms to ensure compliance with new European Union data protection rules. The GDPR also contains a private right of action allowing data subjects and consumer associations to lodge complaints with supervisory authorities, seek judicial remedies, and obtain compensation for damages resulting from violations of the GDPR.

Additionally, the United Kingdom's vote in favor of exiting the EU, often referred to as Brexit, and ongoing

developments in the United Kingdom have created uncertainty with regard to data protection regulation in the United Kingdom. As of January 1, 2021, and the expiry of transitional arrangements agreed to between the United Kingdom and EU, data processing in the United Kingdom is governed by a United Kingdom version of the GDPR (combining the GDPR and the Data Protection Act 2018), exposing us to two parallel regimes, each of which potentially authorizes similar fines and other potentially divergent enforcement actions for certain violations. On June 28, 2021, the European Commission announced a decision of "adequacy" concluding that the United Kingdom ensures an equivalent level of data protection to the GDPR, which provides some relief regarding the legality of continued personal data flows from the EEA to the United Kingdom. This adequacy determination will automatically expire in June 2025 unless the European Commission renews or extends it and may be modified or revoked in the interim. Should the European Commission modify or revoke its adequacy determination, the United Kingdom may become an "inadequate third country" under the GDPR and transfers of data from the EEA to the United Kingdom would require a "transfer mechanism," such as the standard contractual clauses. In the future there may be increasing scope for divergence in application, interpretation and enforcement of the data protection law as between the United Kingdom and EEA.

Compliance with U.S. and international data protection laws and regulations could require us to take on more onerous obligations in our contracts, restrict our ability to collect, use and disclose data, or in some cases, impact our ability to operate in certain jurisdictions. Failure to comply with these laws and regulations could result in government enforcement actions, which could include civil, criminal and administrative penalties, private litigation, and/or adverse publicity and could negatively affect our operating results and business. Moreover, clinical trial subjects, employees and other individuals about whom we or our potential collaborators obtain personal information, as well as the providers who share this information with us, may limit our ability to collect, use and disclose the information. Claims that we have violated individuals' privacy rights, failed to comply with data protection laws, or breached our contractual obligations, even if we are not found liable, could be expensive and time-consuming to defend and could result in adverse publicity that could harm our business.

Our current and future operations are subject to applicable fraud and abuse, transparency, government price reporting, privacy and security, and other healthcare laws. If we are unable to comply, or do not fully comply, with such laws, we could face substantial penalties.

Healthcare providers, physicians and third-party payors will play a primary role in the recommendation and prescription of any product candidates for which we obtain marketing approval. Our operations, including any arrangements with healthcare providers, physicians, third-party payors and customers may expose us to broadly applicable fraud and abuse and other healthcare laws that may affect the business or financial arrangements and relationships through which we would market, sell and distribute our products. The healthcare laws that may affect our ability to operate include, but are not limited to:

- The federal Anti-Kickback Statute, which prohibits any person or entity from, among other things, knowingly and willfully soliciting, receiving, offering or paying any remuneration, directly or indirectly, overtly or covertly, in cash or in kind, to induce or reward either the referral of an individual for, or the purchase, order or recommendation of an item or service reimbursable, in whole or in part, under a federal healthcare program, such as the Medicare and Medicaid programs. The term "remuneration" has been broadly interpreted to include anything of value. The federal Anti-Kickback Statute has also been interpreted to apply to arrangements between pharmaceutical manufacturers on the one hand and prescribers, purchasers, and formulary managers on the other hand. There are a

number of statutory exceptions and regulatory safe harbors protecting some common activities from prosecution, but the exceptions and safe harbors are drawn narrowly and require strict compliance in order to offer protection.

- Federal civil and criminal false claims laws, such as the False Claims Act ("FCA"), which can be enforced by private citizens through civil qui tam actions, and civil monetary penalty laws prohibit individuals or entities from, among other things, knowingly presenting, or causing to be presented, false, fictitious or fraudulent claims for payment of federal funds, and knowingly making, using or causing to be made or used a false record or statement material to a false or fraudulent claim to avoid, decrease or conceal an obligation to pay money to the federal government. For example, pharmaceutical companies have been prosecuted under the FCA in connection with their alleged off-label promotion of drugs, purportedly concealing price concessions in the pricing information submitted to the government for government price reporting purposes, and allegedly providing free product to customers with the expectation that the customers would bill federal healthcare programs for the product. In addition, a claim including items or services resulting from a violation of the federal Anti-Kickback Statute constitutes a false or fraudulent claim for purposes of the FCA. As a result of a modification made by the Fraud Enforcement and Recovery Act of 2009, a claim includes "any request or demand" for money or property presented to the U.S. government. In addition, manufacturers can be held liable under the FCA even when they do not submit claims directly to government payors if they are deemed to "cause" the submission of false or fraudulent claims.
- HIPAA, among other things, imposes criminal liability for executing or attempting to execute a scheme to defraud any healthcare benefit program, including private third-party payors, knowingly and willfully embezzling or stealing from a healthcare benefit program, willfully obstructing a criminal investigation of a healthcare offense, and creates federal criminal laws that prohibit knowingly and willfully falsifying, concealing or covering up a material fact or making any materially false, fictitious or fraudulent statement or representation, or making or using any false writing or document knowing the same to contain any materially false, fictitious or fraudulent statement or entry in connection with the delivery of or payment for healthcare benefits, items or services.
- HIPAA, as amended by HITECH, and their implementing regulations, which impose privacy, security and breach reporting obligations with respect to individually identifiable health information upon entities subject to the law, such as health plans, healthcare clearinghouses and certain healthcare providers, known as covered entities, and their respective business associates that perform services for them that involve individually identifiable health information. HITECH also created new tiers of civil monetary penalties, amended HIPAA to make civil and criminal penalties directly applicable to business associates, and gave state attorneys general new authority to file civil actions for damages or injunctions in U.S. federal courts to enforce HIPAA laws and seek attorneys' fees and costs associated with pursuing federal civil actions.
- Federal and state consumer protection and unfair competition laws, which broadly regulate marketplace activities and activities that potentially harm consumers.
- The federal transparency requirements under the Physician Payments Sunshine Act, created under the Health Care Reform Act, which requires, among other things, certain manufacturers of drugs, devices, biologics and medical supplies reimbursed under Medicare, Medicaid, or the Children's Health Insurance Program to report annually to CMS information related to payments and other transfers of value provided to physicians, as defined by such law, and teaching hospitals and physician ownership and investment interests, including such ownership and investment interests held by a physician's immediate family members.

- State and foreign laws that are analogous to each of the above federal laws, such as anti-kickback and false claims laws, that may impose similar or more prohibitive restrictions, and may apply to items or services reimbursed by non-governmental third-party payors, including private insurers.
- State and foreign laws that require pharmaceutical companies to implement compliance programs, comply with the pharmaceutical industry's voluntary compliance guidelines and the relevant compliance guidance promulgated by the federal government, or to track and report gifts, compensation and other remuneration provided to physicians and other healthcare providers; state laws that require the reporting of marketing expenditures or drug pricing, including information pertaining to and justifying price increases; state and local laws that require the registration of pharmaceutical sales representatives; state laws that prohibit various marketing-related activities, such as the provision of certain kinds of gifts or meals; state laws that require the posting of information relating to clinical trials and their outcomes; and other federal, state and foreign laws that govern the privacy and security of health information or personally identifiable information in certain circumstances, including state health information privacy and data breach notification laws which govern the collection, use, disclosure, and protection of health-related and other personal information, many of which differ from each other in significant ways and often are not preempted by HIPAA, thus requiring additional compliance efforts.

We have entered into consulting and scientific advisory board arrangements with physicians and other healthcare providers, including some who could influence the use of our product candidates, if approved. Because of the complex and far-reaching nature of these laws, regulatory agencies may view these transactions as prohibited arrangements that must be restructured, or discontinued, or for which we could be subject to other significant penalties. We could be adversely affected if regulatory agencies interpret our financial relationships with providers who may influence the ordering and use of our drug candidates, if approved, to be in violation of applicable laws.

Ensuring that our business arrangements with third parties comply with applicable healthcare laws and regulations will likely be costly. It is possible that governmental authorities will conclude that our business practices do not comply with current or future statutes, regulations, agency guidance or case law involving applicable fraud and abuse or other healthcare laws. If our operations are found to be in violation of any of these laws or any other current or future healthcare laws that may apply to us, we may be subject to significant civil, criminal and administrative penalties, damages, fines, disgorgement, imprisonment, exclusion from government funded healthcare programs, such as Medicare and Medicaid, contractual damages, reputational harm, diminished profits and future earnings, additional reporting obligations and oversight if we become subject to a corporate integrity agreement or other agreement to resolve allegations of non-compliance with these laws, and the curtailment or restructuring of our operations, any of which could substantially disrupt our operations. Although effective compliance programs can mitigate the risk of investigation and prosecution for violations of these laws, these risks cannot be entirely eliminated. Any action against us for an alleged or suspected violation could cause us to incur significant legal expenses and could divert our management's attention from the operation of our business, even if our defense is successful. In addition, if any of the physicians or other healthcare providers or entities with whom we expect to do business is found not to be in compliance with applicable laws, they may be subject to significant criminal, civil or administrative sanctions, including exclusions from government-funded healthcare programs.

Our employees, agents, contractors or collaborators may engage in misconduct or other improper activities.

We cannot ensure that our compliance controls, policies and procedures will in every instance protect us from

acts committed by our employees, agents, contractors or collaborators that would violate the laws or regulations of the jurisdictions in which we operate, including, without limitation, healthcare, employment, foreign corrupt practices, environmental, competition, and patient privacy and other privacy laws and regulations. Misconduct by these parties could include intentional failures to comply with FDA, the EMA or other applicable regulations, provide accurate information to the FDA, the EMA and comparable regulatory authorities, comply with healthcare fraud and abuse laws and regulations in the United States and abroad, report financial information or data accurately or disclose unauthorized activities to us.

Such misconduct also could involve the improper use of information obtained in the course of clinical trials or interactions with the FDA, the EMA or comparable regulatory authorities. If we obtain FDA approval of any of our product candidates and begin commercializing those products in the United States, our potential exposure under these laws will increase significantly, and our costs associated with compliance with these laws are likely to increase. Such improper actions could subject us to civil or criminal investigations, and monetary and injunctive penalties, and could adversely impact our ability to conduct business, operating results and reputation.

In addition, we are subject to the Foreign Corrupt Practices Act ("FCPA") and similar anti-bribery or anti-corruption laws, regulations or rules of other countries in which we operate, including the UK Bribery Act. The FCPA generally prohibits offering, promising, giving, or authorizing others to give anything of value, either directly or indirectly, to a non-U.S. government official in order to influence official action, or otherwise obtain or retain business. The FCPA also requires public companies to make and keep books and records that accurately and fairly reflect the transactions of the corporation and to devise and maintain an adequate system of internal accounting controls. Our business is heavily regulated and therefore involves significant interaction with public officials, including officials of non-U.S. governments. Additionally, in many other countries, the healthcare providers who prescribe pharmaceuticals are employed by their government, and the purchasers of pharmaceuticals are government entities; therefore, our dealings with these prescribers and purchasers are subject to regulation under the FCPA. There is no certainty that all of our employees, agents, contractors, or collaborators, or those of our affiliates, will comply with all applicable laws and regulations, particularly given the high level of complexity of these laws. We have provisions in our Code of Business Conduct and Ethics, an anti-corruption policy and certain controls and procedures in place that are designed to mitigate the risk of non-compliance with anti-corruption and anti-bribery laws. However, it is not always possible to identify and deter employee misconduct, and the precautions we take to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting us from government investigations or other actions stemming from a failure to comply with these laws or regulations. Violations of these laws and regulations could result in, among other things, significant administrative, civil and criminal fines and sanctions against us, our officers, or our employees, the closing down of our facilities, exclusion from participation in federal healthcare programs including Medicare and Medicaid, implementation of compliance programs, integrity oversight and reporting obligations, and prohibitions on the conduct of our business. Any such violations could include prohibitions on our ability to offer our products in one or more countries and could materially damage our reputation, our brand, our international expansion efforts, our ability to attract and retain employees, and our business, prospects, operating results and financial condition.

We and our third-party contractors must comply with environmental, health and safety laws and regulations. A failure to comply with these laws and regulations could expose us to significant costs or liabilities.

We and our third-party contractors are subject to numerous environmental, health and safety laws and regulations, including those governing laboratory procedures and the use, generation, manufacture, distribution, storage, handling, treatment, remediation and disposal of biohazardous materials and wastes and genetically modified organisms. Hazardous chemicals, including potentially infectious biological substances and genetically modified organisms, are involved in certain aspects of our business, and we cannot eliminate the risk of injury or contamination from the use, generation, manufacture, distribution, storage, handling, treatment or disposal of hazardous materials and wastes. In the event of contamination or injury, or failure to comply with environmental, health and safety laws and regulations, we could be held liable for any resulting damages, fines and penalties associated with such liability could exceed our assets and resources.

Although we maintain workers' compensation insurance as prescribed by Texas and German laws to cover us for costs and expenses we may incur due to injuries to our employees resulting from the use of biological or hazardous materials or wastes, this insurance may not provide adequate coverage against potential liabilities. We do not maintain insurance for environmental liability or toxic tort claims that may be asserted against us in connection with our storage or disposal of biological, hazardous or radioactive materials.

Environmental, health and safety laws and regulations are becoming increasingly more stringent. We may incur substantial costs in order to comply with current or future environmental, health and safety laws and regulations. These current or future laws and regulations may impair our research, development or production efforts. Our failure to comply with these laws and regulations also may result in substantial fines, penalties or other sanctions.

We may be negatively impacted by climate change and increasing severe weather conditions as well as regulations related to climate change.

We have limited direct exposure to risks associated with climate change as our business model does not rely on processes that emit greenhouse gasses or is energy intense. Therefore, we have no formal plan of becoming carbon neutral. However, we may be indirectly impacted by economic effects coming from climate change or corresponding regulations. Due to the limited direct impact on the Company, we have no current formal plan of becoming carbon neutral. However, we are monitoring the situation and are reviewing the changes to legislation related to disclosure in both the European Union as well as for NASDAQ-listed entities.

Our internal computer systems, or those of our partners, third-party CROs or other contractors or consultants, may fail or suffer security incidents, which could result in a material disruption of our product development programs and significant monetary losses.

Despite the implementation of security measures, our internal computer systems and those of our current or future partners, third-party CROs and other contractors and consultants have been subject to attacks by, and may be vulnerable to damage from, various methods, including cybersecurity attacks, breaches, intentional or accidental mistakes or errors, or other technological failures which can include, among other things, computer viruses, malicious codes, employee theft or misuse, unauthorized copying of our website or its content, unauthorized access attempts including third parties gaining access to systems using stolen or inferred credentials, denial-of-service attacks, phishing attempts, service disruptions, natural disasters, fire, terrorism, war and telecommunication and electrical failures. As the cyber-threat landscape evolves, these attacks are growing in frequency, sophistication and intensity, and are

becoming increasingly difficult to detect. Such attacks could include the use of keystroke loggers or other harmful and virulent malware, including ransomware or other denials of service, and can be deployed through malicious websites, the use of social engineering and/or other means. We may not be able to anticipate all types of security threats, and we may not be able to implement preventive measures effective against all such security threats. Further, as the COVID-19 pandemic led to an increased number of people working from home, these cybersecurity risks may be heightened by an increased attack surface across our business. We cannot guarantee that our efforts, or the efforts of those upon whom we rely on and partner with, will be successful in preventing any such information security incidents.

If a failure, accident or security breach were to occur and cause interruptions in our, our partners' or our CROs' operations, it could result in a misappropriation of confidential information, including personally identifiable information and our intellectual property or financial information, a material disruption of our programs and/or significant monetary losses. For example, the loss of XPRESIDENT raw data, the XPRESIDENT database or other data for our product candidates could result in delays in our regulatory approval efforts and significantly increase our costs to recover or reproduce the data. In addition, because of our approach to running multiple clinical trials in parallel, any breach of our computer systems may result in a loss of data or compromised data integrity across many of our programs in many stages of development. Any such breach, loss or compromise of clinical trial participant personal data may also subject us to civil fines and penalties, including under the GDPR and relevant member state law in the European Union or the CCPA, HIPAA and other relevant state and federal privacy laws in the United States. Moreover, because we maintain sensitive company data on our computer networks, including our intellectual property and proprietary business information, any such security breach may compromise information stored on our networks and may result in significant data losses or theft of our intellectual property or proprietary business information. Our current cybersecurity liability insurance, and any such insurance that we may obtain in the future, may not cover the damages we would sustain based on any breach of our computer security protocols or other cybersecurity attack. To the extent that any disruption or security breach results in a loss of or damage to our data or applications or other data or applications relating to our technology or product candidates, or inappropriate disclosure of confidential or proprietary information, our reputation could be harmed and we could incur significant liabilities and the further development of our product candidates could be disrupted.

Product liability lawsuits could cause us to incur substantial liabilities and to limit development and commercialization of any products that we may develop.

We face an inherent risk of product liability as a result of the clinical testing of our product candidates in human clinical trials and will face an even greater risk if we commercialize any products that we successfully develop. Any such product liability claims may include allegations of defects in manufacturing, defects in design, a failure to warn of dangers inherent in the product, negligence, strict liability and a breach of warranties. We may also still face risks from previous research and development activities. For example, IMA950, a multi-peptide vaccine we previously developed, is still in clinical use under the responsibility of clinical investigators outside of our clinical trials (investigator-initiated trials). While any sponsor responsibility is with the investigator, we cannot fully be sure that we will not be held liable in the future for any potential product defects.

If we cannot successfully defend ourselves against product liability claims, we may incur substantial liabilities or be required to limit commercialization of our product candidates. Even a successful defense would require significant financial and management resources. Regardless of the merits or eventual outcome, liability claims may

result in:

- decreased demand for our product candidates or products that we may develop;
- injury to our reputation and significant negative media attention;
- withdrawal of clinical trial sites and/or study participants;
- significant costs to defend the related litigations;
- a diversion of management's time and our resources to pursue our business strategy;
- substantial monetary awards to study participants or patients;
- product recalls, withdrawals or labelling, marketing or promotional restrictions;
- loss of revenue;
- the inability to commercialize our product candidates that we may develop; and
- a decline in the price of our securities.

Failure to obtain and retain sufficient product liability insurance at an acceptable cost to protect against potential product liability claims could prevent or inhibit the commercialization of products we develop. While we have obtained clinical trial insurance for our Phase 1 clinical trials and will also seek to obtain such insurance for future trials, any claim that may be brought against us could result in a court judgment or settlement in an amount that is not covered, in whole or in part, by our insurance or that is in excess of the limits of our insurance coverage. Our insurance policies also have various exclusions, and we may be subject to a product liability claim for which we have no coverage. In such instance, we may have to pay any amounts awarded by a court or negotiated in a settlement that exceed our coverage limitations or that are not covered by our insurance, and we may not have, or be able to obtain, sufficient capital to pay such amounts. If we are unable to obtain or maintain sufficient insurance coverage at an acceptable cost or to otherwise protect against potential product liability claims, it could prevent or inhibit the development and commercial production and sale of our product candidates, which could adversely affect our business, financial condition, results of operations and prospects.

Litigation and other legal proceedings may adversely affect our business.

From time to time, we may become involved in legal proceedings relating to patent and other intellectual property matters, product liability claims, employee claims, tort or contract claims, regulatory investigations, securities class action and other legal proceedings or investigations, which could have an adverse impact on our reputation, business and financial condition and divert the attention of our management from the operation of our business. Litigation is inherently unpredictable and can result in excessive or unanticipated verdicts and/or injunctive relief that affect how we operate our business. We could incur judgments or enter into settlements of claims for monetary damages or for agreements to change the way we operate our business, or both. Adverse publicity about regulatory or legal action against us could damage our reputation and brand image, even if the regulatory or legal action is unfounded or not material to our operations.

Our insurance policies are expensive and protect only from some business risks, which leaves us exposed to significant uninsured liabilities.

We do not carry insurance for all categories of risks that our business may encounter, and insurance coverage

is becoming increasingly expensive. We do not know if we will be able to maintain existing insurance with adequate levels of coverage, and any liability insurance coverage we acquire in the future may not be sufficient to reimburse us for any expenses or losses we may suffer. If we obtain marketing approval for any product candidates that we or our collaborators may develop, we intend to acquire insurance coverage to include the sale of commercial products, but we may be unable to obtain such insurance on commercially reasonable terms or in adequate amounts. Required coverage limits for such insurances are difficult to predict and may not be sufficient. If potential losses exceed our insurance coverage, our financial condition would be adversely affected. In the event of contamination or injury, we could be held liable for damages or be penalized with fines in an amount exceeding our resources. Clinical trials or regulatory approvals for any of our product candidates could be suspended, which could adversely affect our results of operations and business, including by preventing or limiting the development and commercialization of any product candidates that we or our collaborators may develop. Additionally, operating as a public company will make it more expensive for us to obtain director and officer liability insurance. As a result, it may be more difficult to attract and retain qualified individuals to serve on our Board or the Board committees.

If we engage in acquisitions and/or commercial collaborations in the future, we will incur a variety of costs and we may never realize the anticipated benefits of such acquisitions.

We may acquire technologies and assets, form strategic alliances or create joint ventures with third parties that we believe will complement or augment our existing business. Such efforts may never result in a transaction, and any future growth through acquisition or in-licensing will depend upon the availability of suitable products, product candidates, research programs or companies for acquisition or in-licensing on acceptable prices, terms and conditions. Even if appropriate opportunities are available, we may not be able to acquire rights to them on acceptable terms, or at all. The competition to acquire or in-license rights to promising products, product candidates, research programs and companies is fierce, and many of our competitors are large, multinational pharmaceutical and biotechnology companies with considerably more financial, development and commercialization resources and personnel than we have. In order to compete successfully in the current business climate, we may have to pay higher prices for assets than may have been paid historically, which may make it more difficult for us to realize an adequate return on any acquisition.

Even if we are able to successfully identify and acquire or in-license new products, product candidates, research programs or companies, we may not be able to successfully manage the risks associated with integrating any products, product candidates, research programs or companies into our business or the risks arising from anticipated and unanticipated problems in connection with an acquisition or in-licensing. Further, while we seek to mitigate risks and liabilities of potential acquisitions through, among other things, due diligence, there may be risks and liabilities that such due diligence efforts fail to discover, that are not disclosed to us or that we inadequately assess. In any event, we may not be able to realize the anticipated benefits of any acquisition or in-licensing for a variety of reasons, including the possibility that a product candidate fails to advance to clinical development, proves not to be safe or effective in clinical trials, or fails to reach its forecasted commercial potential, or that the integration of a product, product candidate, research program or company gives rise to unforeseen difficulties and expenditures. Any failure in identifying and managing these risks and uncertainties would have a material adverse effect on our business, results of operations, financial condition and prospects.

In addition, acquisitions create other uncertainties and risks, particularly when the acquisition takes the form

of a merger or other business consolidation. We may encounter unexpected difficulties, or incur unexpected costs, in connection with transition activities and integration efforts, which include:

- high acquisition costs;
- the need to incur substantial debt or engage in dilutive issuances of equity securities to pay for acquisitions;
- the potential disruption of our historical business and our activities under our collaboration agreements;
- the strain on, and need to expand, our existing operational, technical, financial and administrative infrastructure;
- our lack of experience in late-stage product development and commercialization;
- the difficulties in assimilating employees and corporate cultures;
- the difficulties in hiring qualified personnel and establishing necessary development and/or commercialization capabilities;
- the failure to retain key management and other personnel;
- the challenges in controlling additional costs and expenses in connection with and as a result of the acquisition;
- the need to write down assets or recognize impairment charges;
- the diversion of our management's attention to integration of operations and corporate and administrative infrastructures; and
- any unanticipated liabilities for activities of or related to the acquired business or its operations, products or product candidates.

If we fail to integrate or otherwise manage an acquired business successfully and in a timely manner, resulting operating inefficiencies could increase our costs more than we planned, could negatively impact the market price of our ordinary shares and could otherwise distract us from execution of our strategy.

Our business is subject to economic, political, regulatory and other risks associated with conducting business internationally.

We currently conduct clinical trials in the United States and in Germany and we plan to market our product candidates, if approved, internationally. As a result, our business is subject to risks associated with conducting business internationally. Our future results could be harmed by a variety of factors, including:

- differing regulatory requirements in non-U.S. countries;
- unexpected changes in tariffs, trade barriers, price and exchange controls and other regulatory requirements;
- differing standards for the conduct of clinical trials;
- increased difficulties in managing the logistics and transportation of storing and shipping product candidates produced in the United States or elsewhere and shipping the product candidate to patients in other countries;
- import and export requirements and restrictions;
- economic weakness, including inflation, or political instability in foreign economies and markets;
- compliance with tax, employment, immigration and labor laws for employees living or traveling abroad;
- foreign taxes, including withholding of payroll taxes;

- foreign currency fluctuations, which could result in increased operating expenses and reduced revenue, and other obligations incident to doing business in another country;
- difficulties staffing and managing foreign operations;
- workforce uncertainty in countries where labor unrest is more common than in the United States or Germany;
- differing payor reimbursement regimes, governmental payors or patient self-pay systems, and price controls;
- potential liability under the FCPA or comparable foreign regulations;
- challenges enforcing our contractual and intellectual property rights, especially in those foreign countries that do not respect and protect intellectual property rights to the same extent as the United States or Germany;
- production shortages resulting from any events affecting raw material supply or manufacturing capabilities abroad; and
- business interruptions resulting from geo-political actions and conflict, war and terrorism, including the recent conflict between Russia and Ukraine and resulting sanctions, retaliatory measures, changes in the availability and price of various materials and effects on global financial markets, volatility and stress within the banking sector and the measures governments and financial services companies have taken in response
- business interruptions resulting from natural disasters including earthquakes, typhoons, floods and fires.

In addition, the formal change in the relationship between the United Kingdom and the European Union, referred to as "Brexit," may continue to pose certain implications to our research, commercial and general business operations, including the approval and supply of our product candidates. The Trade and Cooperation Agreement between the United Kingdom and the European Union is comprehensive but does not cover all areas of regulation pertinent to the pharmaceutical industry, so certain complexities remain. It may be time-consuming and expensive for us to alter our internal operations in order to comply with new regulations as a result of Brexit. Altered regulations could also add time and expense to the process by which our product candidates receive regulatory approval in the United Kingdom and the European Union.

If we fail to maintain an effective system of internal control over financial reporting, we may not be able to accurately report our financial results or prevent fraud.

Effective internal control over financial reporting is necessary for us to provide reliable financial reports and prevent fraud. Any failure to implement required new or improved controls, or difficulties encountered in our implementation could cause us to fail to meet our reporting obligations. In addition, any testing conducted by us, or any testing conducted by our independent registered public accounting firm, may reveal deficiencies in our internal control over financial reporting that are deemed to be material weaknesses or that may require prospective or retroactive changes to our financial statements or identify other areas for further attention or improvement. Inferior internal controls could also cause investors to lose confidence in our reported financial information, which is likely to negatively affect our business and the market price of our ordinary shares.

We are required to disclose changes made in our internal controls and procedures and assess the effectiveness of these controls annually. However, for as long as we are an "emerging growth company" under the JOBS Act, our independent registered public accounting firm will not be required to attest to the effectiveness of our internal control over financial reporting pursuant to Section 404(b) of the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act").

An independent assessment of the effectiveness of our internal controls could detect problems that our management's assessment might not. Material weaknesses in our internal controls could lead to financial statement restatements and require us to incur the expense of remediation.

Risks Related to Taxation

We may be or may become a PFIC, which could result in adverse U.S. federal income tax consequences to U.S. holders.

If we or any of our subsidiaries is a passive foreign investment company (a "PFIC") for any taxable year, or portion thereof, that is included in the holding period of a beneficial owner of our ordinary shares that is a U.S. Holder, such U.S. Holder, may be subject to certain adverse U.S. federal income tax consequences and may be subject to additional reporting requirements. It is uncertain whether we or any of our subsidiaries, including Immatics OpCo, will be treated as a PFIC for U.S. federal income tax purposes for 2022 or for the current or any subsequent tax year. If we determine that we and/or any of our subsidiaries is a PFIC for any taxable year, we intend to provide a U.S. Holder with such information necessary for the U.S. Holder to make and maintain a QEF Election with respect to us and/or such subsidiaries, but there can be no assurance that we will have timely knowledge of our status as a PFIC in the future or of the required information to be provided. Prospective U.S. Holders of our ordinary shares or warrants are urged to consult their tax advisors regarding the possible application of the PFIC rules to them.

We may become taxable in a jurisdiction other than Germany, and this may cause us to be subject to increased and/or different taxes than we expect.

Since our incorporation, we have had, on a continuous basis, our place of effective management in Germany. Therefore, we believe that we are a tax resident of Germany under German national tax laws. As an entity incorporated under Dutch law, however, we also qualify as a tax resident of the Netherlands under Dutch national tax laws. However, based on our current management structure and the tax laws of the United States, Germany and the Netherlands, as well as applicable income tax treaties, and current interpretations thereof, we believe that we are tax resident solely in Germany for the purposes of the 2012 tax treaty between the Federal Republic of Germany and the Netherlands for the avoidance of double taxation with respect to taxes on income.

Our sole tax residency in Germany for purposes of the above-mentioned tax treaty is subject to the application of the provisions on tax residency as stipulated in such treaty as amended from time to time. The Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting (the "MLI"), Germany and the Netherlands entered into, among other countries, should not, as of this date, affect such tax treaty's rules regarding tax residency.

The applicable tax laws, tax treaties or interpretations thereof may change. Furthermore, whether we have our place of effective management in Germany and are as such solely tax resident in Germany is largely a question of fact and degree based on all the circumstances, rather than a question of law, which facts and degree may also change. Changes to applicable tax laws or interpretations thereof and changes to applicable facts and circumstances (e.g., a change of board members or the place where board meetings take place), or changes to applicable tax treaties, including a change to the application of the MLI, may result in us becoming (also) a tax resident of another jurisdiction (other than Germany), potentially also triggering an exit tax liability in Germany. As a consequence, our overall effective

income tax rate and income tax expense could materially increase, which could have a material adverse effect on our business, results of operations, financial condition and prospects.

If we ever pay dividends, we may need to withhold tax on such dividends in both Germany and the Netherlands.

We have no plan to declare or pay any dividends on our ordinary shares in the foreseeable future. However, if we do pay dividends, we may need to withhold tax on such dividends both in Germany and the Netherlands. As an entity incorporated under Dutch law, any dividends distributed by us are subject to Dutch dividend withholding tax on the basis of Dutch domestic law. However, on the basis of the double tax treaty between Germany and the Netherlands, the Netherlands will be restricted in imposing these taxes if we continue to be a tax resident of Germany and our place of effective management is in Germany. However, Dutch dividend withholding tax is still required to be withheld from dividends if and when paid to Dutch resident holders of our ordinary shares (and non-Dutch resident holders of our ordinary shares that have a permanent establishment in the Netherlands to which their shareholding is attributable). As a result, upon a payment (or deemed payment) of dividends, we will be required to identify our shareholders in order to assess whether there are Dutch residents (or non-Dutch residents with a permanent establishment in the Netherlands to which the shares are attributable) in respect of which Dutch dividend tax has to be withheld. Such identification may not always be possible in practice. If the identity of our shareholders cannot be determined, withholding of both German and Dutch dividend tax from such dividend may occur upon a payment of dividends.

Furthermore, the withholding tax restriction referred to above is based on the current choices and reservation of Germany under the MLI. If Germany changes its MLI choices and reservation, we may not be entitled to any benefits of the double tax treaty between Germany and the Netherlands, including the withholding tax restriction, as long as Germany and the Netherlands do not reach an agreement on our tax residency for purposes of the tax treaty between Germany and the Netherlands, except to the extent and in such manner as may be agreed upon by the authorities. As a result, any dividends distributed by us during the period no such agreement has been reached between Germany and the Netherlands, may be subject to dividend withholding tax both in Germany and the Netherlands.

In addition, a proposed law is currently pending before the Dutch parliament, namely the Emergency act conditional exit dividend tax (Spoedwet conditionele eindafrekening dividendbelasting) which would, if enacted, impose a dividend withholding (exit) tax on certain deemed distributions if we cease to be a Dutch tax resident and become a tax resident of a jurisdiction that is not a member of the EU or the EEA, when such jurisdiction does not satisfy certain conditions. In some cases, we would have a right to recover the amount of tax from our shareholders when such shareholder is not entitled to an exemption. If enacted in the form in which it is presently pending before the Dutch parliament, the proposed law will have retroactive effect to December 8, 2021.

4. INFORMATION ON THE COMPANY

4.1 *History and Development of the Company*

We were incorporated as a Dutch private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) under the name Immatics B.V. on March 10, 2020 solely for the purpose of effectuating the business combination (the "ARYA Merger") between us, ARYA Sciences Acquisition Corp., a Cayman Islands exempted company ("ARYA"), Immatics Biotechnologies GmbH, a German limited liability company, Immatics Merger Sub 1, a Cayman Islands exempted company, and Immatics Merger Sub 2, a Cayman Islands exempted company. Upon the closing of the ARYA Merger on July 1, 2020, we converted into a Dutch public limited liability company (*naamloze vennootschap*) and changed our name to Immatics N.V.

We are registered in the Commercial Register of the Chamber of Commerce (*Kamer van Koophandel*) in the Netherlands under number 77595726. We have our corporate seat in Amsterdam, the Netherlands and our registered office is at Paul-Ehrlich-Straße 15, 72076 Tübingen, Federal Republic of Germany, and our telephone number is +49 (7071) 5397-0. Our executive office in the United States is located at Immatics US, Inc., 2130 W. Holcombe Boulevard, Houston, Texas, 77030 and our telephone number is +1 (346) 204-5400. Our website is www.immatics.com. The reference to our website is an inactive textual reference only, and information contained therein or connected thereto are not incorporated into this report. We file reports and other information with the SEC, including annual reports on Form 20-F and reports on Form 6-K. The SEC maintains an Internet site at www.sec.gov that contains reports, proxy and information statements and other information we have filed electronically with the SEC.

5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

You should read the following discussion and analysis of our financial condition and results of operations together with our consolidated financial statements, including the notes thereto, included in this report. Our consolidated financial statements are presented in euros and have been prepared in accordance with EU-IFRS as adopted by the IASB. The following discussion includes forward-looking statements that involve risks, uncertainties and assumptions. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of many factors, including but not limited to those described under chapter 3 of this report and elsewhere in this report.

5.1 Operating results

Overview

We are a clinical-stage biotechnology company dedicated to the development of T cell receptor ("TCR")-based immunotherapies for the treatment of cancer. Our purpose is to deliver a meaningful impact on the lives of cancer patients by developing novel TCR-based immunotherapies that are designed to achieve effect beyond an incremental clinical benefit. Our focus is the development of product candidates for the treatment of patients with solid tumors, who are inadequately served by existing treatment modalities. We strive to become an industry leading, fully integrated global biopharmaceutical company engaged in developing, manufacturing and commercializing TCR immunotherapies for the benefit of cancer patients, our employees, our shareholders and our partners.

By utilizing TCR-based therapeutics, we are able to direct T cells to intracellular cancer targets that are not

accessible through classical antibody-based or CAR-T therapies. We believe that by identifying what we call true cancer targets and the right TCRs, we are well positioned to transform current solid tumor treatment paradigms by delivering cellular and bispecific product candidates that have the potential to substantially improve the lives of cancer patients.

We are developing our targeted immunotherapy product candidates through two distinct treatment modalities: TCR-engineered autologous ("ACTengine") or allogeneic ("ACTallo") Adoptive Cell Therapies ("ACT") and antibody-like Bispecifics, also called T cell Engaging Receptors ("TCER"). Each modality is designed with distinct attributes and mechanisms of action to produce the desired therapeutic effect for a variety of cancer patient populations with different unmet medical needs. Our current pipeline shown below comprises several proprietary TCR-based product candidates in clinical and preclinical development. In addition to our proprietary pipeline, we are collaborating with industry-leading partners, including Bristol Myers Squibb ("BMS"), Editas Medicine and Genmab, to develop multiple additional therapeutic programs covering ACT and Bispecifics.

Since our inception, we have focused on developing our technologies and executing our preclinical and clinical research programs with the aim to deliver the power of T cells to cancer patients. We do not have any products approved for sale. We have funded our operations primarily through equity financing and through upfront payments from our collaboration partners.

We have assembled a team of 380 and 347 FTEs as of December 31, 2022 and December 31, 2021, respectively.

Through December 31, 2022 we have raised approximately €823.7 million in total through licensing payments from our collaborators and through private and public placements of securities. We are holding Cash and cash equivalents and Other financial assets of €362.2 million as of December 31, 2022. We believe that we have sufficient capital resources to fund our operations through at least the next 12 months.

Since our inception, we have incurred net losses, which have been significant in recent years. Despite the net income that we generated within the year ended December 31, 2022, we expect to continue to incur significant expenses and increasing net losses for the foreseeable future as we continue our research and development efforts and seek to obtain regulatory approval for and commercialize our product candidates. Our future profitability will be dependent upon the successful development, approval and commercialization of our product candidates and achieving a level of revenues adequate to support our cost structure. We may never achieve profitability and, unless and until we do, we will continue to need to raise additional capital. Our net losses may fluctuate significantly from year to year.

Recent Developments

Business Impact of the COVID-19 Pandemic

In December 2019, a novel strain of coronavirus ("COVID-19") emerged. In response, many countries and businesses instituted travel restrictions, quarantines, and office closures. With COVID-19 vaccines becoming more broadly available, most of our employees have returned to onsite work. However, there can be no assurance that future developments regarding the spread of COVID-19 will not result in a negative impact of the Group's ability to conduct clinical trials, including potential delays and restrictions on the Group's ability to recruit and retain patients and the availability of principal investigators and healthcare employees. We will continue to closely monitor the effects of the pandemic.

Russian-Ukraine Conflict and macroeconomic environment

The conflict between Russia and Ukraine has resulted, and is expected to further result, in significant disruption, instability and volatility in global markets, as well as higher energy and other commodity prices. Since the Company is not currently conducting any business or receiving any material services from vendors located in Russia or Ukraine, it does not expect that the ongoing war will have a direct impact on its operations in the near term. However, the Company may be affected by price increases or certain fiscal policy changes in Germany, such as new tax legislation, economic sanctions and comparable measures.

Components of Operating Results

Revenue from Collaboration Agreements

To date, we have not generated any revenue from the sale of pharmaceutical products. Our revenue has been solely derived from our collaboration agreements, such as with BMS and Genmab.

Our revenue from collaboration agreements consists of upfront payments as well as reimbursement of research and development expenses. Upfront payments allocated to the obligation to perform research and development services are initially recorded on our statement of financial position as deferred revenue and are subsequently recognized as revenue on a cost-to-cost measurement basis, in accordance with our accounting policy as described further under "E. Critical Accounting Estimates."

As part of the collaboration arrangements, we grant exclusive licensing rights for the development and commercialization of future product candidates, developed for specified targets defined in the respective collaboration agreement. We carry out our research activities using our proprietary technology and know-how, participate in joint steering committees, and prepare data packages. In three of our four current collaboration agreements, these commitments represent one combined performance obligation, because the research activities are mutually dependent and the collaborator is unable to derive significant benefit from our access to these targets without our research activities, which are highly specialized and cannot be performed by other organizations. For the collaboration signed with BMS in December 2021, we identified two separate performance obligations, because the license is a distinct obligation and the clinical trial services will not result in a modification of the license.

The collaboration agreements resulted in €399.2 million of upfront cash payments through December 31, 2022. As part of the agreements, we contribute our XPRESIDENT and other technologies, as well as commit to participating in joint research activities. In addition, we agree to license certain target rights and the potential product candidates developed under the collaboration.

Under each of our collaboration agreements, we are entitled to receive payments for certain development and commercial milestone events, in addition to royalty payments upon successful commercialization of a product. The uncertainty of achieving these milestones significantly impacts on our ability to generate revenue.

Our ability to generate revenue from sales of pharmaceutical products and to become profitable depends on the successful commercialization of product candidates by us and/or by our collaboration partners. In the foreseeable future, we do not expect revenue from product sales. To the extent that existing or potential future collaborations generate revenue, our revenue may vary due to many uncertainties in the development of our product candidates and other factors.

Research and Development Expenses

Research and development expenses consist primarily of personnel-related costs (including share-based compensation) for the various research and development departments, intellectual property ("IP") expenses, facility-related costs and amortization as well as direct expenses for clinical and preclinical programs.

Our core business is focused on the following initiatives with the goal of providing novel TCR-based immunotherapies to cancer patients:

- Realize the full multi-cancer opportunity of PRAME by (1) focusing and accelerating the development of our ACTengine IMA203 TCR-T towards pivotal trials, (2) expanding the patient population that might benefit from a PRAME-targeting therapy by developing an off-the-shelf biologic TCER IMA402 and (3) expanding beyond HLA-A*02 by investigating new target-TCR pairs for PRAME epitopes binding to other HLA types;
- Advance our pipeline of innovative ACTengine TCR-T product candidates;
- Advance our pipeline of next-generation, half-life extended TCR Bispecifics;
- Enhance the commercial opportunities of cell therapies;
- Further enhance our cell therapy manufacturing capabilities;
- Leverage the full potential of strategic collaborations;
- Strengthen our intellectual property portfolio; and
- Enhance the competitive edge of our technology platforms.

Research expenses are defined as costs incurred for current or planned investigations undertaken with the prospect of gaining new scientific or technical knowledge and understanding. All research and development costs are expensed as incurred due to scientific uncertainty.

We expect our research and development expenses to increase substantially in the future as we advance existing and future proprietary product candidates into and through clinical studies and pursue regulatory approval. The process of conducting the necessary clinical studies to obtain regulatory approval is costly and time-consuming. We expect to increase our headcount to support our continued research activities and to advance the development of our product candidates. Clinical studies generally become larger and more costly to conduct as they advance into later stages and, in the future, we will be required to make estimates for expense accruals related to clinical study expenses. 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. Our research and development programs are at an early stage. We must demonstrate our products' safety and efficacy through extensive clinical testing. We may experience numerous unforeseen events during, or as a result of, the testing process that could delay or prevent commercialization of our products, including but not limited to the following:

- after reviewing trial results, we or our collaborators may abandon projects previously believed to be promising;
- we, our collaborators, or regulators may suspend or terminate clinical trials if the participating subjects or patients are being exposed to unacceptable health risks;
- our potential products may not achieve the desired effects or may include undesirable side effects or other characteristics that preclude regulatory approval or limit their commercial use if approved;
- manufacturers may not meet the necessary standards for the production of the product candidates or may not be able to supply the product candidates in a sufficient quantity;

- regulatory authorities may find that our clinical trial design or conduct does not meet the applicable approval requirements; and
- safety and efficacy results in various human clinical trials reported in scientific and medical literature may not be indicative of results we obtain in our clinical trials.

Clinical testing is very expensive, can take many years, and the outcome is uncertain. It could take several years before we learn the results from any clinical trial using ACT or TCR Bispecifics. The data collected from our clinical trials may not be sufficient to support approval by the FDA, the EMA or comparable regulatory authorities of our ACT or TCR Bispecific product candidates for the treatment of solid tumors. The clinical trials for our products under development may not be completed on schedule and the FDA, EMA or regulatory authorities in other countries may not ultimately approve any of our product candidates for commercial sale. If we fail to adequately demonstrate the safety and effectiveness of any product candidate under development, we may not receive regulatory approval for those product candidates, which would prevent us from generating revenues or achieving profitability.

General and Administrative Expenses

General and administrative expenses consist primarily of personnel-related costs (including share-based compensation) for finance, legal, human resources, business development and other administrative and operational functions, professional fees, accounting and legal services, information technology and facility-related costs. These costs relate to the operation of the business, unrelated to the research and development function or any individual program.

Due to our planned increase in research and development activities as explained above, we also expect that our general and administrative expenses might increase. We might incur increased accounting, audit, legal, regulatory, compliance, director and officer insurance costs. Additionally, if and when a regulatory approval of a product candidate appears likely, we anticipate an increase in payroll and expenses as a result of our preparation for commercial operations.

Financial Result

Financial result consists of both financial income and financial expenses. Financial income results primarily from foreign exchange gains. Our financial expenses consist of interest expenses related to lease liabilities, foreign exchange losses and expected credit losses. Additionally, our warrants are classified as Liabilities for warrants. The change in fair value of warrant liabilities consists of the change in fair value of these warrants.

Results of Operations

Comparison of the Years Ended December 31, 2022 and December 31, 2021

The following table summarizes our consolidated statements of operations for each year presented:

	Year ended December 31,	
	2022	2021
	(Euros in thousands, except share and per share data)	
Revenue from collaboration agreements	€ 172,831	€ 34,763
Research and development expenses	(106,779)	(87,574)
General and administrative expenses	(36,124)	(33,808)
Other income	26	325
Operating result	**29,954**	**(86,294)**
Change in fair value of warrant liabilities	10,945	(10,990)
Other financial income	9,416	5,675
Other financial expenses	(8,279)	(1,726)
Financial result	**12,082**	**(7,041)**
Profit/(loss) before taxes	**42,036**	**(93,335)**
Taxes on income	(4,522)	—
Net profit/(loss)	**37,514**	**(93,335)**
Net profit/(loss) per share:		
Basic	0.56	(1.48)
Diluted	0.55	(1.48)

Revenue from Collaboration Agreements

The following table summarizes our collaboration revenue for the years indicated:

	Year ended December 31,	
	2022	2021
(Euros in thousands)		
Revenue from collaboration agreements:		
Amgen, United States	€ -	€ 10,228
Genmab, Denmark	9,617	6,929
BMS, United States	126,100	13,138
GSK, United Kingdom	37,114	4,468
Total	**€ 172,831**	**€ 34,763**

Our revenue from collaboration agreements increased from €34.8 million for the year ended December 31, 2021 to €172.8 million for the year ended December 31, 2022. The increase in revenue of €138.1 million mainly resulted from the collaborations with BMS. Our revenue from collaboration agreements with BMS includes the revenue related to the right-to-use license for IMA401 amounting to €91.3 million and €34.8 million revenue

recognized on a cost-to-cost method. The revenue from collaboration agreements with GSK includes €33.4 million, which resulted from the termination of the collaboration with GSK.

We did not achieve any milestones or receive any royalty payments in connection with our collaboration agreements during the presented years.

Research and Development Expenses

The following table summarizes our research and development expenses for the years indicated:

	Year ended December 31,	
	2022	2021
(Euros in thousands)		
Direct external research and development expenses by program:		
ACT Programs	€ (17,277)	€ (14,897)
TCR Bispecifics Programs	(7,318)	(6,679)
Other programs	(5,552)	(3,114)
Sub-total direct external expenses	**€ (30,147)**	**€ (24,690)**
Indirect research and development expenses:		
Personnel related (excluding share-based compensation)	€ (39,356)	€ (25,543)
Share-based compensation expenses	(12,925)	(15,564)
IP expenses	(10,165)	(9,701)
Facility and depreciation	(7,024)	(5,325)
Other indirect expenses	(7,162)	(6,751)
Sub-total indirect expenses	**€ (76,632)**	**€ (62,884)**
Total	**€ (106,779)**	**€ (87,574)**

Direct external research and development expenses for our ACT programs increased from €14.9 million for the year ended December 31, 2021 to €17.3 million for the year ended December 31, 2022. This increase mainly resulted from expanded activities in our clinical trials, which was the result in part of a growing number of patients recruited. Direct external research and development expenses for our TCR Bispecifics programs increased from €6.7 million for the year ended December 31, 2021 to €7.3 million for the year ended December 31, 2022. This increase mainly resulted from additional activities in our preclinical studies for IMA402.

Direct external research and development expenses for our other programs such as technology platforms and collaboration agreements increased from €3.1 million for the year ended December 31, 2021 to €5.6 million for the year ended December 31, 2022. This increase mainly resulted from increased activities for our IMA401 collaboration.

We do not allocate indirect research and development expenses by program, as our research and development personnel work across programs. Our IP expenses are incurred for the protection of cancer antigen targets, T cell receptors, antibodies, bispecific molecules, and antigen discovery platforms which are beneficial to the whole research and development group rather than for specific programs. Our programs use common research and development facility and laboratory equipment, and we also incur other costs such as general laboratory material or maintenance expenses that are incurred for commonly used activities within the whole research and development group.

Personnel-related expenses increased from €25.5 million for the year ended December 31, 2021 to €39.4 million for the year ended December 31, 2022. This increase resulted from our headcount growth due to our increased research and development activities including clinical trials. Share-based compensation expenses decreased from €15.6 million for the year ended December 31, 2021 to €12.9 million for the year ended December 31, 2022, mainly due to the fact that certain awards granted as part of the ARYA Merger have fully vested. IP expenses increased from €9.7 million for the year ended December 31, 2021 to €10.2 million for the year ended December 31, 2022 due to our ongoing expansion of our IP portfolio. Facility and depreciation expenses increased from €5.3 million for the year ended December 31, 2021 to €7.0 million for the year ended December 31, 2022. This increase resulted from the acquisition of laboratory equipment and leasehold improvements. Other indirect expenses increased from €6.8 million for the year ended December 31, 2021 to €7.2 million for the year ended December 31, 2022. This increase resulted from our expanded research and development activities.

General and Administrative Expenses

The following table summarizes our general and administrative expenses for the years indicated:

	Year ended December 31,	
	2022	**2021**
(Euros in thousands)		
Share-based compensation expenses	€ (9,645)	€ (10,839)
Personnel related (excluding share-based compensation)	(11,278)	(8,641)
Professional and consulting fees	(6,182)	(6,805)
Other external general and administrative expenses	(9,019)	(7,523)
Total	**€ (36,124)**	**€ (33,808)**

General and administrative expenses increased from €33.8 million for the year ended December 31, 2021 to €36.1 million for the year ended December 31, 2022.

Share-based compensation expenses decreased from €10.8 million for the year ended December 31, 2021 to €9.6 million for the year ended December 31, 2022. Shared-based compensation expenses decrease over time mainly due to the fact that certain awards granted as part of the ARYA Merger have fully vested.

Personnel related general and administrative expenses, excluding share-based compensation, increased from €8.6 million for the year ended December 31, 2021 to €11.3 million for the year ended December 31, 2022. The increase mainly resulted from an increased headcount in our finance, IT, human resources and communications functions.

Professional and consulting fees decreased from €6.8 million for the year ended December 31, 2021 to €6.2 million for the year ended December 31, 2022. The decrease in professional and consulting fees resulted mainly from lower legal and consulting expenses.

Other external expenses increased from €7.5 million for the year ended December 31, 2021 to €9.0 million for the year ended December 31, 2022. The increase in other expenses mainly resulted from increased insurance payments, depreciation and facility expenses.

Change in fair value of warrant liabilities

The fair value of warrants decreased from €3.88 per warrant as of December 31, 2021 to €2.35 per warrant as of December 31, 2022. The result is a decrease in fair value of warrant liabilities of €10.9 million and a corresponding income for the year ended December 31, 2022.

Subsequent to the Business Combination, there were 7,187,500 warrants outstanding, which were classified as financial liabilities through profit and loss. The warrants entitle the holder to purchase one ordinary share at an exercise price of $11.50 per share. The warrants will expire five years after the completion of the Business Combination or earlier upon redemption or liquidation in accordance with their terms.

Other Financial Income and Other Financial Expenses

Other financial income increased from €5.7 million for the year ended December 31, 2021 to €9.4 million for the year ended December 31, 2022. The increase mainly resulted from higher interest income and foreign exchange gains.

Other financial expenses increased from €1.7 million for the year ended December 31, 2021 to €8.3 million for the year ended December 31, 2022. The increase mainly resulted from higher foreign exchange losses.

5.2 Liquidity and Capital Resources

Sources of Liquidity

With the exception of the year ended December 31, 2022, we have incurred losses since inception. We have a positive cash flow from operations for the year ended December 31, 2022 due to upfront payments in connection with the closing of the BMS collaboration agreements. We have negative cash flows from operations for the year ended December 31, 2021 and December 31, 2020. For the year ended December 31, 2022, we had an accumulated deficit of €500.3 million.

We have funded our operations primarily from public offerings and private placements of our ordinary shares, upfront payments from collaborations agreements, and the net proceeds generated from the ARYA Merger and PIPE Financing that closed on July 1, 2020 and our public offering in October 2022.

Cash and cash equivalents increased from €133.0 million for the year ended December 31, 2021 to €148.5 million for the year ended December 31, 2022. We received €212.4 million in connection with the strategic collaboration agreements with BMS and €106.2 million from a public offering of 10,905,000 ordinary shares during the year ended December 31, 2022.

We believe our existing Cash, cash equivalents and Other financial assets will be sufficient to fund our operating expenses and capital expenditure requirements through at least the next 12 months. We may consider raising additional capital to pursue strategic investments, to take advantage of financing opportunities or for other reasons. Additionally, in 2021, we established an at-the-market ("ATM") offering program pursuant to which we may, from time to time, issue and sell shares that have an aggregate offering price of $100 million. During the year ended December 31, 2022, 2.8 million shares were sold under the ATM agreement with SVB Securities LLC, resulting in a gross amount of €20.8 million ($21.3 million).

We plan to utilize the existing Cash, cash equivalents and Other financial assets on hand primarily to fund our operating activities associated with our research and development initiatives to continue or commence clinical trials

and seek regulatory approval for our product candidates. We also expect to make capital expenditures in the near term related to the expansion of our laboratory spaces in Tübingen, Germany and our new GMP manufacturing facility in Houston metropolitan area, Texas and expect to continue investing in laboratory and manufacturing equipment and operations to support our anticipated growth. Cash in excess of immediate requirements is invested in accordance with our investment policy with an emphasis on liquidity and capital preservation and consist primarily of cash in banks, short-term deposits and AAA rated bonds.

Our contractual obligations as of December 31, 2022 include lease obligations for lease liabilities of €18.6 million, reflecting our future minimum commitments for our office, manufacturing and laboratory spaces in Tübingen, Munich and Houston, as well as other lease obligations of €5.0 million, reflecting our future minimum commitments for our new office and laboratory spaces in Tübingen and Munich which are not reflected on our balance sheet on which we committed in 2022 and will be effective in the year 2023.

As of December 31, 2022, €4.3 million of the committed lease payments associated with lease liabilities and other lease obligations will occur in the next 12 months. The remaining lease payments of €19.3 million will occur between January 1, 2023 and April 30, 2033.

In addition to the above obligations, we enter into a variety of agreements and financial commitments in the normal course of business. The terms generally provide us with the option to cancel, reschedule, and adjust our requirements based on our business needs prior to the delivery of goods or performance of services.

Cash Flows

The following table summarizes our cash flows for each year presented:

	Year ended December 31,	
	2022	2021
(Euros in thousands)		
Net cash provided by / (used in):		
Operating activities*	€ 100,131	€ (84,746)
Investing activities	(209,791)	7,493
Financing activities	123,710	(2,613)
Total	**€ 14,050**	**€ (79,866)**

* See Note 2 of the Notes to the Consolidated Financial Statements of Immatics N.V. for details regarding the revision of prior year numbers as a result of a correction in presentation of net foreign exchange differences and effects of exchange rate changes on cash and cash equivalents

Operating Activities

We primarily derive cash from our collaboration agreements. Our cash used in operating activities is significantly influenced by our use of cash for operating expenses and working capital to support the business. Historically we experienced negative cash flows from operating activities as we have invested in the development of our technologies in our clinical and preclinical development of our product candidates. During the year ended December 31, 2022, our cash flows from operating activities was positive, as we received upfront payments from our collaboration partner BMS under the BMS IMA401 collaboration agreement, the allogeneic ACT agreement and the amendment to the autologous ACT agreement amounting to €212.4 million partly offset by ongoing expenses for research and development.

Our net cash inflow from operating activities for the year ended December 31, 2022 was €100.1 million. This was comprised of a profit before tax of €42.0 million, a decrease in working capital of €37.3 million, €22.6 million by non-cash charges from equity settled share-based compensation expenses for employees, depreciation and amortization charge of €7.0 million and net foreign exchange differences and expected credit losses of €2.9 million, partly offset by a non-cash income of €10.9 million related to the change in fair value of the warrants and other effects of €0.8 million. The decrease in working capital mainly resulted from a increase in accounts payable and other liabilities of €45.6 million, partly offset by an increase in accounts receivable of €0.4 million and an increase in other assets and prepayments of €7.9 million.

Our net cash outflow from operating activities for the year ended December 31, 2021 was €84.7 million. This was comprised of a net loss of €93.3 million, an increase in working capital of €31.7 million and net foreign exchange differences of €2.4 million, partly offset by a non-cash expense of €11.0 million related to the change in fair value of the warrants, a partial offset of €26.4 million by non-cash charges from equity settled share-based compensation expenses for employees and depreciation and amortization charge of €5.3 million. The increase in working capital mainly resulted from a decrease in accounts payable and other liabilities of €31.8 million and an increase in other current assets and prepayments of €0.5 million, partly offset by a decrease in accounts receivable of €0.6 million.

Investing Activities

Our net outflow of cash from investing activities for the year ended December 31, 2022 was €209.8 million. This consisted primarily of cash paid in the amount of €216.3 million for bond and short-term deposit investments, that are classified as Other financial assets and held with financial institutions to finance the company, €6.2 million as payment for new equipment and intangible assets, partially offset by cash received from maturity of bonds of €12.7 million.

Our net inflow of cash from investing activities for the year ended December 31, 2021 was €7.5 million, primarily consisted of €24.4 million proceeds from maturities of investments classified as Other financial assets and held with financial institutions to finance the company, partly offset by €11.3 million payments for bond investments classified as Other financial assets and held with financial institutions to finance the company and €5.6 million payments for new equipment and intangible assets.

Financing Activities

For the year ended December 31, 2022, our net cash provided from financing activities amounted to €123.7 million. As of December 31, 2022, 2.8 million shares had been sold under the ATM agreement with SVB Securities LLC. In addition, the Company closed an SEC-registered offering of 10.9 million ordinary shares in October 2022. The Company collected a total net amount of €126.5 million. This was partially offset by the principal portion of payments in connection with lease contracts in the amount of €2.8 million.

For the year ended December 31, 2021, our net cash used in financing activities was €2.6 million. This was mainly driven by the principal portion of payments in connection with lease contracts.

Operation and Funding Requirements

Historically, we have incurred significant losses due to our substantial research and development expenses. We have an accumulated deficit of €500.3 million for the year ended December 31, 2022. We expect our expenses to increase in connection with our ongoing activities, particularly as we continue the research and development of, continue or commence clinical trials including GMP manufacturing of, and seek regulatory approval for, our product candidates. We believe that we have sufficient financial resources available to fund our projected operating requirements for at least the next twelve months. Because the outcome of our current and planned clinical trials is highly uncertain, we cannot reasonably estimate the actual amounts necessary to successfully complete the development and commercialization of our product candidates. For example, our costs will increase if we experience any delays in our current and planned clinical trials. Our future funding requirements will depend on many factors, including, but not limited to:

1. progress, timing, scope and costs of our clinical trials, including the ability to timely initiate clinical sites, enroll patients and manufacture ACT and TCR Bispecific product candidates for our ongoing, planned and potential future clinical trials;
2. time and cost to conduct IND- or CTA-enabling studies for our preclinical programs;
3. time and costs required to perform research and development to identify and characterize new product candidates from our research programs;
4. 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;

5. our ability to successfully commercialize our product candidates, if approved;
6. our ability to have clinical and commercial products successfully manufactured consistent with FDA, the EMA and comparable regulatory authorities' regulations;
7. 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;
8. sales and marketing costs associated with commercializing our products, if approved, including the cost and timing of building our marketing and sales capabilities;
9. cost of building, staffing and validating our manufacturing processes, which may include capital expenditure;
10. terms and timing of our current and any potential future collaborations, licensing or other arrangements that we have established or may establish;
11. cash requirements of any future acquisitions or the development of other product candidates;
12. costs of operating as a public company;
13. time and cost necessary to respond to technological, regulatory, political and market developments;
14. costs of filing, prosecuting, defending and enforcing any patent claims and other IP rights; and
15. costs associated with any potential business or product acquisitions, strategic collaborations, licensing agreements or other arrangements that we may establish.

Identifying potential product candidates and conducting preclinical studies and clinical trials is a time-consuming, expensive and uncertain process that takes many years to complete, and we may never generate the necessary data or results required to obtain regulatory approval and commercialize our product candidates. In addition, our product candidates, if approved, may not achieve commercial success. Our commercial revenues, if any, will be derived from sales of products that we do not expect to be commercially available for many years, if at all. Accordingly, we will need to continue to rely on additional financing to achieve our business objectives. Adequate additional financing may not be available to us on acceptable terms, or at all.

Unless and until we can generate sufficient revenue to finance our cash requirements, which may never happen, we may seek additional capital through a variety of means, including through public and private equity offerings and debt financings, credit and loan facilities and additional collaborations. If we raise additional capital through the sale of equity or convertible debt securities, our existing shareholders' ownership interest will be diluted, and the terms of such equity or convertible debt securities may include liquidation or other preferences that are senior to or otherwise adversely affect the rights of our existing shareholders. If we raise additional capital through the sale of debt securities or through entering into credit or loan facilities, we may be restricted in our ability to take certain actions, such as incurring additional debt, making capital expenditures, acquiring or licensing IP rights, declaring dividends or encumbering our assets to secure future indebtedness. Such restrictions could adversely impact our ability to conduct our operations and execute our business plan. If we raise additional capital through collaborations with third parties, we may be required to relinquish valuable rights to our IP or product candidates or we may be required to grant licenses for our IP or product candidates on unfavorable terms. If we are unable to raise additional capital when needed, we may be required to delay, limit, reduce or terminate our product development efforts or we may be required to grant rights to third parties to develop and market our product candidates that we would otherwise prefer to develop and market ourselves. For more information as to the risks associated with our future funding needs, see chapter 3.3 of this report under Risks Related to Our Financial Position.

6. LEGAL PROCEEDINGS

From time to time, we may be subject to various legal proceedings and claims that arise in the ordinary course of our business activities. For example, in September 2020, we filed an opposition and in October 2020 we commenced a cancellation proceeding against Immunocore Limited which challenges its IMMTAX trademark in various jurisdictions. In November 2020, Immunocore Limited filed counterclaims against our registered trademark IMMATICS and IMTX. Immatics received a negative opinion before the United Kingdom Intellectual Property Office in June 2022 and we have subsequently filed an appeal to the United Kingdom High Court of Justice. In addition, TaurX has filed a trademark opposition against our registered Trademark IMTX in the EU. Discovery and preliminary procedural matters remain ongoing in both matters. The results of litigation and claims cannot be predicted with certainty. As of the date of this report, we do not believe that we are party to any claim or litigation, the outcome of which would, individually or in the aggregate, be reasonably expected to have a material adverse effect on our business.

7. CONTROLS AND PROCEDURES

7.1 Risk management and control systems

Our business is exposed to specific industry risks, as well as general business risks. Our financial condition or results of operations could be materially and adversely affected if any of these risks occur, and as a result, the market price of our common shares could decline. This report also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially and adversely from those anticipated in these forward-looking statements as a result of certain factors. See chapter 1 of this report.

The Executive Committee and the Board, together with the Audit Committee, is responsible for reviewing the Company's risk management and control systems in relation to the financial reporting by the Company. The Board has charged its Audit Committee with the periodic oversight of these risk management and control systems. Our Audit Committee assists the Board, among other things, in reviewing and discussing with the Executive Committee and the independent auditor the audit plan as well as our annual audited financial statements and quarterly financial statements prior to the filing of the respective annual and quarterly reports and (ii) the effectiveness of the Company's internal control over financial reporting.

Our success as a business depends on our ability to identify opportunities while assessing and maintaining an appropriate risk appetite. Our risk management considers a variety of risks, including those related to our industry and business, those related to our ongoing relationship with our shareholders and those related to our intellectual property. Our approach to risk management is designed to provide reasonable, but not absolute, assurance that our assets are safeguarded, the risks facing the business are being assessed and mitigated and all information that may be required to be disclosed is reported to our senior management including, where appropriate, to our Chief Executive Officer and Chief Financial Officer.

Management, including our Chief Executive Officer and our Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures as of the end of the period covered by this report. Disclosure controls and procedures refer to controls and other procedures designed to ensure that information required to be disclosed in the reports we file or submit is recorded, processed, summarized and reported within the time frame specified in the rules and forms of the SEC and Dutch regulations. Disclosure controls and procedures include, without

limitations, controls and procedures designed to ensure that information required to be disclosed by us in our reports that we file or submit under the Exchange Act is accumulated and communicated to management, including our Chief Executive Officer and our Chief Financial Officer, or persons performing similar functions, as appropriate to allow timely decisions regarding our required disclosures.

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is a process designed by, or under the supervision of, a company's chief executive officer and chief financial officer and effected by our board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with EU-IFRS accounting standards and includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with EU-IFRS accounting standards, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Our management assessed the effectiveness of our internal control over financial reporting as of December 31, 2022. This assessment was performed under the direction and supervision of our Chief Executive Officer and our Chief Financial Officer, and based on criteria established in Internal Control—Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Our management concluded that we did maintain effective internal control over financial reporting as of December 31, 2022, based on criteria described in Internal Control—Integrated Framework (2013) issued by the COSO.

During 2022, we improved our procedures and controls related to our financial statement closing process, including implementation of standard operating procedures, enhancements to our process for the evaluation and documentation of EU-IFRS treatment of non-routine transactions, and checklists to monitor timely compliance. In addition, management enhanced and further formalized accounting reconciliations, including increasing the frequency and timeliness of the related review.

7.2 In control statement

On the basis of reports and information provided to the Board and its committees, the Board is of the opinion that:

- this report provides sufficient insight into any failings in the effectiveness of the Company's risk management and control systems;
- the Company's risk management and control systems provide reasonable assurance that the Company's financial reporting does not contain material inaccuracies;
- based on the Company's state of affairs as at the date of this report, it is justified that the Company's financial reporting is prepared on a going concern basis; and

- this report states those material risks and uncertainties that are relevant to the expectation of the Company's continuity for a period of twelve months after the date of this report.

There were no material failings in, material changes to, and/or material improvements of the Company's risk management and control systems which have been observed, made and/or planned, respectively, during the fiscal year to which this report relates.

The Company has not established an internal audit department. Our Board is of the opinion that adequate alternative measures have been taken in the form of the Company's risk management and control systems, especially as part of management testing of internal controls over financial reporting, and that it is presently not necessary to establish an internal audit function.

Furthermore, the Board confirms that:

- to the best of its knowledge, the statutory annual accounts included in this report give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and its consolidated subsidiaries taken as a whole; and
- this report includes a fair review concerning the position, on the balance sheet date, and the development and performance of the business of the Company and its consolidated subsidiaries taken as a whole, together with a description of the principal risks and uncertainties that they face.

8. CORPORATE GOVERNANCE

8.1 Dutch Corporate Governance Code

For the financial year to which this report relates, the Dutch Corporate Governance Code 2016 (the "**DCGC**") applied to the Company. The text of the DCGC can be accessed at http://www.mccg.nl. The DCGC has been updated in the course of 2022, with effect from January 1, 2023 and therefore the updated DCGC will only apply to us as from the fiscal year 2023.

Except as set out below, during the financial year to which this report relates, the Company complied with the principles and best practice provisions of the DCGC, to the extent that these are directed at the Board.

Internal audit function (best practice provisions 1.3.1, 1.3.2, 1.3.3, 1.3.4 and 1.3.5)

The Company has not established an internal audit department. Our Board is of the opinion that adequate alternative measures have been taken in the form of the Company's risk management and control systems, as outlined elsewhere in this report, and that it is presently not necessary to establish an internal audit function.

External independent auditor's attendance of Board meetings (best practice provision 1.7.6)

The external independent auditors did not attend all Board meetings during the financial year to which this report relates. The Board has regular and open access to the independent auditors directly. The Audit Committee approves all quarterly financial statements and has primary responsibility within the Board for overseeing financial reporting of the Company. The independent auditors regularly attend Audit Committee meetings.

Independence of the Chairman of the Board (best practice provision 2.1.9)

Peter Chambré serves as Chairman of the Board. He formerly acted as Executive Chairman of Immatics GmbH between August 2015 and June 2019. He has specific in-depth institutional knowledge about the Company, its business and the environment in which the Company operates, which is very valuable to the Company.

Succession (best practice provision 2.2.4)

The Company has a staggered board as recited in the Company's articles of association (the "**Articles of Association**"). The Articles of Association are published on the Company's website. The classes of directors and their respective terms of appointment are also set forth in several of the Company's public filings with the U.S. Securities and Exchange Commission (the "**SEC**").

Compensation (best practice provisions 3.1.2, 3.2.3, 3.3.2, 3.3.3 and 3.4.2)

The shareholders of the Company have adopted a policy regarding remuneration of the Board. A summary of the compensation earned by the directors and the executive officers of Immatics for the financial year to which this report relates is consistent with the remuneration policy approved by the shareholders and is set forth in the Company's public filings with the SEC. Consistent with the Company's remuneration policy and market practice in the United States, the trading jurisdiction of our common shares, and in order to further support our ability to attract and retain the right highly qualified candidates for our Board:

- options awarded to our executive director as part of his compensation could (subject to the terms of the option awards and option plan) vest and become exercisable during the first four years after the date of grant;
- our directors may generally sell our common shares held by them at any point in time, subject to applicable law, Company policy and applicable arrangements;
- our non-executive directors may be granted compensation in the form of shares, options and/or other equity-based compensation; and
- our executive director may be entitled to a payment in excess of his respective annual base salary in the event of severance.

Also, given the current organization of the Company and its recent transformation into a listed company, our Board has not yet determined the pay ratios within the Company.

Agreement of executive director (best practice provision 3.4.2)

Our executive director was appointed by resolution of the annual general meeting of the shareholders of the Company (the "General Meeting") on 30 June 2020 for a term through the 2023 General Meeting. Consistent with SEC applicable regulations, the executive director's agreement with the Company is not filed with the SEC. It is therefore also not posted to the Company's website. The executive director's compensation is consistent with the remuneration policy and set forth in several of the Company's public filings with the SEC.

Majority requirements for dismissal and overruling binding nominations (best practice provision 4.3.3)

Our directors are appointed by our General Meeting upon the binding nomination by our Board, under contractual rights, or by one or more shareholders who individually or jointly represent at least one-tenth of the issued

share capital of the Company. Our General Meeting may only overrule the binding nomination by a resolution passed by a two-thirds majority of votes cast, provided such majority represents more than half of the Company's issued share capital. In addition, except if proposed by our Board, our directors may be suspended or dismissed by our General Meeting at any time by a resolution passed by a two-thirds majority of votes cast, provided such majority represents more than half of the Company's issued share capital. We believe that these provisions support the continuity of the Company and its business and that those provisions, therefore, are in the best interests of our shareholders and our other stakeholders.

8.2 Code of business conduct and ethics and other corporate governance practices

The Company has adopted a code of business conduct and ethics, which explicitly incorporates and refers to the core values of the Company, which are essential to our culture and what the Company stands for:

- Passion: Our passion drives us. We are committed, curious and confident.
- Pioneering Therapies: We translate outstanding science into pioneering therapies in cancer. We are best in class, strive for excellence in execution, embrace innovation and rely on our outstanding people.
- Responsibility: We take responsibility and enable each other to contribute our talents towards achieving our mission. We provide leadership, respect ourselves and others, we prioritize, and we are humble.
- Together: Working together, we deliver the best outcomes. We empower each other, live integrity, challenge respectfully, are transparent and open-minded.

The text of the Company's code of business conduct and ethics can be accessed at https://investors.immatics.com/static-files/750e244e-857e-4186-8182-02cfd23861a0 The Company does not voluntarily apply other formal codes of conduct or corporate governance practices. The Company intends to comply with the DCGC in the current and the next financial year in the same manner as it has done in the financial year 2022.

8.3 Risk management including fraud risks and control systems

See chapter 3 of this report for an overview of the main characteristics of the Company's risk management and control systems relating to the process of financial reporting by the Company and the Company's group companies whose financial information is included in the Consolidated Financial Statements.

The Company analysed fraud risks in a formal manner as part of the risk management process. Risks identified in the risk management process are regularly communicated to the Audit Committee of the Board of Directors. Risks identified include the inherent risk of fraudulent clinical trial reporting as well as financial statement related fraud risks, especially management override of control framework. We have various measures in place, consisting of entity level controls such as Code of business conduct and ethics as well as a zero-tolerance strategy on fraudulent activities as well as business process controls for clinical trial reporting as well as a working internal controls system over financial reporting. Overall, we deem the remaining fraud risk after mitigation limited and have not identified fraudulent activities in the reporting period.

8.4 General Meeting

8.4.1 Functioning of the General Meeting

General meetings are held in Amsterdam, Rotterdam, The Hague, Arnhem, Utrecht, or in the municipality of Haarlemmermeer (Schiphol Airport), the Netherlands. All of our shareholders and others entitled to attend our General Meetings are authorized to address the meeting and, in so far as they have such right, to vote, either in person or by proxy.

We will hold at least one General Meeting each year, to be held within six months after the end of the Company's financial year. A General Meeting will also be held within three months if our Board has determined it to be likely that our equity has decreased to an amount equal to or lower than half of its paid-up and called-up capital, in order to discuss the measures to be taken if so required. If our Board fails to hold such General Meeting in a timely manner, each shareholder and other person entitled to attend our general meeting may be authorized by the Dutch court to convene our General Meeting.

For purposes of determining who has voting rights and/or meeting rights under Dutch law at a General Meeting, the Board may set a record date. The record date, if set, shall be the 28th day prior to that of the General Meeting. Those who have voting rights and/or meeting rights under Dutch law on the record date and are recorded as such in one or more registers designated by the Board shall be considered to have those rights at the General Meeting, irrespective of any changes in the composition of the shareholder base between the record date and the date of the General Meeting. The Articles of Association require shareholders and others with meeting rights under Dutch law to notify the Company of their identity and their intention to attend the General Meeting. This notice must be received by the Company ultimately on the eighth day prior to the General Meeting, unless indicated otherwise when such General Meeting is convened.

8.4.2 Powers of the General Meeting

All powers that do not vest in the Board pursuant to applicable law, the Articles of Association or otherwise, vest in the General Meeting. The main powers of the General Meeting include, subject in each case to the applicable provisions in the Articles of Association:

- the appointment, suspension and dismissal of Directors;
- the approval of certain resolutions of the Board concerning a material change to the identity or the character of the Company or its business;
- the reduction of the Company's issued share capital through a decrease of the nominal value, or cancellation, of shares in its capital;
- the adoption of the Company's statutory annual accounts;
- the appointment of the Dutch independent auditor to examine the Company's statutory annual accounts;
- amendments to the Articles of Association;
- approving a merger or demerger by the Company, without prejudice to the authority of the Board to resolve on certain types of mergers and demergers if certain requirements are met; and

- the dissolution of the Company.

In addition, the General Meeting has the right, and the Board must provide, any information reasonably requested by the General Meeting, unless this would be contrary to an overriding interest of the Company.

8.4.3 Shareholder rights

Each share in the Company's capital carries one vote. Shareholders, irrespective of whether or not they have voting rights, have meeting rights under Dutch law (including the right to attend and address the General Meeting, subject to the concept of a record date as described in chapter 8.4.1). Furthermore, each share in the Company's capital carries an entitlement to dividends and other distributions as set forth in the Articles of Association. In addition, shareholders have those rights awarded to them by applicable law.

8.5 Board and Executive Committee

The Board is charged with managing the Company's affairs, which includes setting the Company's policies and strategy. Our executive director is charged primarily with the Company's day-to-day business and operations and the implementation of the Company's strategy. Our non-executive directors are charged primarily with the supervision of the performance of the duties of the Board. Each director is charged with all tasks and duties of the Board that are not delegated to one or more other specific directors by virtue of Dutch law, the Articles of Association or any arrangement catered for therein (e.g., the internal rules of the Board). In performing their duties, our directors shall be guided by the interests of the Company and of the business connected with it.

As at December 31, 2022, the Board and Executive Committee were composed as follows:

Name	Gender	Nationality	Age	Date of initial appointment	Expiration of current term of office	Position	Attendance rate at meetings of the board
Executive Committee							
Harpreet Singh, Ph.D.	male	German	48	July 1, 2020	2023 AGM	Chief Executive Officer	n/a
Arnd Christ	male	German	56	October 1, 2020	N/A	Chief Financial Officer	n/a
Cedrik Britten, M.D.	male	German	48	July 1, 2020	N/A	Chief Medical Officer	n/a
Carsten Reinhardt, M.D., Ph.D.	male	German	55	July 1, 2020	N/A	Chief Development Officer	n/a
Rainer Kramer, Ph.D.	male	German	59	July 1, 2020	N/A	Chief Business Officer	n/a
Steffen Walter, Ph.D.	male	German	46	July 1, 2020	N/A	Chief Technology Officer	n/a
Toni Weinschenk	male	German	50	July 1, 2020	N/A	Chief Innovation Officer	n/a
Executive Director							
Harpreet Singh, Ph.D.	male	German	48	July 1, 2020	2023 AGM	Executive Director	100%
Non-Executive Director							

Peter Chambré	male	British	67	July 1, 2020	2025 AGM	Non-executive director and Chairman	100%
Michael G. Atieh	male	American	69	July 1, 2020	2024 AGM	Non-executive director	100%
Paul R. Carter	male	British	62	July 1, 2020	2024 AGM	Non-executive director	100%
Eliot Forster, Ph.D.	male	British	56	September 14, 2020	2024 AGM	Non-executive director	100%
Friedrich von Bohlen und Halbach, Ph.D.	male	German	60	June 17, 2021	2023 AGM	Non-executive director	100%
Heather L. Mason	female	American	62	July 1, 2020	2025 AGM	Non-executive director	100%
Adam Stone	male	American	43	July 1, 2020	2023 AGM	Non-executive director	100%
Nancy Valente	female	American	63	March 22, 2022	2025 AGM	Non-Executive Director	100%

Harpreet Singh, Ph.D. Harpreet Singh has served as Chief Executive Officer of Immatics OpCo since 2019, as Executive Director and Member of the Board since 2021 and as President and Chief Executive Officer of Immatics US since 2015. Prior to that, Harpreet served as Immatics' Managing Director and Chief Scientific Officer since co-founding the company in 2000. Harpreet has played a leadership role in the company's inception, strategic business development, public listing at NASDAQ in 2020 and in raising more than $550 million of venture capital, IPO and public follow-on proceeds. Harpreet holds a Ph.D. in immunology from the University of Tübingen and is the inventor of numerous granted patents and patent applications and co-author of numerous scientific papers in high-impact journals.

Arnd Christ. Arnd. Christ has served as Chief Financial Officer of Immatics OpCo since 2020 and brings nearly two decades of experience serving as CFO of both private and public biotechnology companies. Before joining Immatics, he was CFO of several companies including InflaRx N.V., Proteros Biostructure GmbH, MediGene AG, NovImmune SA, Probiodrug AG and EleGene AG. Over the cause of his career, Arnd completed a broad range of corporate transactions including an IPO, capital raises and licensing deals. Prior to serving as a CFO, he held the position of Financial Director in various corporations related to the former Hoechst Group in Germany and the UK. Arnd holds a diploma in business economics from the University of Würzburg, Germany.

Cedrik M. Britten, M.D. Cedrik Britten has served as Chief Medical Officer of Immatics OpCo since 2020, assuming leadership for the management and global clinical development of our adoptive cell therapy and TCR Bispecifics pipeline from first testing in humans to registration trials, including managing regulatory affairs. Cedrik served as Vice President and Head of the Oncology Cell Therapy Research Unit of GlaxoSmithKline plc from 2015 to 2020, being responsible for building the Oncology Cell Therapy Unit and driving the strategy and establishing the end-to-end capabilities required to research and develop innovative cell therapies in oncology. Prior to that, Cedrik served as Vice President of Research and Development of BioNTech RNA Pharmaceuticals GmbH. Cedrik holds an M.D. from the University Medical Center of the Johannes-Gutenberg University.

Carsten Reinhardt, M.D., Ph.D. Carsten Reinhardt has served as Chief Development Officer of Immatics OpCo since 2020 and as Chief Medical Officer from 2009 to 2020. Carsten leads Immatics' Product Development Strategy and our TCR Bispecifics platform and pipeline as well as the Immunology and Translational Development functions. Prior to joining Immatics, Carsten served as Chief Medical Officer of Micromet Inc., where he was leading the development of the Bispecific T cell Engager (BiTE) platform and was instrumental in the company becoming public on Nasdaq and in various deals and transactions finally leading to the acquisition by Amgen. Prior to this, Carsten was International Medical Leader at Hoffmann-La Roche and Head of Clinical Development of Fresenius Biotech GmbH and held various academic medical positions and worked at the University of Tübingen and Max Planck Institute, Munich to complete his curriculum in Neurology. Carsten is a Visiting Professor for Pharmaceutical Medicine at the University of Basel and has co-authored more than 40 publications in peer-reviewed journals, including *Nature*, *Science*, *Nature Medicine*, *Lancet*, *Journal of Clinical Oncology*, *Cancer Research* and

Journal of Experimental Medicine. Carsten holds an M.D. from the University of Munich and a Ph.D. in cellular immunology from the Institute of Immunology in Munich.

Toni Weinschenk, Ph.D. Toni Weinschenk co-founded Immatics Opco in 2000 and is currently Chief Innovation Officer of Immatics. From 2002 to 2020, he has served in various executive positions at Immatics, including as Chief Technology Officer, as Vice President and Head of Discovery. Toni oversees all of Immatics' target discovery, bioinformatics and companion diagnostics activities as well as intellectual property. In addition, he is part of the Operational Site Team in Tübingen. Toni is the inventor of Immatics' proprietary XPRESIDENT technology platform, which is enabling the discovery and validation of innovative targets for immuno-oncology. Toni Weinschenk has earned the reputation as one of the world's leading expert in ultra-sensitive, quantitative and high-throughput mass spectrometry of HLA ligands, a technology that is integral to XPRESIDENT®. Targets identified by XPRESIDENT® have been utilized for all of Immatics therapy candidates and for the collaboration with partners in pharma and academia. Toni is an inventor on many patents and co-authored publications in the cancer immunology field in peer-reviewed journals including Nature, Nature Medicine, Nature Immunology, Science Translational Medicine and Cell Report. Toni holds a diploma in biochemistry and a Ph.D. in immunology from the University of Tübingen.

Rainer Kramer, Ph.D. Rainer Kramer has served as Chief Business Officer of Immatics OpCo since 2012. Prior, he worked at Signature Diagnostics AG where he was member of the Management Board and Chief Business Officer. He is responsible for Immatics' business development, strategic alliances and early commercial activities. During his career, he has delivered numerous strategic partnerships and license deals encompassing technology and product deals as well as equity transactions with an aggregate value of more than $10 billion. Rainer has worked in research, business and corporate functions with increasing responsibilities at Amgen Inc., MorphoSys AG, Jerini AG, Shire PLC and Signature Diagnostics AG. Further to his role at Immatics, Rainer is a non-executive director on the board of iOmx Therapeutics. Rainer holds a diploma in molecular biology from the University of Regensburg and a Ph.D. in neurobiology from the Max-Planck-Institute, Martinsried, Germany.

Steffen Walter, Ph.D. Steffen Walter has served as Chief Operations Officer of Immatics OpCo since March 21, 2023. From 2005 to 2022, Steffen served in various executive-level positions with Immatics, including as Chief Technology Officer, Chief Scientific Officer, as Vice President Immunology and as Director and Head of Immunology. Steffen established the Immatics US operations in Houston, Texas and contributed to its fundraising, including a $20 million Cancer Prevention and Research grant by the State of Texas. Steffen leads Immatics' Cell Therapy manufacturing and process development, US Operations and Administrations, as well as the Global Quality and Human Resources team. In addition to supporting the development of the XPRESIDENT technology platform, under his initial leadership, Immatics developed its XCEPTOR platforms to support the generation of TCR-based therapeutic modalities. Steffen is an inventor on numerous patents and patent applications and has co-authored more than 30 publications in peer-reviewed journals, including *Nature Medicine*, *Cell Reports*, *Lancet Oncology*, *Brain* and *Blood*. Steffen holds a diploma in biochemistry and a Ph.D. in immunology from the University of Tübingen. Effective as of March 21, 2023, Dr. Walter's title has changed to Chief Operating Officer. In addition to continuing to lead our cell therapy manufacturing, process development and quality functions, Dr. Walter will oversee global Human Resource functions, the construction of our lab, office and GMP cell therapy manufacturing facility and other U.S. facilities and operational matters.

Effective as of March 21, 2023, the Board of Directors has appointed Edward Sturchio, General Counsel and Corporate Secretary and Jordan Silverstein, Head of Strategy, executive officers of the Company. As executive officers, they serve on the Executive Committee.

Edward Sturchio, J.D. Mr. Sturchio joined the Company in June 2020 and is responsible for all legal and compliance matters within the organization. He brings over 20 years of expertise as an accomplished executive and lawyer, with an extensive background in corporate, securities and life sciences matters. He previously served as SVP, General Counsel and Corporate Secretary of Abeona Therapeutics Inc. from July 2019 to February 2020. Prior to Abeona, he served as Global General Counsel and Corporate Secretary of Advanced Accelerator Applications S.A., a Novartis company (AAA), from February 2016 to August 2018, where he was responsible for worldwide legal, compliance and intellectual property functions across 22 sites in 13 countries. Before joining AAA, he worked in the Corporate & Securities and Life Sciences departments of Greenberg Traurig LLP and Day Pitney LLP. Mr. Sturchio

has written and lectured extensively in the corporate and life sciences areas. Mr. Sturchio holds a J.D. from Seton Hall University School of Law and a B.A. in psychology from Villanova University.

Jordan Silverstein. Mr. Silverstein joined Immatics in September 2019. He oversees the Investor Relations / Corporate Communications department of the organization. Mr. Silverstein has significant public markets experience, previously serving from September 2018 to August 2019 as Head of Corporate Strategy and Development at InflaRx, a German company publicly listed at NASDAQ and from May 2014 to August 2018, as the Global Head of Investor Relations at Advanced Accelerator Applications which he helped to take successfully public on NASDAQ, and through multiple financing rounds. The company was subsequently acquired by Novartis. Mr. Silverstein holds a Bachelors in Business Administration and Finance from Champlain College.

Non-Executive Directors

Peter Chambré. Peter Chambré has served as Chairman of the Board of Directors of Immatics OpCo from 2012 to 2020. After Immatics IPO in 2020, Peter Chambrè became Chairman of our Board of Immatics N.V.. From 2002 to its acquisition in 2006, Mr. Chambré served as Chief Executive Officer of Cambridge Antibody Technology Group plc. Prior to that, he served as Chief Operating Officer of Celera Genomics Group and as Chief Executive Officer of Bespak plc. In addition to serving on our Board, Peter Chambré serves on the board of directors of Cancer Research UK (Trustee), Our Future Health (Trustee) and has previously served as chairman of the board of directors of OneMed AB, Xellia Pharmaceuticals AS and ApaTech Ltd. and has previously served on the board of directors of UDG Healthcare plc, Touchstone Innovations plc, Spectris plc and BTG plc. Peter Chambré holds a B.Sc. in food science from the University of Reading.

Michael G. Atieh. Michael G. Atieh has served as a member of Immatics supervisory board since 2020 and, after the implementation of its one-tier board structure as of July 1, 2021, currently serves as a non-executive director. From 2014 until his retirement in 2016, he served as Executive Vice President, Chief Financial and Business Officer of Ophthotech Inc. Prior to that, he served as Executive Chairman of Eyetech Inc., as Executive Vice President and Chief Financial Officer of OSI Pharmaceuticals, as Group President – Global Business Unit and as Senior Vice President and Chief Financial Officer of Cegedim Inc., and in various executive-level positions over a 19-year period at Merck and Co., Inc., including as Vice President – U.S. Human Health, Senior Vice President - Merck Medco Managed Care, Vice President - Public Affairs, Vice President – Government Relations, and Treasurer. In addition to serving on Immatics Board, Michael G. Atieh serves on the board of directors of Chubb Limited and has previously served on the board of directors of electroCore Inc., Oyster Point Pharma, Inc, Theravance BioPharma, Eyetech Inc. and OSI Pharmaceuticals. Michael G. Atieh holds a B.A. in accounting from Upsala College.

Paul R. Carter, FCMA. Paul R. Carter has served as a member of Immatics' supervisory board since 2020 and, after the implementation of its one-tier board structure as of July 1, 2021, currently serves as a non-executive director. From 2014 to 2016, Paul R. Carter served as Executive Vice President, Commercial Operations of Gilead Sciences, Inc. Prior to that, he served as Senior Vice President and Head, International Commercial Operations of Gilead Sciences, Inc. and in various senior positions over a 10-year period at GlaxoSmithKline plc, including as Regional Vice President, China & Hong Kong, Vice President and General Manager, Pharmaceutical & Consumer Health, Hong Kong & South China, and General Manager, SmithKline Beecham Consumer Health, Russia & CIS. In addition to serving on Immatics Board, Paul R. Carter serves on the board of directors of Evox Therapeutics Ltd, HUTCHMED (China) Ltd. and VectivBio Holding AG and as Board Observer at Echosens SA. Paul R. Carter has previously served on the board of directors of Alder Biopharmaceuticals Inc and Mallinckrodt PLC. He also serves as an advisor to Astorg Partners SAS, ZambonGroup, Indegene Inc. and GLG Institute. Paul R. Carter holds a B.A. in business studies from the University of West London.

Eliot Forster, Ph.D. Eliot Forster has served as a member of Immatics supervisory board since 2020 and, after the implementation of its one-tier board structure as of July 1, 2021, currently serves as a non-executive director. Since 2018, Eliot Forster is Chief Executive Officer of F-star Therapeutics Ltd. and is non-executive Chairman of

Avacta plc. He has previously served as Chief Executive Officer of Immunocore Ltd, Creabilis SA and Solace Pharmaceuticals Inc. From 2012 to 2020, he has been founding Chairman of MedCity. He is an honorary visiting Professor of Molecular and Clinical Cancer Medicine at the University of Liverpool and an honorary international visiting Professor at the University of Pavia He is also Board member of OSCHR (Office for Strategic Coordination of Health Research) and the National Genomics Board. Forster holds a B.Sc. in physiology from the University of Liverpool, an M.B.A. from Henley Business School and a Ph.D. in neurophysiology from the University of Liverpool.

Friedrich von Bohlen und Halbach, Ph.D. Dr. Friedrich von Bohlen und Halbach has served on the Board of Directors of Immatics from 2006 to 2020 and re-joined as a member of Immatics supervisory board in June 2021 and, after the implementation of our one-tier board structure as of July 1, 2021, currently serves as a non-executive director. Friedrich von Bohlen und Halbach is co-founder and CEO of Molecular Health GmbH. Friedrich von Bohlen und Halbach holds a diploma in biochemistry from the University of Zurich and a PhD in neurobiology from the Swiss Federal Institute of Technology (ETH) in Zurich. In 1997 he founded LION bioscience AG whose CEO he was for seven years. In 2005, Friedrich von Bohlen und Halbach was co-founder and from 2005 until 2022 managing director dievini Hopp BioTech Holding GmbH & Co. KG., the company managing the life science activities and investments of Dietmar Hopp, co-founder of SAP, and his family. He is Chairman of the Board of Apogenix AG and InnoSource Ventures AG, as well as board member of Heidelberg Pharma AG. Friedrich von Bohlen and Halbach has served on the Board of Directors of AC Immune SA, Lausanne and CureVac N.V.

Heather L. Mason. Heather L. Mason has served as a member of our supervisory board since 2020 and, after the implementation of our one-tier board structure as of July 1, 2021, currently serves as a non-executive director. From 1990 to 2017, Heather L. Mason served in various leadership positions at Abbott Laboratories, Inc., including as Executive Vice President, Corporate Officer of Abbott Nutrition and as Senior Vice President, Corporate Officer of Abbott Diabetes Care. In addition to serving on Immatics Board, Heather L. Mason serves on the board of directors of Assertio Therapeutics, Inc., ConvaTec Group plc, Pendulum Therapeutics, Inc. and SCA Pharmaceuticals, LLC. She holds a B.S.E. from the University of Michigan, Ann Arbor and an M.B.A. from the University of Chicago.

Adam Stone. Adam Stone has served as a member of Immatics' supervisory board since 2020 and, after the implementation of our one-tier board structure as of July 1, 2021, currently serves as a non-executive director. Since 2012, Adam Stone has served as Chief Investment Officer of Perceptive Advisors, which he joined in 2006, and is a member of the internal investment committees of Perceptive Advisors' credit opportunities and venture funds. Prior to joining Perceptive Advisors, he was a Senior Analyst at Ursus Capital, where he focused on biotechnology and specialty pharmaceuticals. In addition to serving on Immatics' Board, Mr. Stone serves on the board of directors of Solid Biosciences Inc., Renovia Inc., LianBio, Xontogeny LLC, PROMETHERA Biosciences S.A./N.V., ARYA Sciences Acquisition Corp. IV and ARYA Sciences Acquisition Corp. V. Adam Stone holds a B.A. in molecular biology from Princeton University.

Nancy Valente. Nancy Valente joined Immatics board of directors in March 2022. Nancy Valente has more than 20 years of experience in the pharmaceutical and biotech industry. From 2019 to 2021, Nancy Valente served as Senior Vice President and Co-lead for Global Product Development, Oncology, Hematology at Genentech-Roche. In this role, she was responsible for setting the global strategy for the department, clinical development, collaboration activities, and budget management. She played a critical role in the development of new therapies for patients with serious illnesses, including the approvals of GAZYVA®, VENCLEXTA®, POLIVY®, and HEMLIBRA®. From 2003-2019, she held various positions with increasing responsibilities at Genentech and Roche, including Vice President Hematology Franchise and Senior Group Medical Director, Leader for Hematology Development. Prior to Genentech, she served in senior-level positions at Anosys, Inc. and Coulter Pharmaceutical, Inc. Nancy Valente has held an academic position at the University of California, San Francisco (UCSF) specializing in breast cancer. She received her medical degree from the University of Missouri and completed her internal medicine training at Oregon Health & Science University, followed by fellowships in Hematology at Stanford University and Oncology at UCSF. She is currently a board member for Myovant and Xenor.

The Board held five meetings in 2022 in order to carry out its responsibilities. All directors had a 90% or higher attendance rate for the meetings conducted in 2022.

All of our directors, except for the Chairman, are independent within the meaning of the DCGC (reference is made to chapter 8 of this report).

8.6 Committees

8.6.1 General

The Board has established three standing committees: an Audit Committee, a compensation committee and a nominating and corporate governance committee. Each committee operates pursuant to its charter.

As at December 31, 2022, the committees were composed as follows:

Name	Audit committee (and attendance rate)	Compensation committee (and attendance rate)	Nominating and corporate governance committee (and attendance rate)
Peter Chambré			X* (100% attendance)
Michael G. Atieh	X* (83% attendance)		
Paul R. Carter	X (67% attendance)	X* (100% attendance)	
Eliot Forster		X (100% attendance)	X (100% attendance)
Heather L. Mason	X (100% attendance)	X (100% attendance)	
Adam Stone		X (50% attendance)	X (100% attendance)
Friedrich von Bohlen und Halbach			X (100% attendance)
Nancy Valente	X (100% attendance)		

*Chairman of the relevant committee

8.6.2 Audit committee

The Company's Audit Committee members include Michael G. Atieh (chair), Paul R. Carter and Heather L. Mason. Each member of the Audit Committee satisfies the "independence" requirements set forth in Rule 10A-3 under the Exchange Act and is financially literate and each of Michael G. Atieh and Paul R. Carter qualifies as an "Audit Committee financial expert" as defined in applicable SEC rules. The Board has adopted audit committee rules, which detail the principal functions of the Audit Committee, including:

- monitoring the independence of our independent registered public accounting firm;
- assuring the rotation of the audit partners (including the lead and concurring partners) as required by law;
- pre-approving all audit services and permitted non-audit services to be performed by our independent registered public accounting firm;
- making recommendations regarding the appointment or replacement of our independent registered

public accounting firm;

- determining the compensation and oversight of the work of our independent registered public accounting firm (including resolution of disagreements between the Executive Committee and the independent auditors regarding financial reporting) for the purpose of preparing or issuing an audit report or related work;
- reviewing and discussing with the independent auditors and the executive officers our annual financial statements and related disclosures as well as critical accounting policies and practices used by us;
- reviewing all related person transactions for potential conflict of interest situations and voting with respect to all such transactions;
- supervising the integrity of our financial reporting and the effectiveness of our internal risk management and control systems; and
- establishing procedures for the receipt, retention and treatment of complaints received by the company regarding accounting, internal accounting controls or auditing matters.

During the financial year to which this report relates, our Audit Committee met six times in order to carry out its responsibilities. The main items discussed at those meetings included, without limitation, quarterly financial statements and the preparation and content thereof, SOX implementation, independent auditor engagement and oversight, audit status and results, tax matters, compliance matters, cybersecurity and risk management matters.

8.6.3 Compensation committee

The compensation committee members include Paul R. Carter (chair), Eliot Forster, Adam Stone and Heather L. Mason. The Board has adopted compensation committee rules, which detail the principal functions of the compensation committee, including:

- reviewing and making recommendations to the Board on the corporate goals and objectives relevant to the compensation of our Chief Executive Officer;
- evaluating and making recommendations to the Board on the performance of our Chief Executive Officer in light of such goals and objectives and determining and making recommendations to the Board on the compensation of the Chief Executive Officer based on such evaluation;
- reviewing and making recommendations to the Board on the compensation of all other executive officers;
- reviewing and making recommendations to the Board regarding policies and procedures for the grant of equity-based awards;
- making recommendations to the Board on the administration of our incentive-based and equity-based compensation plans;
- retaining or obtaining the advice of outside compensation consultants, legal counsel or other advisers;
- reviewing and discussing with management which executive compensation information should be included in our annual proxy statement; and

- reviewing and, where appropriate, making recommendations with regard to the compensation of directors.

The compensation committee may, in its sole discretion, retain or obtain the advice of a compensation consultant, legal counsel or other adviser and is directly responsible for the appointment, compensation and oversight of the work of any such adviser. However, before engaging or receiving advice from a compensation consultant, external legal counsel or any other adviser, the compensation committee will consider the independence of each such adviser, including the factors required by Nasdaq and the SEC.

During the financial year to which this report relates, our compensation committee met four times in order to carry out its responsibilities. The main items discussed at those meetings related to oversight of our external compensation consultant, peer group modelling and compensation trend analyses, market assessments, the Company's corporate goals, non-executive director compensation, executive officer compensation, CEO compensation, equity plan assessment and considerations, employee equity awards, and compensation philosophy practice assessment.

Nomination and corporate governance committee

The nominating and corporate governance committee members include Peter Chambré (chair), Eliot Forster and Adam Stone. The Board has adopted nominating and corporate governance committee rules, which detail the principal functions of the nominating and corporate governance committee, including:

- recommending criteria for Board and committee membership;
- assessing the performance of individual directors and Board committee members and reporting findings to the Board;
- developing a plan for the succession of directors;
- supervising selection criteria and appointment procedures for executive officers other than the Chief Executive Officer;
- developing and recommending to the Board a set of corporate governance guidelines and periodically reviewing and reassessing the adequacy of such guidelines; and
- reviewing and discussing with management disclosure of the Company's corporate governance practices.

During the financial year to which this report relates, our nominating and corporate governance committee met one time in order to carry out its responsibilities. The main items discussed at the meeting included establishing director candidacy criteria, assessment of candidate qualifications, candidate independence assessment, nomination recommendations to the Board, recommendations to the Board on committee constitution, reviewing the Company's corporate governance documents and corporate governance practices, and conducting the Board and committee assessment process.

8.6.4 Executive committee

The Executive Committee is charged with the matters concerning the day-to-day management of the Company determined by the Board. The duties of the Executive Committee is responsible for determining the strategy designed

to achieve sustainable long-term value creation for the Company and the business connected with it. The Executive Committee adopts values for the Company and the business connected with it contributing to a culture focused on long-term value creation and discusses these with the Board.

The Executive Committee is responsible for incorporating and maintaining the values within the Company and the business connected with it. The Executive Committee takes into account, amongst other things: (a) the strategy and the business model, (b) the environment in which the business operates and (c) the existing culture within the business and whether it is desirable to implement any changes to this. The Executive Committee shall involve the Board when formulating the strategy for realizing long-term value creation. The Executive Committee shall report on the strategy and the explanatory notes thereto to the Board.

8.7 Evaluation

During the financial year to which this report relates, the Board has evaluated its own functioning, the functioning of the committees of the Board and that of the individual directors on the basis of self-evaluation form distributed to, and completed by, the directors. As part of these evaluations, the Board has considered (i) substantive aspects, mutual interaction, (ii) events that occurred in practice from which lessons may be learned and (iii) the desired profile, composition, competencies and expertise of the Board. These evaluations are intended to facilitate an examination and discussion by the Board of its effectiveness and areas for improvement. Directors generally viewed positively the current structure and functioning of the Board and placed added value on (i) strategic and long-term planning discussions and (ii) the transparency of the Audit Committee's work in overseeing financial/compliance control systems and risk assessment/management. On the basis of these evaluations, the Board has concluded that the Board is functioning properly.

8.8 Diversity

The Company has a diversity policy with respect to the composition of the Board and the Executive Committee. The Company is committed to supporting, valuing and leveraging the benefits of diversity. The importance of diversity is set alongside the principle of nominating and appointing the most qualified person for the role. The Company believes that it is important for the Board and the Executive Committee to represent a diverse mix of personal backgrounds, experiences, qualifications, knowledge, abilities and viewpoints. The Company seeks to combine the skills and experience of long-standing members of the Board and the Executive Committee with the fresh perspectives, insights, skills and experiences of new members. The Company recognises and welcomes the value of diversity with respect to age, gender, race, ethnicity, nationality, sexual orientation and other important cultural differences. The Company is committed to seeking broad diversity in the composition of the Board and the Executive Committee and will consider these attributes when evaluating new candidates in the best interests of the Company and its stakeholders. In terms of experience and expertise, the Company intends for the Board and the Executive Committee to be composed of individuals who are knowledgeable in one or more specific areas detailed in the Company's diversity policy. The Company believes that the composition of the Board is such, that the Company's diversity objectives, as outlined above, have been achieved in the financial year to which this board report relates.

The Company targets a gender ratio, in which at least three out of nine Directors are male and at least three out of nine or female by the end of 2025. The Company currently has two female Directors and seven male Directors (see chapter 8.5). During the fiscal year 2022, the Company's general meeting newly appointed one female Director and reappointed a male Director and a female Director. The Chairperson of the Board, Peter Chambré, is male. When evaluating candidates for (re)appointment as Director, the Company will consider gender in the best interests of the

Company and its stakeholders taking into account the gender ratio targeted by the Company.

In connection with the operation of the Company's diversity policy, the Company has defined a leadership team. The leadership team consists of the members of the Executive Committee as well as the Vice Presidents of the Company. As of December 31, 2022, 5 out of 21 leadership team members were female and 16 out of 21 leadership team members were male. The Company targets a gender ratio in which at least 30% of the leadership team are male and at least 30% are female by the end of 2025. The Company (i) continuously monitors the gender ratio when new positions are filled or promotions are considered; (ii) ensures equal opportunities for employees, officers and applicants for employment; (iii) encourages respectful communication and cooperation among all employees and officers; (iv) fosters a corporate culture where employees and officers are treated with dignity, respect and understanding; (v) actively encourages employees and officers who feel that they have been subjected to discrimination or harassment to report this to their supervisor or to the Company's HR department. The Company employs 441 persons as of December 31, 2022, of which 145 are male and 296 are female. The Company targets an overall gender ratio among its employees of at least 30% male employees and at least 30% female employees.

Overall, we are satisfied with our efforts towards improving gender diversity and we believe that our activities in this respect work well. We shall continue working towards achieving our gender diversity targets by the end of 2025 by continuing to pursue the above policies and activities.

8.9 Corporate values and code of business conduct and ethics

We have adopted a code of business conduct and ethics (see chapter 8.2 of this report), implementing our main corporate values. During 2022, all employees were trained and the importance of compliance with the code of business conduct and ethics was highlighted. The Board measures the extent to which the code is complied with by the number of reports that are made in relation to the code of business conduct and ethics. In the financial year to which this report relates, no reports were made in relation to the code of business conduct and ethics. Our Board has no reason to believe that the code of business conduct and ethics would not be functioning effectively.

The Board shall monitor the effectiveness of and compliance with the code of business conduct and ethics. The Board informs of its findings and observations relating to the effectiveness of, and compliance with, the code of business conduct and ethics.

9. COMPENSATION

9.1 Remuneration policy

Pursuant to Section 2:135(1) DCC, the General Meeting has adopted a remuneration policy. Our remuneration policy is designed to (i) attract, retain and motivate directors with the leadership qualities, skills and experience needed to support and promote the growth and sustainable success of the Company and its business, (ii) drive strong business performance, promote accountability and incentivize our directors to achieve short and long-term performance targets with the objective of increasing the Company's equity value and contributing to the Company's strategy for long-term value creation, (iii) assure that the interests of our directors are closely aligned to those of the Company, its business and its stakeholders, and (iv) ensure the overall market competitiveness of the compensation packages which may be granted to our directors, while providing our Board sufficient flexibility to tailor the Company's director compensation practices on a case-by-case basis, depending on the market conditions from time to time. We believe that this approach and philosophy benefits the realisation of the Company's long-term objectives while keeping with the Company's risk profile.

9.2 Compensation of directors and senior management

See Note F to the Company Financial Statements for an overview of the implementation of the Compensation Policy in the financial year to which this report relates. In determining the level and structure of the compensation of the directors in the fiscal year to which this report relates relevant scenario analyses carried out in advance have been considered as follows:

The aggregate compensation, including benefits in kind, accrued or paid to our senior management with respect to the year ended December 31, 2022, for services in all capacities was €4,249 thousand. This does not include charges for share-based compensation for granted options under the 2020 and 2022 Stock Options and Incentive Plan.

As of December 31, 2022, we have no amounts set aside or accrued to provide pension, retirement or similar benefits to our Board, and in 2022, our Board received €379 thousand in total compensation, including benefits in kind, from us for services in such capacity. This does not include charges for share-based compensation for granted options under the 2020 and 2022 Stock Options and Incentive Plan.

The emoluments as referred to in Section 2:383(1) DCC, charged in the financial period to the Company are as follows.

The amount of compensation, including benefits in kind, accrued or paid to the executive officers of Immatics with respect to the year ended December 31, 2022 is described in the table below:

(Euros in thousands)[1]	**Harpreet Singh, Ph.D.**	**All other executives**
Periodically-paid remuneration	€ 522	€ 2,184
Bonuses	€ 380	€ 1,163
Share-based compensation expense	€ 6,596	€ 7,729
Total compensation	**€ 7,498**	**€ 11,076**

[1] Amounts paid in U.S. dollars have been converted to Euros using an average exchange rate for 2022 of 1.03867 to one U.S. dollar.

The amount of compensation, including benefits in kind, accrued or paid to the non-executive directors with respect to the year ended December 31, 2022 is described in the table below:

(Euros in thousands)	Peter Chambré	Friedrich von Bohlen und Halbach	Michael G. Atieh	Paul Carter	Heather L. Mason	Adam Stone	Nancy Valente	Eliot Forster	Total
Board compensation	80	40	55	52	40	40	32	40	**379**
Share-based compensation expense.....	178	206	177	177	177	177	64	180	**1,336**
Total board compensation.	**258**	**246**	**232**	**229**	**217**	**217**	**96**	**220**	**1,715**

9.3 Pay ratio

The DCGC recommends that the Company provide a ratio comparing the compensation of our executive director and that of a "representative reference group" determined by the Company. Given the current organization of the Company and its recent transformation into a listed company, our Board has not yet determined the pay ratios within the Company. However, we have chosen to target different percentiles of different markets for each executive role, depending on the executive's location, experience, performance and scope of role: – For the CEO and CFO, the 50th percentile of the European-headquartered US-listed peer group – For other German-based executives, between the 50th and 75th percentiles of the pan-European market – For US-based executives, between the 50th and 75th percentiles of the US market.

The peer groups are comprised of similarly situated companies in terms of clinical phase of development, headcount, market capitalization, therapeutic focus and IPO date.

9.4 2020 and 2022 Stock Option and Incentive Plan

Immatics N.V. has two share-based payment plans. In June 2020, Immatics N.V. established an initial equity incentive plan ("2020 Equity Plan"). At the annual general meeting of the shareholders held on June 13, 2022, Immatics shareholders approved the Company's 2022 stock option and incentive plan ("2022 Equity Plan"). The 2022 Equity Plan allows the company to grant additional options.

Authorized Shares. Stock options and awards based on the ordinary shares of the Company may be issued under the 2020 Equity Plan for a maximum of 10,006,230 shares and under the 2022 Equity Plan for a maximum of 4,845,412 shares.

Plan Administration. The Plan is administered by the Board (the "Administrator").

Certain Adjustments. If there is a change in the Company's capital structure, such as a stock dividend, stock split, reverse stock split, recapitalization, reorganization, reclassification or other similar event, the Administrator will appropriately adjust the number and kind (and the exercise or purchase price, if applicable) of ordinary shares of the Company remaining available for issuance under the Plan or subject to outstanding awards. In addition, any share limitations with respect to the Plan will be adjusted appropriately by the Administrator.

Corporate Transaction; Liquidity Event. In the event of a merger, consolidation, substantial asset sale, or similar event affecting the Company in which the owners of the Company's outstanding voting power prior to such event do not own at least a majority of the voting power of the successor or surviving entity (in each case, a "Transaction"), the parties thereto may cause the assumption or continuation of awards theretofore granted by the successor entity, or the substitution of such awards with new awards of the successor or parent entity, with appropriate adjustment as to the number and kind of shares and, if appropriate, the per share exercise prices, as such parties may agree. To the extent the parties to the Transaction do not provide for the assumption, continuation or substitution of awards, then upon the effective time of the Transaction, then, except as otherwise provided in the applicable award agreement, (i) all options and stock appreciation rights that are not exercisable will become fully exercisable at the time of the Transaction, (ii) awards with time-based vesting conditions or restrictions will become fully vested at the time of the Transaction,

and (iii) all awards with conditions and restrictions relating to the attainment of performance goals may become vested in connection with the Transaction in the Administrator's discretion or to the extent specified in the applicable award agreement. In the event of such a Transaction, each holder of an outstanding stock option or stock appreciation right may receive a cash payment from the Company equal to the excess of the consideration payable per share in the Transaction over the applicable exercise price per share, multiplied by the number of ordinary shares of the Company covered by the stock option or stock appreciation right (to the extent then exercisable) or be permitted to exercise their stock option or stock appreciation right (to the extent then exercisable) for a period of time prior to the termination of the Plan, as determined by the Administrator. The Company may also make or provide payment, in cash or in kind, to the holders of other awards in an amount equal to the consideration payable per share in the Transaction multiplied by the number of vested ordinary shares of Company underlying such awards.

Amendment; Termination. The Administrator may amend or discontinue the Plan at any time. However, the Administrator cannot amend the Plan to increase the number of ordinary shares of the Company available for issuance under the Plan or to change the Plan in certain other ways without shareholder approval. The Plan cannot be amended if the amendment would materially and adversely affect any rights that an award holder has under outstanding awards, without the participant's consent.

Consistent with market practice in the United States, the trading jurisdiction of our ordinary shares, and in order to further support our ability to attract and retain the right highly qualified candidates for our board of directors, we also granted share option to non-executive directors.

Until December 31, 2022, no options granted to directors and executive officers were exercised.

The directors and executive officers of Immatics hold the options (both vested and unvested) as of March 31, 2023, assuming no changes to outstanding options:

Beneficiary	Type of options	Grant date	Vesting date	Number of options outstanding	Strike price in USD	Expiration date
Harpreet Singh, Ph. D.	Performance-based options	June 30, 2020	1,598,000 options will vest quarterly until the options are fully vested if the performance condition shall be deemed satisfied in three equal tranches as follows: a) One third (1/3) of the Option Shares shall satisfy the Performance Condition upon the Company's achievement of market capitalization equal to $1.5 billion prior to the Expiration Date, subject to the Optionee's continuous Service Relationship through such date b) One third (1/3) of the Option Shares shall satisfy the Performance Condition upon the Company's achievement of market capitalization equal to $2.0 billion prior to the Expiration Date, subject to the Optionee's continuous Service Relationship through such date c) One third (1/3) of the Option Shares shall satisfy the Performance Condition upon the Company's achievement of market capitalization equal to $3.0 billion prior to the Expiration Date, subject to the Optionee's continuous Service Relationship through such date	1,598,000	10.00	June 30, 2030
	Service options	June 30, 2020	105,000 options vested as of March 31, 2023, and an additional 63,000 will vest quarterly thereafter until the options are fully vested	168,000	10.00	June 30, 2030
	Matching Stock options	June 30, 2020	264,624 options vested fully as of July 31, 2021	264,624	10.00	June 30, 2030
	Converted Stock options III	June 30, 2020	25,783 options vested as of March 31, 2023, and an additional 5,156 will vest quarterly thereafter until the options are fully vested	30,939	1.06	July 1, 2027

Beneficiary	Type of options	Grant date	Vesting date	Number of options outstanding	Strike price in USD	Expiration date
	Converted Stock options IV	June 30, 2020	121,143 options vested as of March 31, 2023, and an additional 24,228 will vest quarterly thereafter until the options are fully vested	145,371	1.17	January 1, 2028
	Service options	December 17, 2020	105,000 options vested as of March 31, 2023, and an additional 63,000 will vest quarterly thereafter until the options are fully vested	168,000	9.70	December 17, 2030
	Service options	December 9, 2021	52,500 options vested as of March 31, 2023, and an additional 115,500 will vest quarterly thereafter until the options are fully vested	168,000	11.00	December 09, 2031
	Service options	June 14, 2022	135,000 options will vest quarterly until the options are fully vested	135,000	7.94	June 14, 2032
	Service options	December 13, 2022	388,000 options will vest quarterly until the options are fully vested	388,000	9.75	December 13, 2032
Arnd Christ	Performance-based options	September 14, 2020	255,000 options will vest quarterly until the options are fully vested if the performance condition shall be deemed satisfied in three equal tranches as follows: a) One third (1/3) of the Option Shares shall satisfy the Performance Condition upon the Company's achievement of market capitalization equal to $1.5 billion prior to the Expiration Date, subject to the Optionee's continuous Service Relationship through such date	255,000	10.00	September 14, 2030

Beneficiary	Type of options	Grant date	Vesting date	Number of options outstanding	Strike price in USD	Expiration date
			b) One third (1/3) of the Option Shares shall satisfy the Performance Condition upon the Company's achievement of market capitalization equal to $2.0 billion prior to the Expiration Date, subject to the Optionee's continuous Service Relationship through such date c) One third (1/3) of the Option Shares shall satisfy the Performance Condition upon the Company's achievement of market capitalization equal to $3.0 billion prior to the Expiration Date, subject to the Optionee's continuous Service Relationship through such date			
	Service options	September 14, 2020	27,563 options vested as of March 31, 2023, and an additional 21,437 will vest quarterly thereafter until the options are fully vested	49,000	10.00	September 14, 2030
	Service options	December 17, 2020	27,563 options vested as of March 31, 2023, and an additional 21,437 will vest quarterly thereafter until the options are fully vested	49,000	9.70	December 17, 2030
	Service options	December 9, 2021	30,625 options vested as of March 31, 2023, and an additional 67,375 will vest quarterly thereafter until the options are fully vested	98,000	11.00	December 9, 2031
	Service options	December 13, 2022	112,500 options will vest quarterly until the options are fully vested	112,500	9.75	December 13, 2032
Cedrik Britten, M.D.	Performance-based options	June 30, 2020	255,000 options will vest quarterly until the options are fully vested if the performance condition shall be deemed satisfied in three equal tranches as follows: a) One third (1/3) of the Option Shares shall satisfy the Performance Condition upon the Company's achievement of market capitalization equal to	255,000	10.00	June 30, 2030

Beneficiary	Type of options	Grant date	Vesting date	Number of options outstanding	Strike price in USD	Expiration date
			$1.5 billion prior to the Expiration Date, subject to the Optionee's continuous Service Relationship through such date b) One third (1/3) of the Option Shares shall satisfy the Performance Condition upon the Company's achievement of market capitalization equal to $2.0 billion prior to the Expiration Date, subject to the Optionee's continuous Service Relationship through such date c) One third (1/3) of the Option Shares shall satisfy the Performance Condition upon the Company's achievement of market capitalization equal to $3.0 billion prior to the Expiration Date, subject to the Optionee's continuous Service Relationship through such date			
	Converted Stock options VI	June 30, 2020	78,608 options vested as of March 31, 2023, and an additional 15,721 will vest quarterly thereafter until the options are fully vested	94,329	10.00	June 1, 2030
	Service options	December 17, 2020	30,625 options vested as of March 31, 2023, and an additional 18,375 will vest quarterly thereafter until the options are fully vested	49,000	9.70	December 17, 2030
	Service options	December 9, 2021	30,625 options vested as of March 31, 2023, and an additional 67,375 will vest quarterly thereafter until the options are fully vested	98,000	11.00	December 9, 2031
	Service options	December 13, 2022	112,500 options will vest quarterly until the options are fully vested	112,500	9.75	December 13, 2032
Carsten Reinhardt, M.D., Ph.D.	Performance-based options	June 30, 2020	255,000 options will vest quarterly until the options are fully vested if the performance condition shall	255,000	10.00	June 30, 2030

Beneficiary	Type of options	Grant date	Vesting date	Number of options outstanding	Strike price in USD	Expiration date
			be deemed satisfied in three equal tranches as follows: a) One third (1/3) of the Option Shares shall satisfy the Performance Condition upon the Company's achievement of market capitalization equal to $1.5 billion prior to the Expiration Date, subject to the Optionee's continuous Service Relationship through such date b) One third (1/3) of the Option Shares shall satisfy the Performance Condition upon the Company's achievement of market capitalization equal to $2.0 billion prior to the Expiration Date, subject to the Optionee's continuous Service Relationship through such date c) One third (1/3) of the Option Shares shall satisfy the Performance Condition upon the Company's achievement of market capitalization equal to $3.0 billion prior to the Expiration Date, subject to the Optionee's continuous Service Relationship through such date			
	Service options	June 30, 2020	30,625 options vested as of March 31, 2023, and an additional 18,375 will vest quarterly thereafter until the options are fully vested	49,000	10.00	June 30, 2030
	Matching Stock options	June 30, 2020	165,748 options vested fully as of July 31, 2021	165,748	10.00	June 30, 2030
	Converted Stock options III	June 30, 2020	15,627 options vested as of March 31, 2023, and an additional 3,126 will vest quarterly thereafter until the options are fully vested	18,753	1.06	July 1, 2027

Beneficiary	Type of options	Grant date	Vesting date	Number of options outstanding	Strike price in USD	Expiration date
	Service options	December 17, 2020	30,625 options vested as of March 31, 2023, and an additional 18,375 will vest quarterly thereafter until the options are fully vested	49,000	9.70	December 17, 2030
	Service options	December 9, 2021	30,625 options vested as of March 31, 2023, and an additional 67,375 will vest quarterly thereafter until the options are fully vested	98,000	11.00	December 9, 2031
	Service options	December 13, 2022	90,000 options will vest quarterly until the options are fully vested	90,000	9.75	December 13, 2032
Rainer Kramer, Ph.D.	Performance-based options	June 30, 2020	255,000 options will vest quarterly until the options are fully vested if the performance condition shall be deemed satisfied in three equal tranches as follows: a) One third (1/3) of the Option Shares shall satisfy the Performance Condition upon the Company's achievement of market capitalization equal to $1.5 billion prior to the Expiration Date, subject to the Optionee's continuous Service Relationship through such date b) One third (1/3) of the Option Shares shall satisfy the Performance Condition upon the Company's achievement of market capitalization equal to $2.0 billion prior to the Expiration Date, subject to the Optionee's continuous Service Relationship through such date c) One third (1/3) of the Option Shares shall satisfy the Performance Condition upon the Company's achievement of market capitalization equal to $3.0 billion prior to the Expiration Date, subject to the Optionee's continuous Service Relationship through such date	255,000	10.00	June 30, 2030

Beneficiary	Type of options	Grant date	Vesting date	Number of options outstanding	Strike price in USD	Expiration date
	Service options	June 30, 2020	30,625 options vested as of March 31, 2023, and an additional 18,375 will vest quarterly thereafter until the options are fully vested	49,000	10.00	June 30, 2030
	Matching Stock options	June 30, 2020	120,676 options vested fully as of July 31, 2021	120,676	10.00	June 30, 2030
	Converted Stock options III	June 30, 2020	19,057 options vested as of March 31, 2023, and an additional 3,811 will vest quarterly thereafter until the options are fully vested	22,868	1.06	July 1, 2027
	Service options	December 17, 2020	30,625 options vested as of March 31, 2023, and an additional 18,375 will vest quarterly thereafter until the options are fully vested	49,000	9.70	December 17, 2030
	Service options	December 9, 2021	30,625 options vested as of March 31, 2023, and an additional 67,375 will vest quarterly thereafter until the options are fully vested	98,000	11.00	December 9, 2031
	Service options	December 13, 2022	112,500 options will vest quarterly until the options are fully vested	112,500	9.75	December 13, 2032
Toni Weinschenk, Ph.D.	Performance-based options	June 30, 2020	255,000 options will vest quarterly until the options are fully vested if the performance condition shall be deemed satisfied in three equal tranches as follows:	255,000	10.00	June 30, 2030

Beneficiary	Type of options	Grant date	Vesting date	Number of options outstanding	Strike price in USD	Expiration date
			a) One third (1/3) of the Option Shares shall satisfy the Performance Condition upon the Company's achievement of market capitalization equal to $1.5 billion prior to the Expiration Date, subject to the Optionee's continuous Service Relationship through such date b) One third (1/3) of the Option Shares shall satisfy the Performance Condition upon the Company's achievement of market capitalization equal to $2.0 billion prior to the Expiration Date, subject to the Optionee's continuous Service Relationship through such date c) One third (1/3) of the Option Shares shall satisfy the Performance Condition upon the Company's achievement of market capitalization equal to $3.0 billion prior to the Expiration Date, subject to the Optionee's continuous Service Relationship through such date			
	Service options	June 30, 2020	30,625 options vested as of March 31, 2023, and an additional 18,375 will vest quarterly thereafter until the options are fully vested	49,000	10.00	June 30, 2030
	Matching Stock options	June 30, 2020	68,070 options vested fully as of July 31, 2021	68,070	10.00	June 30, 2030
	Converted Stock options III	June 30, 2020	6,542 options vested as of March 31, 2023, and an additional 1,308 will vest quarterly thereafter until the options are fully vested	7,850	1.06	July 1, 2027
	Service options	December 17, 2020	30,625 options vested as of March 31, 2023, and an additional 18,375 will vest quarterly thereafter until the options are fully vested	49,000	9.70	December 17, 2030

Beneficiary	Type of options	Grant date	Vesting date	Number of options outstanding	Strike price in USD	Expiration date
	Service options	December 9, 2021	30,625 options vested as of March 31, 2023, and an additional 67,375 will vest quarterly thereafter until the options are fully vested	98,000	11.00	December 9, 2031
	Service options	December 13, 2022	112,500 options will vest quarterly until the options are fully vested	112,500	9.75	December 13, 2032
Steffen Walter, Ph.D.	Performance-based options	June 30, 2020	255,000 options will vest quarterly until the options are fully vested if the performance condition shall be deemed satisfied in three equal tranches as follows: a) One third (1/3) of the Option Shares shall satisfy the Performance Condition upon the Company's achievement of market capitalization equal to $1.5 billion prior to the Expiration Date, subject to the Optionee's continuous Service Relationship through such date b) One third (1/3) of the Option Shares shall satisfy the Performance Condition upon the Company's achievement of market capitalization equal to $2.0 billion prior to the Expiration Date, subject to the Optionee's continuous Service Relationship through such date c) One third (1/3) of the Option Shares shall satisfy the Performance Condition upon the Company's achievement of market capitalization equal to $3.0 billion prior to the Expiration Date, subject to the Optionee's continuous Service Relationship through such date	255,000	10.00	June 30, 2030
	Service options	June 30, 2020	30,625 options vested as of March 31, 2023, and an additional 18,375 will vest quarterly thereafter until the options are fully vested	49,000	10.00	June 30, 2030
	Matching Stock options	June 30, 2020	76,604 options vested fully as of July 31, 2021	76,604	10.00	June 30, 2030

Beneficiary	Type of options	Grant date	Vesting date	Number of options outstanding	Strike price in USD	Expiration date
	Converted Stock options III	June 30, 2020	7,463 options vested as of March 31, 2023, and an additional 1,492 will vest quarterly thereafter until the options are fully vested	8,955	1.06	July 1, 2027
	Service options	December 17, 2020	30,625 options vested as of March 31, 2023, and an additional 18,375 will vest quarterly thereafter until the options are fully vested	49,000	9.70	December 17, 2030
	Service options	December 9, 2021	30,625 options vested as of March 31, 2023, and an additional 67,375 will vest quarterly thereafter until the options are fully vested	98,000	11.00	December 9, 2031
	Service options	December 13, 2022	112,500 options will vest quarterly until the options are fully vested	112,500	9.75	December 13, 2032
Peter Chambré	Service options	June 30, 2020	15,625 options vested as of March 31, 2023, and an additional 9,375 will vest quarterly thereafter until the options are fully vested	25,000	10.00	June 30, 2030

Beneficiary	Type of options	Grant date	Vesting date	Number of options outstanding	Strike price in USD	Expiration date
	Matching Stock options	June 30, 2020	211,974 options vested fully as of July 31, 2021	211,974	10.00	June 30, 2030
	Service options	December 9, 2021	4,688 options vested as of March 31, 2023, and an additional 10,312 will vest quarterly thereafter until the options are fully vested	15,000	11.00	December 9, 2031
	Service options	June 14, 2022	25,000 options will vest in full as of June 14, 2023	25,000	7.94	June 14, 2032
Adam Stone	Service options	June 30, 2020	15,625 options vested as of March 31, 2023, and an additional 9,375 will vest quarterly thereafter until the options are fully vested	25,000	10.00	June 30, 2030
	Service options	December 9, 2021	4,688 options vested as of March 31, 2023, and an additional 10,312 will vest quarterly thereafter until the options are fully vested	15,000	11.00	December 9, 2031
	Service options	June 14, 2022	25,000 options will vest in full as of June 14, 2023	25,000	7.94	June 14, 2032
Friedrich von Bohlen und Halbach	Service options	June 17, 2021	10,938 options vested as of March 31, 2023, and an additional 14,062 will vest quarterly thereafter until the options are fully vested	25,000	12.05	June 17, 2031
	Service options	December 9, 2021	4,688 options vested as of March 31, 2023, and an additional 10,312 will vest quarterly thereafter until the options are fully vested	15,000	11.00	December 9, 2031
	Service options	June 14, 2022	25,000 options will vest in full as of June 14, 2023	25,000	7.94	June 14, 2032

Beneficiary	Type of options	Grant date	Vesting date	Number of options outstanding	Strike price in USD	Expiration date
Heather L. Mason	Service options	June 30, 2020	15,625 options vested as of March 31, 2023, and an additional 9,375 will vest quarterly thereafter until the options are fully vested	25,000	10.00	June 30, 2030
	Service options	December 9, 2021	4,688 options vested as of March 31, 2023, and an additional 10,312 will vest quarterly thereafter until the options are fully vested	15,000	11.00	December 9, 2031
	Service options	June 14, 2022	25,000 options will vest in full as of June 14, 2023	25,000	7.94	June 14, 2032
Michael G. Atieh	Service options	June 30, 2020	15,625 options vested as of March 31, 2023, and an additional 9,375 will vest quarterly thereafter until the options are fully vested	25,000	10.00	June 30, 2030
	Service options	December 9, 2021	4,688 options vested as of March 31, 2023, and an additional 10,312 will vest quarterly thereafter until the options are fully vested	15,000	11.00	December 9, 2031
	Service options	June 14, 2022	25,000 options will vest in full as of June 14, 2023	25,000	7.94	June 14, 2032
Paul Carter	Service options	June 30, 2020	15,625 options vested as of March 31, 2023, and an additional 9,375 will vest quarterly thereafter until the options are fully vested	25,000	10.00	June 30, 2030
	Service options	December 9, 2021	4,688 options vested as of March 31, 2023, and an additional 10,312 will vest quarterly thereafter until the options are fully vested	15,000	11.00	December 9, 2031
	Service options	June 14, 2022	25,000 options will vest in full as of June 14, 2023	25,000	7.94	June 14, 2032

Beneficiary	Type of options	Grant date	Vesting date	Number of options outstanding	Strike price in USD	Expiration date
Eliot Forster	Service options	September 14, 2020	15,625 options vested as of March 31, 2023, and an additional 9,375 will vest quarterly thereafter until the options are fully vested	25,000	9.16	September 13, 2020
	Service options	December 9, 2021	4,688 options vested as of March 31, 2023, and an additional 10,312 will vest quarterly thereafter until the options are fully vested	15,000	11.00	December 9, 2031
	Service options	June 14, 2022	25,000 options will vest in full as of June 14, 2023	25,000	7.94	June 14, 2032
Nancy Valente	Service options	March 22, 2022	7,500 options vested as of March 31, 2023, and an additional 22,500 will vest quarterly thereafter until the options are fully vested	30,000	7.40	March 22, 2032

10. RELATED PARTY TRANSACTIONS

For information on related party transactions, see Note 25 *Related party disclosures* to the Consolidated Financial Statements.

Where applicable, best practice provisions 2.7.3, 2.7.4 and 2.7.5 of the DCGC have been observed with respect to the transactions referenced above in this chapter 11.

11. PROTECTIVE MEASURES

Under Dutch law, various protective measures are possible and permissible within the boundaries set by Dutch law and Dutch case law.

In this respect, certain provisions of our articles of association may make it more difficult for a third party to acquire control of us or effect a change in the composition of the Board. These provisions include:

- a provision that our directors can only be appointed on the basis of a binding nomination prepared by the Board or by one or more shareholders who individually or jointly represent at least 10% of our issued share capital, which can be overruled by a two-thirds majority of votes cast representing more than half of our issued share capital;
- a provision that our directors can only be dismissed by the general meeting by a two-thirds majority of votes cast representing more than half of our issued share capital, unless the dismissal was proposed by the Board, in which latter case a simple majority of votes cast would be sufficient;
- a requirement that certain matters, including an amendment of our articles of association, may only be resolved upon by our general meeting if proposed by the Board; and
- a provision implementing a staggered board, pursuant to which only one class of directors, will be elected at each general meeting, with the other classes continuing for the remainder of their respective terms.

Furthermore, in accordance with the Dutch Corporate Governance Code, or DCGC, shareholders who have the right to put an item on the agenda for our general meeting or to request the convening of a general meeting shall not exercise such rights until after they have consulted the Board. If exercising such rights may result in a change in our strategy (for example, through the dismissal of one or more of our directors), the Board must be given the opportunity to invoke a reasonable period of up to 180 days to respond to the shareholders' intentions. If invoked, the Board must use such response period for further deliberation and constructive consultation, in any event with the shareholder(s) concerned and exploring alternatives. At the end of the response time, the Board shall report on this consultation and the exploration of alternatives to our general meeting. The response period may be invoked only once for any given general meeting and shall not apply (i) in respect of a matter for which a response period or a statutory cooling-off period (as discussed below) has been previously invoked or (ii) in situations where a shareholder holds at least 75% of our issued share capital as a consequence of a successful public bid. Moreover, the Board can invoke a cooling-off period of up to 250 days when shareholders, using their right to have items added to the agenda for a general meeting or their right to request a general meeting, propose an agenda item for our general meeting to dismiss, suspend or appoint one or more directors (or to amend any provision in our articles of association dealing with those matters) or when a public offer for our company is made or announced without our support, provided, in each case, that the Board believes that such proposal or offer materially conflicts with the interests of our company and its

business. During a cooling-off period, our general meeting cannot dismiss, suspend or appoint directors (or amend the provisions in our articles of association dealing with those matters) except at the proposal of the Board. During a cooling-off period, the Board must gather all relevant information necessary for a careful decision-making process and at least consult with shareholders representing 3% or more of our issued share capital at the time the cooling-off period was invoked, as well as with our Dutch works council (if we or, under certain circumstances, any of our subsidiaries would have one). Formal statements expressed by these stakeholders during such consultations must be published on our website to the extent these stakeholders have approved that publication. Ultimately one week following the last day of the cooling-off period, the Board must publish a report in respect of its policy and conduct of affairs during the cooling-off period on our website. This report must remain available for inspection by shareholders and others with meeting rights under Dutch law at our office and must be tabled for discussion at the next general meeting. Shareholders representing at least 3% of our issued share capital may request the Enterprise Chamber of the Amsterdam Court of Appeal, or the Enterprise Chamber (Ondernemingskamer), for early termination of the cooling-off period. The Enterprise Chamber must rule in favor of the request if the shareholders can demonstrate that:

- the Board, in light of the circumstances at hand when the cooling-off period was invoked, could not reasonably have concluded that the relevant proposal or hostile offer constituted a material conflict with the interests of our company and its business;
- the Board cannot reasonably believe that a continuation of the cooling-off period would contribute to careful policy-making; or
- other defensive measures, having the same purpose, nature and scope as the cooling-off period, have been activated during the cooling-off period and have not since been terminated or suspended within a reasonable period at the relevant shareholders' request (i.e., no 'stacking' of defensive measures).

12. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

12.1 Consolidated Financial Statements

IMMATICS N.V.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2022

The financial statements are presented in Euro (€).

Immatics N.V. is a company limited by shares, incorporated and domiciled in Amsterdam, The Netherlands.

Its registered office and principal place of business is in Germany, Tübingen, Paul-Ehrlich Str. 15.

All press releases, financial reports and other information are available in the investor's register on our

website: www.immatics.com

INDEX TO FINANCIAL STATEMENTS

Consolidated Statement of Financial Position of Immatics N.V.

	Notes	As of December 31, 2022	As of December 31, 2021
		(Euros in thousands)	
Assets			
Current assets			
Cash and cash equivalents	23	148,519	132,994
Other financial assets	23	213,686	12,123
Accounts receivables	7	1,111	682
Other current assets	8	13,838	6,408
Total current assets		**377,154**	**152,207**
Non-current assets			
Property, plant and equipment	9	13,456	10,506
Intangible assets	10	1,632	1,315
Right-of-use assets	11	13,033	9,982
Other non-current assets	8	2,545	636
Total non-current assets		**30,666**	**22,439**
Total assets		**407,820**	**174,646**
Liabilities and shareholders' equity			
Current liabilities			
Accounts payables	12	13,056	11,624
Deferred revenue	13	64,957	50,402
Liabilities for warrants	15	16,914	27,859
Lease liabilities	11	2,159	2,711
Other current liabilities	14	9,366	2,552
Total current liabilities		**106,452**	**95,148**
Non-current liabilities			
Deferred revenue	13	75,759	48,225
Lease liabilities	11	12,403	7,142
Other non-current liabilities		42	68
Total non-current liabilities		**88,204**	**55,435**
Shareholders' equity			
Share capital	18	767	629
Share premium	18	714,177	565,192
Accumulated deficit	18	(500,299)	(537,813)
Other reserves	18	(1,481)	(3,945)
Total shareholders' equity		**213,164**	**24,063**
Total liabilities and shareholders' equity		**407,820**	**174,646**

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

Consolidated Statement of Profit/(Loss) of Immatics N.V.

	Notes	Year ended December 31, 2022	2021	2020
		(Euros in thousands, except share and per share data)		
Revenue from collaboration agreements	13	172,831	34,763	31,253
Research and development expenses		(106,779)	(87,574)	(67,085)
General and administrative expenses		(36,124)	(33,808)	(34,186)
Other income		26	325	303
Operating result		**29,954**	**(86,294)**	**(69,715)**
Change in fair value of liabilities for warrants	15	10,945	(10,990)	17,775
Share listing expense	15	—	—	(152,787)
Other financial income	16	9,416	5,675	2,949
Other financial expenses	16	(8,279)	(1,726)	(10,063)
Financial result		**12,082**	**(7,041)**	**(142,126)**
Profit/(loss) before taxes		**42,036**	**(93,335)**	**(211,841)**
Taxes on income	21	(4,522)	—	—
Net profit/(loss)		**37,514**	**(93,335)**	**(211,841)**
Attributable to:				
Equity holders of the parent		*37,514*	*(93,335)*	*(211,284)*
Non-controlling interest	*19*	—	—	*(557)*
Net profit/(loss) per share:				
Basic		0.56	(1.48)	(4.40)
Diluted		0.55	(1.48)	(4.40)

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

Consolidated Statement of Comprehensive Income/(Loss) of Immatics N.V.

	Notes	Year ended December 31, 2022	2021	2020
		(Euros in thousands)		
Net profit/(loss)		**37,514**	**(93,335)**	**(211,841)**
Other comprehensive income/(loss)				
Items that may be reclassified subsequently to profit or loss				
Currency translation differences from foreign operations	18	2,464	3,514	(6,689)
Total comprehensive income/(loss) for the year		**39,978**	**(89,821)**	**(218,530)**
Attributable to:				
Equity holders of the parent		*39,978*	*(89,821)*	*(217,973)*
Non-controlling interest	*19*	—	—	*(557)*

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

Consolidated Statement of Cash Flows

	Year ended December 31,		
	2022	2021	2020
	(Euros in thousands)		
Cash flows from operating activities			
Net profit/(loss)	37,514	(93,335)	(211,841)
Taxes on income	4,522	—	—
Profit/(loss) before tax	**42,036**	**(93,335)**	**(211,841)**
Adjustments for:			
Interest income	(2,476)	(133)	(850)
Depreciation and amortization	6,967	5,260	4,424
Interest expenses	1,038	566	289
Share listing expense	—	—	152,787
Equity settled share-based payment	22,570	26,403	22,908
MD Anderson compensation expense	—	—	45
(Decrease) in other liabilities resulting from share appreciation rights	—	—	(2,036)
Payment related to share-based compensation awards previously classified as equity-settled	—	—	(4,322)
Net foreign exchange differences and expected credit losses	2,953	(2,408)	437
Change in fair value of liabilities for warrants	(10,945)	10,990	(17,775)
Changes in:			
(Increase)/decrease in accounts receivables	(429)	569	(294)
(Increase) in other assets	(7,872)	(483)	(1,600)
Increase/(decrease) in deferred revenue, accounts payables and other liabilities	45,559	(31,784)	(23,387)
Interest received	1,649	175	808
Interest paid	(695)	(566)	(289)
Income tax paid	(224)	—	—
Net cash provided by/(used in) operating activities	**100,131**	**(84,746)**	**(80,696)**
Cash flows from investing activities			
Payments for property, plant and equipment	(5,738)	(5,106)	(7,420)
Payments for investments classified in Other financial assets	(216,323)	(11,298)	(58,087)
Proceeds from maturity of investments classified in Other financial assets	12,695	24,448	49,662
Payments for intangible assets	(477)	(551)	(104)
Proceeds from disposal of property, plant and equipment	52	—	—
Net cash (used in)/provided by investing activities	**(209,791)**	**7,493**	**(15,949)**
Cash flows from financing activities			
Proceeds from issuance of shares to equity holders	134,484	94	217,918
Transaction costs deducted from equity	(7,931)	—	(7,939)
Repayment of lease liabilities	(2,843)	(2,707)	(2,096)
Net cash provided by/(used in) financing activities	**123,710**	**(2,613)**	**207,883**
Net increase/(decrease) in cash and cash equivalents	**14,050**	**(79,866)**	**111,238**
Cash and cash equivalents at beginning of the year	**132,994**	**207,530**	**103,353**
Effects of exchange rate changes and expected credit losses on cash and cash equivalents	1,475	5,330	(7,061)
Cash and cash equivalents at end of the year	**148,519**	**132,994**	**207,530**

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

Consolidated Statement of Changes in Shareholders' equity (deficit) of Immatics N.V.

(Euros in thousands)	Notes	Share capital	Share premium	Accumulated deficit	Other reserves	Total equity (deficit) attributable to shareholders of the parent	Non-controlling interest	Total share-holders' equity (deficit)
Balance as of January 1, 2020		**1,164**	**190,945**	**(233,194)**	**(770)**	**(41,855)**	**1,020**	**(40,835)**
Other comprehensive loss		—	—	—	(6,689)	(6,689)	—	(6,689)
Net loss		—	—	(211,284)	—	(211,284)	(557)	(211,841)
Comprehensive loss for the year		**—**	**—**	**(211,284)**	**(6,689)**	**(217,973)**	**(557)**	**(218,530)**
Reorganization	3,18	(833)	833	—	—	—	—	—
Issue of share capital								
MD Anderson Share Exchange	3,19	7	501	—	—	508	(508)	—
PIPE Financing, net of transaction costs	3, 18	104	89,973	—	—	90,077	—	90,077
ARYA Merger, net of transaction costs	3,18	180	237,864	—	—	238,044	—	238,044
SAR conversion	17	7	(7)	—	—	—	—	—
Total issuance of share capital		**298**	**328,331**	**—**	**—**	**328,629**	**(508)**	**328,121**
Equity-settled share-based compensation	17	—	22,908	—	—	22,908	—	22,908
Payments related to share-based compensation awards previously classified as equity-settled	17	—	(4,322)	—	—	(4,322)	—	(4,322)
MD Anderson milestone compensation expense	19	—	—	—	—	—	45	45
Balance as of December 31, 2020		**629**	**538,695**	**(444,478)**	**(7,459)**	**87,387**	**—**	**87,387**
Balance as of January 1, 2021		**629**	**538,695**	**(444,478)**	**(7,459)**	**87,387**	**—**	**87,387**
Other comprehensive income		—	—	—	3,514	3,514	—	3,514
Net loss		—	—	(93,335)	—	(93,335)	—	(93,335)
Comprehensive loss for the year		**—**	**—**	**(93,335)**	**3,514**	**(89,821)**	**—**	**(89,821)**
Equity-settled share-based compensation	17	—	26,403	—	—	26,403	—	26,403
Share options exercised		—	94	—	—	94	—	94
Balance as of December 31, 2021		**629**	**565,192**	**(537,813)**	**(3,945)**	**24,063**	**—**	**24,063**
Balance as of January 1, 2022		**629**	**565,192**	**(537,813)**	**(3,945)**	**24,063**	**—**	**24,063**
Other comprehensive income		—	—	—	2,464	2,464	—	2,464
Net profit		—	—	37,514	—	37,514	—	37,514
Comprehensive income for the year		**—**	**—**	**37,514**	**2,464**	**39,978**	**—**	**39,978**
Equity-settled share-based compensation	17	—	22,570	—	—	22,570	—	22,570
Share options exercised		—	311	—	—	311	—	311
Issue of share capital – net of transaction costs	18	138	126,104	—	—	126,242	—	126,242
Balance as of December 31, 2022		**767**	**714,177**	**(500,299)**	**(1,481)**	**213,164**	**—**	**213,164**

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

Notes to the Consolidated Financial Statements of Immatics N.V.

1. Group information

Immatics N.V., together with its German subsidiary Immatics Biotechnologies GmbH and its U.S. subsidiary, Immatics US Inc., ("Immatics" or "the Group") is a biotechnology company that is primarily engaged in the research and development of T cell redirecting immunotherapies for the treatment of cancer patients. Immatics N.V., a Dutch public limited liability company, was converted on July 1, 2020 from Immatics B.V., a Dutch company with limited liability. Immatics Biotechnologies GmbH and Immatics US Inc. became wholly-owned subsidiaries of Immatics N.V. as part of the ARYA Merger (see Note 3) on July 1, 2020.

Immatics N.V. is registered with the commercial register at the Netherlands Chamber of Commerce under RSIN 861058926 with a corporate seat in Amsterdam and is located at Paul-Ehrlich Str. 15 in 72076 Tübingen, Germany. Prior to July 1, 2020, Immatics N.V. was a shell company with no active trade or business or subsidiaries and all relevant assets and liabilities as well as income and expenses were borne by Immatics Biotechnologies GmbH and its U.S. subsidiary Immatics US, Inc. Immatics N.V. is the ultimate parent company of the Group.

These annual consolidated financial statements of the Group for the year ended December 31, 2022 were authorized for issue by the Board of Directors of Immatics N.V. on April 26, 2023.

Local exemption rule applied by the subsidiaries of the Group

Immatics Biotechnologies GmbH makes use of the exemption clause, available under §264 (3) HGB in 2022. The consolidated financial statements of Immatics N.V. as of and for the year ended December 31, 2022 will be filed in Germany as a supplement to the financial statements of Immatics Biotechnologies GmbH, in order to meet the requirements of the exemption clause available under §264 (3) HGB in 2022.

2. Basis of presentation

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), taking into account the recommendations of the International Financial Reporting Standards Interpretations Committee ("IFRS IC"). The consolidated financial statements are presented in Euro. Amounts are stated in thousands of Euros, unless otherwise indicated. For technical reasons, the information provided in these financial statements may contain rounding differences of +/- one unit.

The subsidiaries Immatics Biotechnologies GmbH and Immatics US Inc., are fully consolidated from the date upon which control was transferred to Immatics N.V. All intra-company assets and liabilities, equity, income, expenses and cash flows relating to transactions between the Group are eliminated in full upon consolidation. The consolidated statement of profit or loss is prepared based on the function of expense method. The financial statements were prepared in accordance with the historical cost principle and on a going concern basis. This excludes financial liabilities for warrants, which are measured at fair value. The presentation in the consolidated statement of financial position distinguishes between current and non-current assets and liabilities. Assets are classified as current if it is expected to realise to sell or consume the asset in its normal operating cycle. Liabilities are classified as current if it is due within one year.

The reporting period for Immatics N.V. and its subsidiaries corresponds with the calendar year. The reporting period 2022 began on January 1, 2022 and ended on December 31, 2022.

On July 1, 2020 and as part of the ARYA Merger, the non-controlling interest of MD Anderson in Immatics US, Inc. was exchanged for ordinary shares in Immatics N.V. See Note 3 for further details. The consolidated financial statements comprise the financial statements of Immatics N.V. and its wholly-owned subsidiaries Immatics Biotechnologies GmbH and Immatics US Inc.

2.1 Going concern

Since inception, the Group's activities have consisted primarily of raising capital and performing research and development activities to advance its technologies. The Group is still in the development phase and has not yet marketed any products commercially. Immatics' ongoing success depends on the successful development and regulatory approval of its products and its ability to finance operations. The Group will seek additional funding to reach its development and commercialization objectives.

The Group plans to seek funds through further private or public equity financings, debt financings, collaboration agreements and marketing, distribution or licensing arrangements. The Group may not be able to obtain financing or enter into collaboration or other arrangements on acceptable terms. If the Group is unable to obtain funding, it could be forced to delay, reduce or eliminate some or all of its research and development programs, product portfolio expansion or commercialization efforts, which could adversely affect its business prospects. However, Immatics' cash and cash equivalents, bonds as well as short-term deposits will be sufficient to fund operating expenses and capital expenditure requirements for at least twelve months from the issuance date of the financial statements.

The accompanying consolidated financial statements have been prepared on a going concern basis. This contemplates the Group will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. The consolidated financial statements do not reflect any adjustments relating to the recoverability and classification of assets or the amounts and classification of liabilities that would be necessary, was the Group unable to continue as a going concern.

2.2 COVID-19

In December 2019, a novel strain of coronavirus ("COVID-19") emerged. In response, many countries and businesses instituted travel restrictions, quarantines, and office closures. With COVID-19 vaccines becoming more broadly available, most of our employees have returned to onsite work. However, there can be no assurance that future developments regarding the spread of COVID-19 will not result in a negative impact of the Group's ability to conduct clinical trials, including potential delays and restrictions on the Group's ability to recruit and retain patients and the availability of principal investigators and healthcare employees. We will continue to closely monitor the effects of the pandemic.

2.3 Russian-Ukraine Conflict and macroeconomic environment

The conflict between Russia and Ukraine has resulted, and is expected to further result, in significant disruption, instability and volatility in global markets, as well as higher energy and other commodity prices. Since the Company is not currently conducting any business or receiving any material services from vendors located in Russia or Ukraine, it does not expect that the ongoing war will have a direct impact on its operations in the near term. However, the Company may be indirectly affected by price increases or certain fiscal policy changes in Germany, such as new tax legislation, economic sanctions and comparable measures.

3. ARYA Merger

On March 17, 2020, Immatics entered into a definitive merger agreement with ARYA Sciences Acquisition Corp. ("ARYA"), a special purpose acquisition company sponsored by Perceptive Advisors. The transaction closed on July 1, 2020. The merger ("ARYA Merger") was effectuated as follows:

- The shareholders of Immatics Biotechnologies GmbH exchanged their interest for ordinary shares in the share capital of Immatics B.V. ("the Reorganization"). The Reorganization is accounted for as a recapitalization, with Immatics Biotechnologies GmbH being the accounting predecessor. The Reorganization resulted in a €0.8 million decrease in share capital and an offsetting increase in share premium. Subsequent to the Reorganization, Immatics B.V. was converted into Immatics N.V., after the share exchange of Immatics shareholders.

As part of the Reorganization, the minority shareholder in Immatics US, Inc., MD Anderson Cancer Center ("MD Anderson") exchanged its interest in Immatics US, Inc. for ordinary shares in the share capital of Immatics N.V. ("MD Anderson Share Exchange"). This resulted in a decrease to non-controlling interest of €0.5 million, with corresponding increases to share capital and share premium. (See Note 19).

- ARYA merged into Immatics N.V., with former ARYA shareholders receiving one ordinary share of Immatics N.V. for each issued and outstanding ordinary share of ARYA and one warrant to purchase ordinary shares in Immatics N.V., for each issued and outstanding warrant to acquire ordinary shares in ARYA. The merger of ARYA constituted a transaction by Immatics N.V., which is accounted for within the scope of IFRS 2.

  As part of the transaction, former shareholders of ARYA received 17,968,750 shares of Immatics N.V. and 7,187,500 warrants ("Immatics Warrants") to purchase ordinary shares of Immatics N.V. In exchange, Immatics received the net assets held by ARYA, which had a fair value of €90.3 million upon closing of the transaction on July 1, 2020. The net assets included €128.8 million of cash and cash equivalents held in ARYA's trust account and current liabilities of €3.9 million as well as the fair value of the warrants in the amount of €34.6 million.

  In accordance with IFRS 2, the difference between the fair value of the net assets contributed by ARYA and the fair value of equity instruments provided to former ARYA shareholders is treated as an expense, resulting in a €152.8 million share listing expense classified within the financial result (See Note 15) and an increase in equity. The 7,187,500 Immatics Warrants give the holder the right, but not the obligation, to subscribe to Immatics' shares at a fixed or determinable price for a specified period of time subject to the provision of the Warrant Agreement. Those instruments were considered to be part of the net assets acquired and therefore, management applied the provisions of debt and equity classification under IAS 32. Due to an option of cashless exercise of the Immatics Warrants, which gives Immatics a choice over how the warrant is settled with a settlement alternative, that results in Immatics delivering a variable number of shares. Therefore, the Immatics Warrants are accounted for as financial liability through profit and loss.

- Immatics N.V. raised an additional net €90.1 million in net equity proceeds through a private placement of ordinary shares with existing shareholders of Immatics, ARYA and other new investors (" Financing"). The PIPE Financing is treated as a capital contribution, which resulted in increases of €0.1 million and €90.0 million to share capital and share premium, respectively.

Both the ARYA Merger and PIPE Financing closed as of July 1, 2020. Upon consummation of the transactions, Immatics N.V. became a publicly traded corporation at the Nasdaq Capital Market under the ticker IMTX. The Immatics Warrants are traded under the ticker IMTXW. Immatics incurred incremental transaction costs directly attributable to the issuance of new shares to ARYA shareholders and the PIPE Financing of €7.9 million, which it netted against the equity proceeds as a reduction in share premium. Immatics also amended existing share-based compensation agreements held by employees of Immatics GmbH prior to the ARYA Merger (See Note 17), in addition to making additional cash and share-based payments to key management personnel (See Note 25).

4. Application of new and revised international financial reporting standards

4.1 Application of new standards

The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended December 31, 2021, except for the adoption of new standards and interpretations effective as of January 1, 2022. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

New standards and interpretations applied for the first time:

Standard/interpretation	Effective date
Amendment IAS 16 — Property, Plant and Equipment (Proceeds before Intended Use)	January 1, 2022
Amendment IAS 37 — Provisions, Contingent Liabilities and Contingent Assets (onerous Contracts—Cost of Fulfilling a Contract)	January 1, 2022
Amendments to IFRS 3 — Business Combinations (Reference to the Conceptual Framework)	January 1, 2022
Amendments to IFRS 1 — First-time Adoption of International Financial Reporting Standards	January 1, 2022
Amendments to IFRS 9 — Financial Instruments	January 1, 2022
Amendments to Illustrative Examples accompanying IFRS 16	January 1, 2022
Amendments to IAS 41 — Agriculture	January 1, 2022

Those amendments on standards and interpretations had no effect on the consolidated financial statements of the Group.

4.2 Assessment of potential impact of future standards, amendments to existing standards and interpretations

The following standards and interpretations have been issued by the IASB, but were not yet mandatory for the year ended December 31, 2022:

Standard/interpretation	Effective date	Potentially material effect expected on Immatics financial statements
IFRS 17 — Insurance Contracts	January 1, 2023	No
Amendments to IAS 1, Presentation of Financial Statements, and IFRS Practice Statement 2, Making Materiality Judgements	January 1, 2023	No
Definition of Accounting Estimates (Amendments to IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors)	January 1, 2023	No
Amendments to IAS 12 — Income Taxes	January 1, 2023	No
Amendment to IFRS 16 — Leases on sale and leaseback	January 1, 2024	No
Amendment to IAS 1 — Presentation of Financial Statements (Classification of Liabilities as Current or Non-current and Non-current liabilities with covenants)	January 1, 2024	No

4.3 Revision of previously issued financial statements

During the preparation of the unaudited interim consolidated financial statements for the three and nine months ended September 30, 2022, the Group identified an error in the presentation of ‘Net foreign exchange differences’ and ‘Effects of exchange rate changes on cash and cash equivalents’ in the statement of cash flows. The error resulted in a presentation of effects from exchange rate changes on non-functional currency denominated cash and cash equivalents in Immatics N.V. and Immatics Biotechnologies GmbH as operating cash flow instead of presentation as non-cash items in ‘Effects of exchange rate changes on cash and cash equivalents’.

This error had no impact on the Company’s consolidated statements of financial position, of profit/(loss), of comprehensive income/(loss) and of consolidated statements of changes in equity. The Company assessed the materiality of these errors on the previously issued consolidated financial statements and concluded that the errors

were not material to any year presented. The impact of the revision of the previously issued financial statements is as follows (all numbers EUR in thousand):

	Year ended December 31, 2020		
	As reported	Adjustment	As revised
Net foreign exchange differences	(4,477)	4,914	437
Net cash provided by/(used in) operating activities	(85,611)	4,914	(80,697)
Net cash (used in)/provided by investing activities	(15,949)	—	(15,949)
Net cash (used in)/provided by financing activities	207,883	—	207,883
Net increase/(decrease) in cash and cash equivalents	106,324	4,914	111,238
Cash and cash equivalents at beginning of the year	103,353	—	103,353
Effects of exchange rate changes on cash and cash equivalents	(2,147)	(4,914)	(7,061)
Cash and cash equivalents at end of the year	207,530	—	207,530

	Year ended December 31, 2021		
	As reported	Adjustment	As revised
Net foreign exchange differences	554	(2,962)	(2,408)
Net cash provided by/(used in) operating activities	(81,785)	(2,962)	(84,747)
Net cash (used in)/provided by investing activities	7,493	—	7,493
Net cash (used in)/provided by financing activities	(2,613)	—	(2,613)
Net increase/(decrease) in cash and cash equivalents	(76,904)	(2,962)	(79,866)
Cash and cash equivalents at beginning of the year	207,530	—	207,530
Effects of exchange rate changes on cash and cash equivalents	2,368	2,962	5,330
Cash and cash equivalents at end of the year	132,994	—	132,994

We also reclassed €51 thousand from Provisions to Other current liabilities as of December 31, 2021.

5. Summary of accounting policies applied by the Group for the annual reporting period ending December 31, 2022

The following are the significant accounting policies applied by the Group in preparing its consolidated financial statements:

5.1 Segment information

The Group manages its operations as a single segment for the purposes of assessing performance and making operating decisions. The Group's focus is on the research and development of T cell redirecting immunotherapies for the treatment of cancer. The Chief Executive Officer is the chief operating decision maker who regularly reviews the consolidated operating results and makes decisions about the allocation of the Group's resources.

5.2 Cash and cash equivalents

Cash and cash equivalents in the Consolidated Statement of Financial Position is comprised of cash held at banks (including money market funds), short-term deposits and bonds with an original maturity of three months or less.

5.3 Financial assets

Initial recognition and measurement

Financial assets within the scope of IFRS 9 include cash and cash equivalents, short-term deposits, bonds and receivables. Immatics determines the classification of its financial assets at initial recognition. All financial assets are recognized initially at fair value plus transaction costs. Purchases and sales of financial assets are recognized on their trade date, on which the Group commits to purchase or sell the asset. The subsequent measurement of financial assets depends on their classification as described below.

Short-term deposits

Immatics has short-term deposits with original maturities between three and twelve months, which are classified as Other financial assets. Short-term deposits with an original maturity of three months or less are classified as cash and cash equivalents. Under IFRS 9 short-term deposits are classified within financial assets at amortized costs.

Bonds

Immatics holds bonds with an original maturity of more than three months, which are classified as Other financial assets. The bonds` contractual cash flows represent solely payments of principal and interest and Immatics intends to hold the bonds to collect the contractual cash flows. The Group therefore accounts for the bonds as a financial asset at amortized cost.

Receivables

The Group has receivables from collaboration agreements. Receivables must be capitalized at the point in time at which the Group has become a contractual partner and an unconditional claim to cash and cash equivalents has arisen. In subsequent reporting periods, receivables are measured at amortized cost using the effective interest method. Since the receivables are short-term receivables without a fixed interest rate, these receivables are capitalized at the original invoice or contract amount. Receivable balances are classified as current assets, because all of the Group's receivables have an expected maturity of less than 12 months.

Interest and other finance income and expenses

Interest income and expenses from financial instruments are recorded using the effective interest rate ("EIR"). EIR is the rate that discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income and expenses are classified as financial income and expenses.

As of December 31, 2020, Immatics was a counterparty in foreign exchange forward contracts. The contracts did not meet the criteria to apply hedge accounting and are therefore separately accounted for and measured at fair value. Any change in the fair value was considered within the Consolidated Statement of Profit/(Loss). As of December 31, 2022 and 2021, Immatics is not a counterparty in foreign exchange forward contracts.

Impairment of financial assets

Impairment losses on financial assets are recognized as financial expenses. The Group recognizes an allowance for expected credit losses (ECLs) for financial assets, see Note 16.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. ECLs are generally recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL). For the quoted debt securities with fixed interest rates, which have high credit ratings and no significant increases in credit risk since initial recognition, the Group determines the exposure to credit default using CDS pricing information (credit default swap values) published by credit agencies and recognizes a 12-month ECL.

5.4 Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. All repair and maintenance costs are recognized as expenses when incurred. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets. The estimated useful lives are generally within the following ranges:

Category	Estimated useful life
Computer equipment	1 – 10 years
Laboratory equipment	1 – 15 years
Office equipment and installations	2 – 20 years

5.5 Intangible assets

Acquired intangible assets are initially recognized at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets with finite lives are amortized over their useful economic lives and assessed for impairment, whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life, is reviewed at least at the end of each reporting period. Immatics does not have any internally developed intangible assets or intangible assets with indefinite useful lives. Immatics reviews potential triggering events to identify the need for an impairment test.

Amortization is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Category	Estimated useful life
Licenses	5 – 30 years
Software	1 – 5 years

5.6 Research and development

Research expenses are defined as costs incurred for current or planned investigations undertaken with the prospect of gaining new scientific or technical knowledge and understanding. All research costs are expensed as incurred.

An intangible asset arising from development expenditure on an individual project is recognized only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete and the ability to measure reliably the expenditure during the development. The Group did not recognize any intangible assets from development expenditures in 2022, 2021 and 2020 due to the existing uncertainties in connection with its development activities. Research and development expenses include the following types of costs:

1. salaries, benefits and other related costs, including stock-based compensation, for personnel engaged in research and development functions;
2. expenses incurred in connection with the preclinical development of our programs and clinical trials of our product candidates, including under agreements with third parties, such as consultants, contractors, academic institutions and contract research organizations;
3. the cost of manufacturing product candidates for use in clinical trials, including under agreements with third parties, such as, consultants and contractors;
4. laboratory costs;
5. leased facility costs, equipment depreciation and other expenses, which include direct and allocated expenses; and
6. intellectual property costs incurred in connection with filing and prosecuting patent applications as well as third-party license fees.

5.7 Financial liabilities: Initial recognition and measurement

Financial liabilities within the scope of IFRS 9 are classified as financial liabilities at fair value through profit or loss or at amortized cost, as appropriate. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, carried at amortized cost. This includes directly attributable transaction costs. The Company's financial liabilities include accounts payables, lease liabilities, warrant liabilities and other financial liabilities. Immatics recognized accounts payables and other current liabilities as other financial liabilities at amortized costs.

Warrants are accounted for as derivative financial instruments and therefore as financial liabilities through profit and loss as they give the holder the right to obtain a variable number of ordinary shares. Such derivative financial instruments are initially recognized at fair value on the date on which the merger is consummated and are subsequently remeasured at fair value through profit or loss.

The Group does not engage in hedging transactions that meet the criteria to apply hedge accounting.

5.8 Leases

The Group adopted IFRS 16 ("Leases") effective January 1, 2019. The Group leases various offices, equipment and vehicles. Rental contracts are typically made for fixed periods of two to seven years but may have extension options as described in below. Contracts may contain both lease and non-lease components. The Group has elected not to separate lease and non-lease components and instead accounts for these as a single lease component. Lease terms are negotiated on an individual basis. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes. Under IFRS 16, leases are recognized as a right-of-use asset with a corresponding liability on the date at which the leased asset is available for use by the Group (lease commencement date).

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

1. fixed payments (including in-substance fixed payments), less any lease incentives received;
2. amounts expected to be payable by the Group under residual value guarantees;
3. the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
4. payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

The lease term consists of the non-cancellable period. Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for the Group's leases, the lessee's incremental borrowing rate ("IBR") is used. The IBR is the rate that the individual lessee would have to pay to borrow the funds, necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. The Group used an IBR for each respective lease to calculate the initial lease liability.

To determine the IBR, the Group:

1. uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by Immatics; and
2. makes adjustments specific to the lease, including lease term, country, currency and security.

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

1. the amount of the initial measurement of lease liability;
2. any lease payments made at or before the commencement date less any lease incentives received;
3. any initial direct costs; and
4. restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life or the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognized on a straight-line basis as an expense. Short-term leases are leases with a lease term of 12 months or less. Low-value assets have a value of less than €5 thousand.

Extension and termination options are included in a number of property and equipment leases across the Group. These are used to maximize operational flexibility in terms of managing the assets used in the Group's operations. The extension and termination options held are exercisable only by the Group and not by the respective lessor. For

relevant leases which include an extension option, Immatics performed an assessment as of December 31, 2022 to determine whether option extensions are reasonably certain.

5.9 Revenue from collaboration agreements

The Group earns revenue through strategic collaboration agreements with third-party pharmaceutical and biotechnology companies. As of December 31, 2022, the Group had four strategic collaboration agreements in place, one with Genmab A/S, Copenhagen /Denmark ("Genmab") and three with Bristol-Myers-Squibb ("BMS"). During the year ended December 31, 2022, the Group entered into new collaboration agreements with BMS. Three of the Group's strategic collaboration agreements are in pre-clinical stage and the BMS IMA401 collaboration agreement is at clinical stage. The collaboration with GlaxoSmithKline Intellectual Property Development Limited ("GSK") was terminated in October 2022 and the collaboration with Amgen Inc., Thousand Oaks/CA/USA ("Amgen") was terminated in October 2021.

To determine the recognition of revenue from arrangements that fall within the scope of IFRS 15, the Group performs the following five steps:

(i) identify the contract(s) with a customer;

(ii) identify the performance obligations in the contract;

(iii) determine the transaction price;

(iv) allocate the transaction price to the performance obligations in the contract; and

(v) recognize revenue when (or as) the Group satisfies a performance obligation.

Under IFRS 15, the Group applies significant judgement when evaluating whether the obligations under the collaboration agreements represent one or more combined performance obligations, the allocation of the transaction price to identified performance obligations, and the determination of whether milestone payments should be included in the transaction price.

Identify the performance obligations in the contract

Pre-clinical collaboration agreements

Under the terms of these agreements, Immatics agrees to collaborate in the development, manufacture, and commercialization of cancer immunotherapy treatments for specified targets identified through the use of Immatics XPRESIDENT technology.

As part of the collaboration arrangements, Immatics grants licensing rights for the development and commercialization of future product candidates, developed for targets defined in the collaboration agreements. Additionally, Immatics agrees to perform certain research activities under the collaboration agreements, including screening of highly specific molecules for reactivity with the specified targets and off-targets using Immatics' proprietary technology and know-how, participation on steering committees, and preparation of data packages.

The Group performs an analysis to identify the performance obligations under the contract, including licenses and rights to future intellectual property developed under the contract and research activities. As these agreements comprise several promises, it must be assessed whether these promises are capable of being distinct and distinct within the context of the contract.

The licenses contributed under the collaboration agreements currently in place do not represent distinct performance obligations, because the Group's collaboration partners would likely be unable to derive significant benefits from their access to these targets without Immatics' research activities. Identification of a viable product candidate that will bind to the targets specified in the agreements requires use of the Group's XPRESIDENT technology and database of target and off-target data.

Clinical collaboration agreement (BMS IMA401 agreement)

Under the terms of the agreement, Immatics granted to BMS an exclusive, worldwide, sublicensable license to develop, manufacture, and commercialize IMA401. Under the Agreement, Immatics is also responsible for, and will bear the cost of, the first Phase 1 clinical trial.

The Group transferred license rights and is performing clinical trial services. While the clinical trial is a prerequisite for approval of the product, it does not modify the underlying product. The license contributed under the collaboration agreement represents a distinct performance obligation, because they are separately identifiable from other promises in the BMS IMA401 agreement.

Determine the transaction price

Upfront payment

Each of the Group's strategic collaboration agreements includes a non-refundable upfront payment. The Group records these payments as deferred revenue, which it allocates to the combined performance obligations for each agreement. Such amounts are recognized as revenue over the performance period of the research activities on a cost-to-cost basis.

The cost-to-cost basis using direct costs and directly attributable personnel costs is considered the best measure of progress in which control of the combined performance obligations transfers to the Group's collaboration partners, due to the nature of the work being performed.

In the Group's BMS IMA401 agreement, the Group determined the underlying stand-alone selling price for each performance obligation to allocate the transaction price to the performance obligations. The estimation of the stand-alone selling price requires significant judgement regarding the estimation approach of the stand-alone selling prices for the distinct performance obligations as well as significant estimates regarding the expected cost for future services, profit margins and development timelines.

Reimbursement for services

Under the collaboration agreement with Genmab, the Group receives reimbursement for employee research and development costs. These employee costs are presented as research and development expenses, while reimbursements of those costs, which is based on an FTE rate defined in the contract, are part of the transaction price and presented as revenue and not deducted from expenses.

Development and Commercial Milestones

The collaboration agreements include contingent payments related to development and commercial milestone events. These milestone payments represent variable consideration that are not initially recognized within the transaction price, due to the scientific uncertainties and the required commitment from the collaboration partners to develop and commercialize a product candidate. The Group assesses the probability of significant reversals for any amounts that become likely to be realized prior to recognizing the variable consideration, associated with these payments within the transaction price.

Sales-based milestones and royalty payments

The collaboration agreements also include sales-based royalty payments upon successful commercialization of a licensed product. In accordance with IFRS 15.B63, the Group recognizes revenue from sales-based milestone and royalty payments at the later of (i) the occurrence of the subsequent sale; or (ii) the performance obligation to which some or all of the sales-based milestone, or royalty payments has been allocated. The Group anticipates recognizing these milestones and royalty payments, when subsequent sales are generated from a licensed product by the collaboration partner.

Cost to fulfill contracts

The Group incurs costs for personnel, supplies and other costs related to its laboratory operations as well as fees from third parties and license expenses in connection with its research and development obligations under the collaboration and licensing agreement. These costs are recognized as research and development expenses over the period in which services are performed.

Cost to obtain a contract

For some collaboration agreements, the Group incurs incremental costs of obtaining a contract with a customer. The Group capitalizes those incremental costs if the costs are expected to be recovered. The recognized asset is amortized consistent with the method used to determine the pattern of revenue recognition of the underlying contract.

5.10 Share-based payment

The Group's employees as well as others providing similar services to the Group, receive remuneration in the form of share-based payments, which are equity-settled transactions. The Group`s equity-settled option plans include Matching Stock Options, Converted Stock Options, Service Options and PSUs and are described in detail in Note 17.

The costs of equity-settled transactions are determined by the fair value at grant date, using an appropriate valuation model. Share-based expenses for the respective vesting periods, are recognized in research and development expenses and general and administrative expenses, reflecting a corresponding increase in equity.

5.11 Foreign currency

Transactions and balances in Germany and in the USA

The consolidated financial statements are presented in Euro, which is the parents, Immatics N.V. functional and reporting currency. Assets and liabilities of foreign operations are translated into Euros at the rate of exchange prevailing at the reporting date. The Consolidated Statement of Profit/(Loss) is translated at average exchange rates. The currency translation differences are recognized in other comprehensive income.

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates, at the date the transaction first qualifies for recognition. The Group determined the functional currency of Immatics Biotechnologies GmbH to be Euros and of Immatics US Inc. to be USD. The Group used the following exchange rates to convert the financial statements of its U.S. subsidiary:

	2022		2021		2020	
	Year-end rate	Average rate	Year-end rate	Average rate	Year-end rate	Average rate
Euros per U.S. Dollar.....	0.93756	0.94888	0.88292	0.84495	0.81493	0.87621

5.12 Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability or
- in the absence of a principal market, in the most advantageous market for the asset or liability that is accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. The Group uses

valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques, for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques, for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the consolidated financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole), at the end of each reporting period.

5.13 Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when it is virtually certain that reimbursement will be received if the Group settles the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability.

5.14 Deferred income tax

Deferred income tax results from temporary differences between the carrying amount of an asset or a liability and its tax base. Deferred income tax is provided in full using the liability method on temporary differences. In accordance with IAS 12 (“Income Taxes”), the deferred tax assets and liabilities reflect all temporary valuation and accounting differences between financial statements prepared for tax purposes and our consolidated financial statements. Tax losses carried forward are considered in deferred tax assets calculation. The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets, current tax liabilities, deferred tax assets and deferred tax liabilities which relate to income taxes levied by the same tax authority.

6. Significant accounting judgements, estimates and assumptions

The preparation of the Group’s consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, income taxes and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. In particular, material management judgments and estimation uncertainties apply to the recognition and measurement of income taxes (incl. deferred taxes), the revenue recognition from collaboration agreements and the measurement of share-based payments. Management bases its assessment of these judgments and estimation uncertainties on past experience, estimates from experts (lawyers, tax consultants, etc.) and the results of carefully weighing up different scenarios. Actual events and developments that lie beyond the control of management may deviate considerably from the expressed developments and assumptions. For this reason, the Group examines the estimates and assumptions made on an ongoing basis. Changes in estimates are recognized in profit or loss as soon as better information is available.

Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expenses already recorded. Deferred tax assets are recognized for unused tax losses to the extent, that it is probable that taxable profit will be available which can be utilized against the losses. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Due to the Group's history of loss-making over the last several years as well as the plans for the foreseeable future, the Group has not recognized any deferred tax assets on tax losses carried forward. Changes in the estimation of our potential to use tax losses carried forward can have a material effect on the Group`s net income. For more information, see Note 21.

Revenue recognition from collaboration agreements

As the collaboration agreements comprise several promises, it must be assessed whether these promises are capable of being distinct within the context of the contract. For the pre-clinical collaboration agreements with Genmab and BMS, the Group assessed that these promises are not capable of being distinct within the context of the contract, which results in accounting for all goods and services promised as a single performance obligation with a single measure of progress. The performance obligation is accounted for as a performance obligation, satisfied over time using a cost-to-cost method as the customer simultaneously receives and consumes the benefits from Immatics' performance.

For the BMS IMA401 agreement, the Group assessed that these promises were two distinct performance obligations, the granted license and the conduct of clinical trial services. Since the collaboration agreement consist of two performance obligations, the Group determined the underlying stand-alone selling price for each performance obligation and allocated the transaction price to the performance obligations.

The Group used for the performance obligation related to clinical trial services, the expected cost method, due to the fact that the Group is able to use expected costs including a profit margin to estimate the stand-alone selling price. The Group decided to estimate a stand-alone selling price for the performance obligation related to the license by using the residual approach, since it is a unique license and there is no available market price for the license.

Up-front licensing payments are initially deferred on our Consolidated Statement of Financial Position and subsequently recognized as revenue as the performance obligations are fulfilled. Milestone payments are included in the transaction price at the amount stipulated in the respective agreement and recognized as revenue to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. To date, no milestone has been included in the transaction price. Changes in this estimate can have a material effect on revenue recognized.

Immatics provides development and manufacturing services to customers and recognizes revenue over time using an input-based method to measure progress toward complete satisfaction of the service, because the customer simultaneously receives and consumes the benefits provided. Forecast values are used for the calculation of expected future revenue for the remaining term of the contract. These costs estimated as part of the budgeting process must be reviewed and approved before the Group can use them for recognition purposes. Significant management judgment is required to determine the level of effort required under an arrangement, and the period over which the Company expects to complete its performance obligations under the arrangement which includes total internal personnel costs and external costs to be incurred. Changes in these estimates can have a material effect on revenue recognized. For more information, see Note 13.

Share-based payments

Determining the fair value of share-based payment transactions requires the most appropriate valuation for the specific program, which depends on the underlying terms and conditions.

Management determined the value of share-based awards with the assistance of a third-party valuation specialist using certain assumptions, such as volatility, risk-free interest rate, exercise pattern and expected dividends. Changes in these estimates can have a material effect on share-based expenses recognized. For more information, see Note 17.

7. Accounts receivables

	As of	
	December 31, 2022	December 31, 2021
	(Euros in thousands)	
Receivables from collaboration agreements	1,111	682
Total	**1,111**	**682**

As of December 31, 2022, and 2021, no expected credit losses were recognized.

8. Other current and non-current assets

Other current assets consist of the following:

	As of	
	December 31, 2022	December 31, 2021
	(Euros in thousands)	
Prepaid expenses	10,450	3,781
Value added tax receivables	1,031	915
Grant receivables	—	762
Other assets	2,357	950
Total	**13,838**	**6,408**

On May 27, 2022, Immatics US, Inc. entered into a Research collaboration and License agreement (the "Editas agreement") with Editas Medicine, Inc. ("Editas"). The Editas agreement became effective on May 27, 2022. Pursuant to the Editas agreement, the Group paid upfront a one-time and non-refundable fee related to the Groups access to a non-exclusive right to Editas CRISPR technology and intellectual property as well as for services provided by Editas. The Group will together with Editas combine gamma-delta T cell adoptive cell therapies and gene editing to develop medicines for the treatment of cancer. The Group determined to account for the upfront payment as prepaid research and development expenses. The prepaid expenses will be consumed over the term of the research and development activities.

Prepaid expenses include expenses for licenses and software of €7.4 million as of December 31, 2022 and €0.5 million as of December 31, 2021 and prepaid insurance expenses of €1.2 million as of December 31, 2022 and €1.3 million as of December 31, 2021. The Group accrued €0.4 million as of December 31, 2022 and €0.7 million as of December 31, 2021 of incremental cost for the successful arrangement of the BMS collaboration signed in 2019 and the Genmab collaboration agreement. Additionally, prepaid expenses include expenses for maintenance of €0.7 million as of December 31, 2022 and €0.8 million as of December 31, 2021. The remaining amount is mainly related to prepaid expenses for contract research organizations and prepaid rent.

Other assets include receivables from lease incentive, capital gains tax and prepaid deposit expenses.

Other non-current assets consist of the following:

	As of	
	December 31, 2022	December 31, 2021
	(Euros in thousands)	
Prepaid expenses	1,906	636
Other assets	639	—
Total	**2,545**	**636**

Prepaid expenses include the non-current portion of prepayments for licensing agreements of €1.5 million, prepaid maintenance expenses of €0.3 million and accrued incremental cost of the BMS and Genmab collaboration agreement of €0.1 million as of December 31, 2022. Other assets include the non-current portion for prepaid deposit expenses.

9. Property, plant and equipment

Property, plant and equipment consist of the following:

(Euros in thousands)	Laboratory equipment	Computer equipment	Office equipment and installations	Total
Cost as of January 1, 2021	**15,968**	**3,322**	**3,146**	**22,436**
Additions	3,487	1,105	489	5,081
Disposals	(144)	—	—	(144)
Currency translation differences	319	43	26	388
Cost as of December 31, 2021	**19,630**	**4,470**	**3,661**	**27,761**
Accumulated depreciation as of January 1, 2021	**(10,476)**	**(2,428)**	**(1,665)**	**(14,569)**
Additions	(1,501)	(508)	(565)	(2,574)
Disposals	144	—	—	144
Currency translation differences	(219)	(30)	(7)	(256)
Accumulated depreciation as of December 31, 2021	**(12,052)**	**(2,966)**	**(2,237)**	**(17,255)**
Net book value as of December 31, 2021	**7,578**	**1,504**	**1,424**	**10,506**
Cost as of January 1, 2022	**19,630**	**4,470**	**3,661**	**27,761**
Additions	3,006	409	2,681	6,096
Disposals	(148)	(9)	(7)	(164)
Currency translation differences	249	28	(32)	245
Cost as of December 31, 2022	**22,737**	**4,898**	**6,303**	**33,938**
Accumulated depreciation as of January 1, 2022	**(12,052)**	**(2,966)**	**(2,237)**	**(17,255)**
Additions	(2,143)	(653)	(333)	(3,129)
Disposals	96	9	7	112
Currency translation differences	(180)	(26)	(4)	(210)
Accumulated depreciation as of December 31, 2022	**(14,279)**	**(3,636)**	**(2,567)**	**20,482**

(Euros in thousands)	Laboratory equipment	Computer equipment	Office equipment and installations	Total
Net book value as of December 31, 2022	**8,458**	**1,262**	**3,736**	**13,456**

The Groups additions within Office equipment and installations include leasehold improvements for the research and commercial GMP manufacturing facility construction in Houston, Texas of €2.5 million as of December 31, 2022.

Depreciation expenses consist of the following:

	Year ended December 31,		
	2022	2021	2020
	(Euros in thousands)		
Research and development expenses	(2,039)	(1,684)	(1,502)
General and administrative expenses	(1,090)	(890)	(600)
Total	**(3,129)**	**(2,574)**	**(2,102)**

10. Intangible assets

Intangible assets consist of the following:

(Euros in thousands)	Patents and licenses	Software licenses	Total
Cost as of January 1, 2021	**1,132**	**738**	**1,870**
Additions	320	162	482
Currency translation differences	99	8	107
Cost as of December 31, 2021	**1,551**	**908**	**2,459**
Accumulated amortization as of January 1, 2021	**(403)**	**(554)**	**(957)**
Additions	(54)	(106)	(160)
Currency translation differences	(23)	(4)	(27)
Accumulated amortization as of December 31, 2021	**(480)**	**(664)**	**(1,144)**
Net book value as of December 31, 2021	**1,071**	**244**	**1,315**
Cost as of January 1, 2022	**1,551**	**908**	**2,459**
Additions	405	73	478
Currency translation differences	73	7	80
Cost as of December 31, 2022	**2,029**	**988**	**3,017**
Accumulated amortization as of January 1, 2022	**(480)**	**(664)**	**(1,144)**
Additions	(60)	(158)	(218)
Currency translation differences	(19)	(4)	(23)
Accumulated amortization as of December 31, 2022	**(559)**	**(826)**	**(1,385)**
Net book value as of December 31, 2022	**1,470**	**162**	**1,632**

Amortization expenses consist of the following:

	Year ended December 31,		
	2022	2021	2020
	(Euros in thousands)		
Research and development expenses	(93)	(35)	(31)
General and administrative expenses	(125)	(125)	(95)
Total	**(218)**	**(160)**	**(126)**

11. Leases

Right-of use assets consist of the following:

	As of	
	December 31, 2022	December 31, 2021
	(Euros in thousands)	
Buildings	12,409	9,028
Laboratory equipment	392	669
IT and telecommunication	90	177
Vehicles	126	74
Other assets	16	34
Total	**13,033**	**9,982**

Lease liabilities consist of the following:

	As of	
	December 31, 2022	December 31, 2021
	(Euros in thousands)	
Lease liabilities – current	2,159	2,711
Lease liabilities – non-current	12,403	7,142
Total	**14,562**	**9,853**

Additions to the right-of-use assets and liabilities were €6.7 million and €6.7 million as of December 31, 2022 and 2021, respectively, including for the research and commercial GMP manufacturing facility in Houston, Texas of €6.2 million as of December 31, 2022.

Currency translation differences included in right-of-use assets were €0.1 million and €0.3 million as of December 31, 2022 and 2021, respectively.

Expenses related to right-of-use assets and lease liabilities consist of the following:

	Year ended December 31,		
Depreciation charges of right-of-use assets	**2022**	**2021**	**2020**
	(Euros in thousands)		
Buildings	(3,151)	(2,199)	(2,036)
Laboratory equipment	(277)	(162)	—
IT and telecommunication	(103)	(98)	(101)
Vehicles	(66)	(59)	(50)
Other assets	(23)	(8)	(8)
Total	**(3,620)**	**(2,526)**	**(2,195)**
Interest expenses from leases	(613)	(288)	(260)
Expenses relating to short-term leases and low-value assets (included in administrative expenses)	(190)	(95)	(51)

The total cash payments for leases were €3.6 million, €3.2 million and €2.4 million for the year ended December 31, 2022, 2021 and 2020, respectively.

As of December 31, 2022, the Group has committed lease payments associated with lease liabilities of €18.6 million, of which €3.6 million will occur in the next 12 months. The remaining lease payments will occur between January 1, 2024 and February 28, 2033.

The Group has several lease contracts that include extension options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises judgement in determining whether these extension options are reasonably certain to be exercised. The undiscounted potential future lease payments, which relate to periods after the exercise date of renewal options and are not included in lease liabilities, amount up to €24.6 million until 2043 for the year ended December 31, 2022 and up to €10.4 million until 2043 for the year ended December 31, 2021.

For commitments for future lease payments, refer to Note 24.

12. Accounts payables

Accounts payables consist of the following:

	As of	
	December 31, 2022	**December 31, 2021**
	(Euros in thousands)	
Accounts payables	4,025	3,009
Accrued liabilities	9,031	8,615
Total	**13,056**	**11,624**

Accrued liabilities classified within accounts payables mainly relate to outstanding invoices totalling €9.0 million and €8.6 million as of December 31, 2022 and 2021, respectively.

13. Revenue from collaboration agreements

The Group earns revenue through strategic collaboration agreements with third party pharmaceutical and biotechnology companies. As of December 31, 2022, the Group had four strategic collaboration agreements in place after the Amgen collaboration was terminated in 2021 and the GSK collaboration was terminated in 2022.

As part of these collaboration arrangements, Immatics grants exclusive licensing rights or options thereto for the development and commercialization of future product candidates, developed for several targets defined in the respective collaboration agreements, in addition to research activities, including screening of highly specific molecules for reactivity with the specified targets and off-targets using Immatics' proprietary technology and know-how, participation on a joint steering committee, and preparation of data packages. For the preclinical collaboration agreements, these promises represent one combined performance obligation, whereas for the clinical stage BMS IMA401 agreement, the promises represent two distinct performance obligations. Immatics reassessed the total forecasted cost as part of the Group's annual budget process and adjusted the total forecasted cost accordingly.

The Group has not recognized any royalty or milestone revenue under the collaboration agreements, due to the scientific uncertainty of achieving the milestones or the successful commercialization of a product. As of December 31, 2022, Immatics had not received any milestone or royalty payments in connection with the collaboration agreements. The Group plans to recognize the remaining deferred revenue balance into revenue as it performs the related performance obligations under each contract. Deferred revenues are contract liabilities within the scope of IFRS 15.

Each of the Group's strategic collaboration agreements included a non-refundable upfront payment, meant to subsidize research activities, recognized as deferred revenue. For all collaboration agreements these upfront payments exceeded the Group's right to consideration for services performed under each collaboration agreement. Therefore, only deferred revenue net of contract assets is presented as of December 31, 2022, December 31, 2021 and December 31, 2020, respectively.

Genmab Collaboration Agreement

In July 2018, Immatics Biotechnologies GmbH entered into a research collaboration and license agreement with Genmab to develop next-generation, T cell engaging bispecific immunotherapies targeting multiple cancer indications. Under the agreement, Immatics and Genmab conduct joint research to combine Immatics' XPRESIDENT and Bispecific TCR technology platforms with Genmab's proprietary antibody technologies to develop multiple bispecific immunotherapies in oncology. The two companies plan to develop immunotherapies directed against three proprietary targets. Genmab will be responsible for development, manufacturing and worldwide commercialization. Immatics will have an option to contribute certain promotion efforts at predetermined levels in selected countries in the EU.

The Genmab collaboration agreement contains a maximum of $550 million of milestone payments for each licensed product resulting from the collaboration. In addition, Immatics is entitled to receive royalty payments. Royalty rates are based on aggregate net sales of a licensed product. The agreement provides for higher royalty rates as annual net sales of a licensed product increases. Under the agreement, the royalty rates begin in the high single-digits, increasing to the low tens as a percentage of aggregate annual net sales of a licensed product.

The Group received a non-refundable upfront payment of €46 million ($54 million) upon signing of the agreement. The Group classified the initial receipt of the upfront payment as deferred revenue, which recognizes into revenue as on a cost-to-cost basis using forecasted costs.

The Group recognized €9.6 million, €6.9 million and €11.2 million of revenue associated with the upfront payment and with reimbursements for research and development costs performed, for the years ended December 31, 2022,

2021 and 2020, respectively. Total deferred revenue under the agreement was €12.1 million and €19.9 million as of December 31, 2022 and 2021, respectively.

BMS Collaboration Agreement

In August 2019, Immatics Biotechnologies GmbH and BMS entered into a collaboration and option agreement to develop novel adoptive cell therapies targeting multiple cancers. Under the agreement, Immatics may develop T Cell Receptor Engineered T Cell Therapy (TCR-T) programs against solid tumor targets discovered with Immatics' XPRESIDENT technology. Programs would utilize proprietary T Cell Receptors (TCRs) identified by Immatics' XCEPTOR TCR discovery and engineering platform. If Immatics develops programs against the TCR-T targets, Immatics will be responsible for the development and validation of these programs through lead candidate stage, at which time BMS may exercise opt-in rights and assume sole responsibility for further worldwide development, manufacturing and commercialization of the TCR-T cell therapies.

Immatics would have certain early-stage co-development rights or co-funding rights for selected TCR-T cell therapies arising from the collaboration. With respect to this collaboration agreement with BMS, Immatics may be eligible to receive up to $505 million for each licensed product in option exercise payments, development, regulatory and commercial milestone payments as well as tiered royalties on net sales. In addition, Immatics is entitled to royalty payments. Royalty rates are based on aggregate net sales of a licensed product resulting from the collaboration. The agreement provides for higher royalty rates as annual net sales of a licensed product increases. Under each contract, the royalty rates begin in the mid-single-digits, increasing to the low teen-digits as a percentage of aggregate annual net sales of a licensed product.

The Group received a non-refundable upfront payment of €68 million ($75 million) upon signing of the agreement. The Group classified the initial receipt of the upfront payment as deferred revenue, which recognizes into revenue as on a cost-to-cost basis using forecasted costs.

On June 1, 2022, Immatics Biotechnologies GmbH entered into an Amendment to the Strategic Collaboration Agreement originally signed in 2019 (the "amendment") with BMS. Pursuant to the amendment, the Group received a €18.7 million ($20 million) upfront cash payment related to the performance obligations under the contract. Under the amendment, Immatics will undertake an additional T Cell Receptor Engineered T cell Therapy (TCR-T) program against a solid tumor target discovered with Immatics' XPRESIDENT technology. The program will utilize proprietary T Cell Receptors (TCRs) identified by Immatics' XCEPTOR TCR discovery and engineering platform. The increased consideration reflects the stand-alone selling price at contract inception and the amendment contains performance obligations that are distinct from the original performance obligation under the contract. Therefore, the Group determined to account for the modification of the Allogeneic ACT agreement signed in 2019, triggered by the amendment as a separate contract.

The Group recognized €23 million, €13.1 million and €11.5 million of revenue associated with the upfront payment for the years ended December 31, 2022, 2021 and 2020, respectively. Total deferred revenue under the agreement was €37.6 million and €41.9 million as of December 31, 2022 and 2021, respectively.

BMS IMA401 Collaboration Agreement

On December 10, 2021, Immatics Biotechnologies GmbH entered into a License, Development and Commercialization agreement (the "BMS IMA401 agreement") with BMS. The BMS IMA401 agreement became effective on January 26, 2022, after the expiration of the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 on January 25, 2022. Pursuant to the BMS IMA401 agreement, the Group received a €133 million ($150 million) upfront cash payment related to the performance obligations under the contract. The Group identified the transfer of a global exclusive IMA401 license including technology transfer and the contractually agreed clinical trial services including participation in Joint Steering Committee meetings as distinct performance obligations. The Group is eligible to receive up to $770 million development, regulatory and commercial milestone payments, in addition to low double-digit royalty payments on net sales of IMA401. Immatics retains the options to co-fund U.S. development in exchange for enhanced U.S. royalty payments and/or to co-

promote IMA401 in the US. In November 2021, Immatics filed a Clinical Trial Application (CTA) with Paul-Ehrlich-Institute (PEI), the German federal regulatory authority, for the development of IMA401. The clinical trial, which commenced in the second quarter of 2022, will enroll patients across various solid tumor types.

Under IFRS 15, the Group applied significant judgement when evaluating whether the obligations under the BMS IMA401 agreement represent one performance obligation, combined performance obligations or multiple performance obligations, the allocation of the transaction price to identified performance obligations, and the determination of whether milestone payments should be included in the transaction price.

The Group concluded that BMS is a customer since the BMS IMA401agreement does contain elements of a customer relationship even though it is a collaboration agreement, where to some degree both risks and benefits are shared between the Group and BMS. The BMS IMA401 agreement clearly states deliverables to be delivered by the Group and BMS as mentioned below and creates enforceable rights and obligations.

The Group transferred license rights and is performing clinical trial services. While the clinical trial is a prerequisite for approval of the product, it does not modify the underlying product. The manufacturing of the product for the trial is already completed. The clinical trial will evaluate safety, tolerability, and initial anti-tumor activity of IMA401 in patients with recurrent and/or refractory solid tumors, but there is no modification planned as part of this. With the end of the pre-clinical phase, there was no further enhancement of the products planned. We therefore concluded that BMS can benefit from each performance obligation on its own and they are separately identifiable from other promises in the BMS IMA401 agreement. The Group concluded that there were two distinct performance obligations under the BMS IMA401 agreement, the granted license and the conduct of clinical trial services.

At inception of the BMS IMA401 agreement, the Group determined the transaction price. We evaluated inclusion of the milestones as part of the transaction price under the most-likely method. Milestone payments are included at the most likely amount in the transaction price. However, variable consideration is only included in the transaction price to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. The contractual agreed milestone payments with BMS relate to the license. Based on that the Group concluded that no variable consideration was considered as transaction price at contract inception. At the end of each reporting period, the Group re-evaluates the probability of achievement of milestones and, if necessary, adjusts its estimate of the overall transaction price. Sales-based royalties will only be recognized as sales occur since the license is the predominant item to which the royalty relates.

The Group is required to allocate the determined transaction price of €133 million ($150 million) to the two separate identified performance obligations of the BMS IMA401 agreement, based on the standalone selling price of each performance obligation as the upfront payment of €133 million ($150 million) covers the cost of clinical trial services as well as an initial payment for the license. Since the BMS IMA401 agreement consist of two performance obligations, the Group determined the underlying stand-alone selling price for each performance obligation, to allocate the transaction price to the performance obligations. The estimation of the stand-alone selling price included estimates regarding forecasted cost for future services, profit margins and development timelines.

The most reasonable estimation method for the performance obligation related to clinical trial services is the expected cost method, due to the fact that the Group is able to use expected costs including a profit margin to estimate the stand-alone selling price. On top of the forecast of expected costs, the Group added an appropriate profit margin based on average company profit margins for clinical trial services.

To estimate a stand-alone selling price for the performance obligation related to the IMA401 license, the Group concluded to use the residual approach due to the fact that the license is a unique license and there is no available market price for the license and hence no specific stand-alone selling price apart from the residual amount was identified. The Group concluded following transaction price allocation of the €133 million ($150 million) upfront payment as of March 31, 2022:

1. Stand-alone selling price for clinical trial services: €42 million

2. Stand-alone selling price for the license grant: €91 million

The Group evaluated each performance obligation to determine if it can be satisfied at a point in time or over time. The control over the granted license is transferred at a point in time, after BMS obtains the rights to use the license at the effective date of the agreement. The performance obligation related to promised clinical trial services is satisfied over time. The Group transfers control of these agreed services over time and will therefore recognize revenue over time as costs are incurred using a cost-to-cost method. At inception of the BMS IMA401 agreement, €42 million were initially deferred on the Groups Consolidated Statement of Financial Position.

For the year ended December 31, 2022, €6.9 million revenue was recognized based on the cost-to-cost method as well as €91 million revenue related to the license for IMA 401. Total deferred revenue under the agreement was €34.8 million and €0.0 as of December 31, 2022 and 2021, respectively.

Allogeneic ACT Collaboration Agreement

On June 1, 2022, Immatics US, Inc. entered into a License, Development and Commercialization agreement (the "Allogeneic ACT agreement") with BMS. Pursuant to the Allogeneic ACT agreement, the Group received a $60 million upfront cash payment plus an additional payment of $5 million related to the performance obligations under the contract. Applying the foreign exchange rate of June 1, 2022, the received payments represent €60.7 million. As the contract is accounted for in the functional currency of Immatics US, Inc., US Dollar, the € amount is subject to currency fluctuations. The Group identified the transfer of an exclusive right and license with the right to grant sublicenses under the Immatics Licensed IP, technology transfer, contractually agreed research and development services including participation in Joint Steering Committee meetings and the delivery of research progress reports to BMS as a combined performance obligation. The Group is eligible to receive up to $700 million development, regulatory and commercial milestone payments, in addition to tiered royalty payments of up to low double-digit percentages on net product sales.

Under IFRS 15, the Group applied significant judgement when evaluating whether the obligations under the Allogeneic ACT agreement represent one combined performance obligation or multiple performance obligations and the determination of whether milestone payments should be included in the transaction price.

The Group concluded that BMS is a customer since BMS obtains through the Allogeneic ACT agreement the output of Immatics' ordinary activities in exchange for a consideration. The Allogeneic ACT agreement clearly states the deliverables to the Group and BMS as mentioned below and creates enforceable rights and obligations.

The Group granted to BMS exclusive access to licensed products and is performing research and development services. The research and development services performed by the Group will cover preclinical development of the initial two BMS-owned programs and is not distinct from the licensed IP, since the preclinical platform does not have a standalone value without further development. Based on the facts and circumstances, the collaboration agreement contains multiple promises, which aggregate to a combined performance obligation.

At inception of the Allogeneic ACT agreement, the Group determined the transaction price. The Group evaluated inclusion of the milestones as well as potential cost reimbursements as part of the transaction price under the most-likely method. Milestone payments are included at the most likely amount in the transaction price. However, variable consideration is only included in the transaction price to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. For the contractual agreed milestone payments with BMS, the license is predominant. Based on that the Group concludes that no variable consideration is considered as transaction price at contract inception. At the end of each reporting period, the Group re-evaluates the probability of achievement of milestones and, if necessary, adjusts its estimate of the overall transaction price. Sales-based royalties will only be recognized as sales occur since the license is the predominant item to which the royalty relates.

The Group allocated the determined total transaction price of €66.1 million ($70.8 million) consisting of the received payments of €60.7 million ($65 million) as well as cost reimbursements to the single combined performance obligation of the Allogeneic ACT agreement. Based on the facts mentioned above the Group determined that the

combined performance obligation related to promised research and development services is satisfied over time and therefore revenue will be recognized over time as costs for the research and development services incurred using a cost-to-cost method.

At inception of the Allogeneic ACT agreement, €60.7 million were initially deferred on the Groups Consolidated Statement of Financial Position.

The Group recognized €4.9 million of revenue associated with the upfront payment for the year ended December 31, 2022. Total deferred revenue under the agreement was €56.2 million and €0.0 as of December 31, 2022 and 2021, respectively.

Amgen Collaboration Agreement

In December 2016, Immatics Biotechnologies GmbH entered into a research collaboration and license agreement with Amgen to develop next-generation, T cell engaging bispecific immunotherapies targeting multiple cancers. The Group received a non-refundable upfront payment of €28 million ($30 million) upon signing of the Amgen agreement. The Group classified the initial receipt of the upfront payment as deferred revenue, which recognizes into revenue as on a cost-to-cost basis using forecasted costs.

The collaboration with Amgen has been discontinued in October 2021. As a result, the Group will not receive any future milestone or royalty payments under the collaboration. The Group recognized the remaining deferred revenue balance of €10.2 million as of December 31, 2021, no further revenue will be recognized from the collaboration thereafter.

The Group recognized €10.2 million and €4.9 million of revenue associated with the upfront payment during the years ended December 31, 2021 and 2020, respectively. Total deferred revenue under the agreement was €0.0 million as of December 31, 2022 and 2021, respectively.

GSK

In December 2019, Immatics entered into a collaboration agreement with GSK to develop novel adoptive cell therapies targeting multiple cancer indications. The Group received a non-refundable upfront payment of €45 million for two initial programs upon signing of the GSK agreement. The Group classified the initial receipt of the upfront payment as deferred revenue, which recognizes into revenue as on a cost-to-cost basis using forecasted costs.

The collaboration with GSK has been discontinued in October 2022. As a result, the Group will not receive any future milestone or royalty payments under the collaboration. The Group recognized the remaining deferred revenue balance of €36.8 million as of December 31, 2022, no further revenue will be recognized from the collaboration thereafter.

The Group recognized €37.1 million, €4.5 million and €3.7 million of revenue associated with the upfront payment for the years ended December 31, 2022, 2021 and 2020, respectively. Total deferred revenue under the agreement was €0.0 million and €36.8 million as of December 31, 2022 and 2021, respectively.

Revenue from collaboration agreements were realized with the following partners:

	Year ended December 31,		
	2022	2021	2020
	(Euros in thousands)		
Revenue from collaboration agreements:			
Genmab, Denmark	9,617	6,929	11,204
BMS, United States	126,100	13,138	11,489
Amgen, United States	-	10,228	4,865
GSK, United Kingdom	37,114	4,468	3,695
Total	**172,831**	**34,763**	**31,253**

Deferred revenue related to the collaboration agreements consist of the following:

	As of	
	December 31, 2022	December 31, 2021
	(Euros in thousands)	
Current	64,957	50,402
Non-current	75,759	48,225
Total	**140,716**	**98,627**

Cost to obtain a contract

The Group incurred costs from a third party, who assists in identifying collaboration partners. The Group recognizes an asset to the extent these costs are incremental and directly related to a specific contract. The Group then amortizes the asset consistently with the pattern of revenue recognition for the related contracts. Total assets, net of amortization, for these capitalized costs of obtaining a contract were €0.5 million and €0.9 million as of December 31, 2022 and 2021, respectively, which are classified in other current assets and other non-current assets. The Group recognized expenses related to the amortization of capitalized cost of obtaining a contract of €0.4 million, €0.3 million and €0.3 million for the year ended December 31, 2022, 2021 and 2020, respectively.

As of December 31, 2022, the Group is potentially liable to pay €1.9 million ($2 million) to a third-party upon successful completing the milestone of the first clinical lead selection in connection with Immatics' collaboration agreements. The Group does not recognize a liability for these contingent payments due to the scientific uncertainty of achieving the related milestones.

14. Other current liabilities

Other current liabilities consist of the following:

	As of	
	December 31, 2022	December 31, 2021
	(Euros in thousands)	
Income tax liability	4,298	—
Payroll tax	3,426	1,760
Accrual for vacation	806	607
Accrued bonuses	680	—
Other liabilities	156	185
Total	**9,366**	**2,552**

Other current liabilities are non-interest-bearing and are due within one year. The carrying amounts of other current liabilities represents fair values due to their short-term nature.

15. Share listing expense and change in fair value of warrant liabilities

As described in Note 3, the ARYA Merger led to a share listing expense. Immatics issued shares with a fair value of €243.1 million to ARYA shareholders, comprised of the fair value of Immatics shares, that were issued to ARYA shareholders of €13.53 per share. In exchange, Immatics received the identifiable net assets held by ARYA, which had a fair value upon closing of €90.3 million, comprising of cash and cash equivalents held in ARYA's trust account partly offset by current liabilities by ARYA and financial liabilities in the amount of €34.4 million accounted for the 7,187,500 ARYA Warrants considering a fair value of the warrants of €4.82 per warrant (price of ARYA Warrants at Closing of the ARYA Merger).

The excess of the fair value of the equity instruments issued over the fair value of the identified net assets contributed, represents a non-cash expense in accordance with IFRS 2. This one-time expense as a result of the ARYA Merger, in the amount of €152.8 million, is recognized as share listing expense presented as part of the financial result within the Consolidated Statement of Profit/(Loss). Details of the calculation of the share listing expense are as follows:

(Euros in thousands, except share and per share data)

Description		Amount	Number of shares/warrants
(a) ARYA Ordinary Shares		—	17,968,750
(b) Closing price of ARYA Ordinary Shares on Nasdaq as of July 1, 2020	€	13.53	—
(c) Fair value of TopCo Shares issued to ARYA shareholders **(a * b)**	€	243,071	—
(d) Outstanding ARYA Warrants		—	7,187,500

Description		Amount	Number of shares/warrants
(e) Closing price of ARYA Warrants on Nasdaq as of July 1, 2020	€	4.82	—
(f) Fair value of outstanding ARYA Warrants (d * e)	€	34,644	—
(g) Cash and cash equivalents held in ARYA's trust account	€	128,849	
(h) Current liabilities by ARYA	€	3,921	
ARYA's identifiable net assets (g-f-h)	€	90,284	—
IFRS 2 expense on the closing date	**€**	**152,787**	**—**

Upon closing of the ARYA Merger, ARYA Warrants were converted into Immatics Warrants. The financial liabilities for the Immatics Warrants are accounted for at fair value through profit and loss.

The fair value of warrants decreased from €3.88 ($4.39) per warrant as of December 31, 2021 to €2.35 ($2.51) per warrant as of December 31, 2022. The result is a decrease in fair value of warrant liabilities of €10.9 million ($11.5 million) for the year ended December 31, 2022.

The fair value of warrants increased from €2.35 ($2.88) per warrant as of December 31, 2020 to €3.88 ($4.39) per warrant as of December 31, 2021. The result is an increase in fair value of warrant liabilities of €11.0 million ($13.0 million) for the year ended December 31, 2021.

The fair value of warrants decreased from €4.82 ($5.41) per share as of July 1, 2020 to €2.35 ($2.88) per share as of December 31, 2020. The result is a change in fair value of warrant liabilities of €17.8 million ($20.3 million) for the year ended December 31, 2020.

16. Other financial income and expenses

Other financial income and financial expenses consist of the following:

	Year ended December 31,		
	2022	2021	2020
	(Euros in thousands)		
Interest income	2,476	133	850
Foreign currency gains	6,940	5,542	—
Gains on other financial instruments	—	—	2,099
Other financial income	**9,416**	**5,675**	**2,949**
Interest expenses	(1,038)	(566)	(289)
Foreign currency losses	(6,500)	(276)	(9,774)
Losses on financial instruments	(741)	(884)	—
Other financial expenses	**(8,279)**	**(1,726)**	**(10,063)**

Interest income mainly results from short-term deposits as well as cash balances for the year ended December 31, 2022. Interest expenses mainly results from IFRS 16 and from negative interest rates.

Foreign currency gains and losses mainly consist of realized and unrealized gains and losses in connection with our USD holdings of cash and cash equivalents, short-term deposits as well as bonds.

Losses on financial instruments includes expected credit losses on cash and cash equivalents and Other financial assets for the year ended December 31, 2022 and losses from foreign currency forward contracts for the year ended December 31, 2021.

Gains on other financial instruments includes an unrealized gain of €0.9 million and a realized gain of €1.2 million from foreign currency forward contracts for the year ended December 31, 2020.

17. Share-based payments

Immatics Biotechnologies GmbH previously issued share-based awards to employees under two different plans. Under the Immatics Biotechnologies GmbH Stock Appreciation Program 2010 (the "2010 Plan"), the Company issued stock appreciation rights ("SARs"), which the Group accounted for as cash-settled awards. Under the Immatics Biotechnologies 2016 Equity Incentive Plan ("2016 Plan"), the Company issued tandem awards, which allowed employees to exercise their awards as either a SAR or a stock option. In 2020, prior to the ARYA Merger, Immatics N.V. established the new equity incentive plan ("2020 Equity Plan"). As part of the ARYA Merger, the 2010 Plan and the 2016 Plan were converted and were superseded by the 2020 Equity Plan as described below. At the Annual General Meeting on June 13, 2022, Immatics shareholders approved the Company's 2022 stock option and incentive plan ("2022 Equity Plan"). The 2022 Equity Plan allows the company to grant additional options.

Conversion of 2010 Plan and 2016 Plan in connection with ARYA Merger

As part of the ARYA Merger, all outstanding awards under the 2010 Plan and 2016 Plan were replaced by a combination of cash payments and share-based awards under the 2020 Equity Plan in Immatics N.V.

Cash Payments

In accordance with the employee award agreements, holders of vested awards under the 2010 Plan and 2016 Plan (including any awards scheduled to vest prior to 2021), agreed to receive a cash payment of $10.00 per award, less the applicable exercise price ("Award Cash Proceeds"). Per the terms of the employee award agreements, active

employees were required to re-invest 25%-50% of the Award Cash Proceeds, net of taxes, with management members required to re-invest 50%. In total, employees elected to receive €8.9 million in net Award Cash Proceeds before taxes, which were paid during the third quarter in 2020. These proceeds mainly covered wage tax obligations by the employees.

These cash payments represent a modification of awards previously issued under the 2010 Plan and 2016 Plan. The Group recognized €2.6 million in operating expenses related to the modification of awards issued under the 2010 Plan and previously accounted for as a liability. The Group also recognized €4.3 million as a reduction in share premium, associated with the modification from previously equity-settled tandem awards, which were settled in cash as part of the modification.

Share-based Awards

The share-based awards, that were received by employees as part of the conversion, consisted of Re-investment Shares, Matching Stock Options and Converted Stock Options as described below.

In accordance with the employee re-investment elections, employees received 733,598 shares in Immatics N.V. ("Re-investment Shares"), which had a fair value of €8.5 million based on the ARYA share price of $15.15, as of the merger on July 1, 2020. The Re-investment Shares issued represented a modification of awards previously granted under the 2010 Plan and the 2016 Plan. This modification resulted in additional operating expenses of €4.1 million. For each ordinary Re-investment Share received, active employees and management members also received two stock options ("Matching Stock Options") to acquire shares in Immatics N.V. The Matching Stock Options have an exercise price of $10.00 and vested in full on July 31, 2021. The award recipient must remain employed by Immatics or one of its affiliates through the vesting date, to receive the option. The awards have a ten-year contract life.

The Matching Stock Options award agreements had a service commencement date in June 2020. However, the grant date criteria for these awards, as specified in IFRS 2 and the underlying award agreements, were not met until July 1, 2020. Based on the July 1, 2020 grant date the Group assigned a fair value of $10.59. Immatics applied a Black Scholes pricing model to estimate the fair value of the Matching Stock Options, which the Group records as an expense over the four-year graded vesting period.

	As of June 30, 2020
Exercise price in USD	$ 10.00
Underlying share price in USD	$ 15.15
Volatility	75%
Time period (years)	5.5
Risk free rate	0.29%
Dividend yield	0.00%

Matching Stock Options outstanding as of December 31, 2022:

	2022	
	Weighted average exercise price in USD	Number
Matching Stock Options outstanding on January 1,	10.00	1,406,468
Matching Stock Options forfeited	—	—
Matching Stock Options exercised	10.00	11,910
Matching Stock Options expired	10.00	46,554
Matching Stock Options outstanding on December 31,	10.00	1,348,004

	2022	
	Weighted average exercise price in USD	Number
Matching Stock Options exercisable on December 31,.....	10.00	1,348,004
Weighted average remaining contract life (years).....	7.50	

Matching Stock Options outstanding as of December 31, 2021:

	2021	
	Weighted average exercise price in USD	Number
Matching Stock Options outstanding on January 1,.....	10.00	1,422,556
Matching Stock Options forfeited.....	10.00	9,254
Matching Stock Options exercised.....	10.00	6,834
Matching Stock Options expired.....	—	—
Matching Stock Options outstanding on December 31,.....	10.00	1,406,468
Matching Stock Options exercisable on December 31,.....	10.00	1,413,302
Weighted average remaining contract life (years).....	8.50	

Matching Stock Options outstanding as of December 31, 2020:

	2020	
	Weighted average exercise price in USD	Number
Matching Stock Options outstanding on January 1,.....	—	—
Matching Stock Options granted in June	10.00	1,430,818
Matching Stock Options forfeited.....	10.00	8,262
Matching Stock Options exercised.....	—	—
Matching Stock Options expired.....	—	—
Matching Stock Options outstanding on December 31,.....	10.00	1,422,556
Matching Stock Options exercisable on December 31,.....	—	—
Weighted average remaining contract life (years).....	9.50	
Weighted average fair value of options granted in USD for June	10.59	

For any outstanding 2016 Plan and 2010 Plan awards scheduled to vest on or after January 1, 2021, employees received replacement stock options ("Converted Options") to acquire shares in Immatics N.V. The Converted Options have comparable terms as the previous awards, with revised exercise prices reflecting the reorganized capital structure of Immatics. The options granted under the 2020 Equity Plan that gives employees the right to acquire shares in Immatics N.V., are accounted for as a modification under IFRS 2, with the incremental fair value expensed over the remaining vesting period. The incremental fair value is the difference between the fair value of the options to purchase ordinary shares under the 2020 Equity Plan to acquire shares in Immatics N.V., and the fair value of the exchanged unvested SAR (both measured at the date on which the replacement award is issued).

Based on the terms of the Converted Options award agreements, the awards had a service commencement date in June 2020. However, the grant date criteria for these awards, as specified in IFRS 2 and the underlying award agreements, were not met until July 1, 2020. Based on the July 1, 2020 grant date the Group assigned an average fair value of $13.79. The incremental average fair value of the Converted Options compared to the share-based awards

under the 2010 Plan and 2016 Plan was $4.83. Immatics applied a Black Scholes pricing model to estimate the fair value of the Converted Options.

	As of June 30, 2020
Average exercise price in USD	$ 2.47
Underlying share price in USD	$ 15.15
Volatility	75%
Time period (years)	5.6
Risk free rate	0.29%
Dividend yield	0.00%

Converted Options outstanding as of December 31, 2022:

	2022	
	Weighted average exercise price in USD	Number
Converted Options outstanding on January 1,	2.64	566,311
Converted Options forfeited	1.36	12,328
Converted Options exercised	1.24	20,337
Converted Options expired	1.35	8,465
Converted Options outstanding on December 31,	2.74	525,181
Converted Options exercisable on December 31,	2.75	392,258
Weighted average remaining contract life (years)	5.01	

Converted Options outstanding as of December 31, 2021:

	2021	
	Weighted average exercise price in USD	Number
Converted Options outstanding on January 1,	2.58	594,844
Converted Options forfeited	1.30	18,548
Converted Options exercised	1.29	8,180
Converted Options expired	1.29	1,805
Converted Options outstanding on December 31,	2.64	566,311
Converted Options exercisable on December 31,	2.61	193,727
Weighted average remaining contract life (years)	6.01	

Converted Options outstanding as of December 31, 2020:

	2020	
	Weighted average exercise price in USD	Number
Converted Options outstanding on January 1,.....	—	—
Converted Options granted in June	2.49	632,384
Converted Options forfeited.....	1.08	37,540
Converted Options exercised	—	—
Converted Options expired.....	—	—
Converted Options outstanding on December 31,.....	2.58	594,844
Converted Options exercisable on December 31, ...	2.45	53,856
Weighted average remaining contract life (years).....	7.01	
Weighted average fair value of options granted in USD for June	4.83	

Additional grants under the 2020 and 2022 Equity Plan

Service Options

Prior to the ARYA Merger, Immatics N.V. established the 2020 Equity Plan. After closing the ARYA Merger, employees, directors and officers received 1,087,242 employee stock options under the 2020 Equity Plan with a service requirement ("Service Options"), to acquire shares of Immatics N.V. The service-based options will vest solely on a four-year time-based vesting schedule.

At the Annual General Meeting on June 13, 2022, Immatics shareholders approved the Company's 2022 stock option and incentive plan ("2022 Equity Plan"). The 2022 Equity Plan allows the company to grant additional options.

The Company granted Service Options, which were accounted for using the respective grant date fair value. Immatics applied a Black Scholes pricing model to estimate the fair value of the Service Options, with a weighted average fair value of $6.93, $11.22 and $9.35 for Service Option granted during the year ended December 31, 2022, 2021 and 2020, respectively.

	As of December 31, 2022	As of December 31, 2021	As of December 31, 2020
Exercise price in USD	$ 9.39	$ 11.22	$ 9.87
Underlying share price in USD.....	$ 9.39	$ 11.22	$ 12.70
Volatility.....	85.44%	82.18%	78.83%
Time period (years).....	6.07	6.11	6.56
Risk free rate.....	3.48%	1.27%	0.37%
Dividend yield	0.00%	0.00%	0.00%

Service Options outstanding as of December 31, 2022:

	2022	
	Weighted average exercise price in USD	Number
Service Options outstanding on January 1,	10.57	3,725,619
Service Options granted in 2022	9.39	2,619,720
Service Options forfeited	10.63	182,832
Service Options exercised	10.40	16,312
Service Options expired	10.22	17,035
Service Options outstanding on December 31,	10.07	6,129,160
Service Options exercisable on December 31,	10.33	1,438,413
Weighted average remaining contract life (years)	8.87	

Service Options outstanding as of December 31, 2021:

	2021	
	Weighted average exercise price in USD	Number
Service Options outstanding on January 1,	9.87	1,910,182
Service Options granted in 2021	11.22	1,967,708
Service Options forfeited	10.01	149,178
Service Options exercised	10.00	3,093
Service Options expired	—	—
Service Options outstanding on December 31,	10.57	3,725,619
Service Options exercisable on December 31,	9.86	557,401
Weighted average remaining contract life (years)	9.36	

Service Options outstanding as of December 31, 2020:

	2020	
	Weighted average exercise price in USD	Number
Service Options outstanding on January 1,	—	—
Service Options granted in 2020	9.87	1,963,566
Service Options forfeited	10.00	53,384
Service Options exercised	—	—
Service Options expired	—	—
Service Options outstanding on December 31,	9.87	1,910,182
Service Options exercisable on December 31,	—	—
Weighted average remaining contract life (years)	9.72	

Performance-Based Options ("PSUs")

In addition, after the closing of the ARYA Merger certain executive officers and key personnel of the Group received under the 2020 Equity Plan PSUs, vesting based both on achievement of market capitalization milestones and satisfaction of a four-year time-based vesting schedule. The PSUs are split into three equal tranches. The performance criteria for each of the three respective tranches requires Immatics to achieve a market capitalization of at least $1.5 billion, $2 billion and $3 billion, respectively.

The Company granted PSUs on September 28, 2021 which were accounted for by considering a fair value of $8.00. A Monte-Carlo simulation model has been used to measure the fair value at grant date of the PSUs. This model incorporates the impact of the performance criteria regarding market capitalization described above in the calculation of the award's fair value at grant date. In addition to the probability of achieving the market capitalization performance criteria, the inputs used in the measurements of the fair value at grant date of the PSUs were as follows:

	As of September 28, 2021
Exercise price in USD	$ 12.92
Underlying share price in USD	$ 12.92
Volatility	77.16%
Time period (years)	3.75
Risk free rate	1.49%
Dividend yield	0.00%

The Company granted 3,644,000 PSUs on June 30, 2020, which were accounted for by considering a fair value of $11.10 and granted 255,000 PSUs on September 14, 2020, which were accounted for by considering a fair value of $6.41. A Monte-Carlo simulation model has been used to measure each fair value at grant date of the PSUs.

The model incorporates the impact of the performance criteria regarding market capitalization described above in the calculation of the award's fair value at grant date. In addition to the probability of achieving the market capitalization performance criteria, the inputs used in the measurements of the fair value at grant date of the PSUs were as follows:

	As of December 31, 2020
Exercise price in USD	$ 10.00
Underlying share price in USD	$ 14.76
Volatility	78.93%
Time period (years)	6.98
Risk free rate	0.66%
Dividend yield	0.00%

PSUs outstanding as of December 31, 2022:

	2022	
	Weighted average exercise price in USD	Number
PSUs outstanding on January 1,	10.08	3,696,000
PSUs granted	—	—
PSUs forfeited	10.00	30,000
PSUs outstanding on December 31,	10.08	3,666,000
PSUs exercisable on December 31,	—	—
Weighted average remaining contract life (years)	7.98	

PSUs outstanding as of December 31, 2021:

	2021	
	Weighted average exercise price in USD	Number
PSUs outstanding on January 1,	10.00	3,644,000
PSUs granted in 2021	12.92	100,000
PSUs forfeited	10.00	48,000
PSUs outstanding on December 31,	10.08	3,696,000
PSUs exercisable on December 31,	—	—
Weighted average remaining contract life (years)	8.98	

PSUs outstanding as of December 31, 2020:

	2020	
	Weighted average exercise price in USD	Number
PSUs outstanding on January 1,	—	—
PSUs granted in 2020	10.00	3,899,000
PSUs forfeited	10.00	255,000
PSUs outstanding on December 31,	10.00	3,644,000
PSUs exercisable on December 31,	—	—
Weighted average remaining contract life (years)	9.60	

The Group recognized total employee-related share-based compensation expenses from all plans for the years ended December 31, 2022, 2021 and 2020 as set out below:

	Year ended December 31,		
	2022	2021	2020
	(Euros in thousands)		
Research and development expenses	(12,925)	(15,564)	(14,546)
General and administrative expenses	(9,645)	(10,839)	(10,973)
Total share-based compensation	**(22,570)**	**(26,403)**	**(25,519)**

18. Shareholders' equity (deficit)

As described in Note 1 and Note 3, Immatics N.V. was founded in 2020 with a share capital of €0.01 after the Reorganization. On July 1, 2020, upon closing of the ARYA Merger, Immatics N.V. had 62,908,617 outstanding ordinary shares with a par value of €0.01, resulting in a share capital of €629 thousand. In 2020, the ARYA Merger and PIPE Financing led to an increase in share premium by €327.8 million.

The Group issued in 2022, 2.8 million shares under the ATM agreement with SVB Securities LLC and collected a gross amount of €20.8 million less transaction costs of €0.6 million, resulting in an increase in share capital of €28 thousand and share premium of €20.2 million. On October 12, 2022, the Group closed a registered direct offering, of 10,905,000 ordinary shares with a public offering price of $10.09 per ordinary share and received a gross amount of €113.4 million less transaction costs of €7.3 million, resulting in an increase in share capital of €109 thousand and share premium of €106.2 million. In addition, the Group issued shares from exercises of stock options by employees.

As of December 31, 2022 and 2021, the total number of ordinary shares of Immatics N.V. outstanding is 76,670,699 and 62,926,816 with a par value of €0.01, respectively.

Other reserves are related to accumulated foreign currency translation amounts associated with the Group's US operations.

19. Non-controlling interest

Non-controlling interest related to those shares in Immatics US Inc. which have been provided to The University of Texas M.D. Anderson Cancer Center, Houston/Texas/USA, ("MD Anderson") based on the restricted stock acquisition agreement described below.

Until June 30, 2020, Immatics and MD Anderson were partners in a Restricted Stock Acquisition Agreement (the "RSAA"). Under the terms of the RSAA, MD Anderson was entitled to additional restricted shares in Immatics US, Inc. based on performance of certain work orders between August 14, 2018 and August 14, 2020. MD Anderson performed services in connection with our clinical trials in our ACT platform. The RSAA was cancelled as part of the ARYA Merger (See Note 3).

On July 1, 2020 MD Anderson exchanged all of its 379,420 shares in Immatics US, Inc., that they acquired under the RSAA for 697,431 shares in Immatics N.V. The shares of Immatics N.V. had a fair value at the date of the exchange of $15.15 per share. Immediately prior to the exchange, the carrying amount of the existing 5.14% non-controlling interest in Immatics US Inc. was €0.5 million. The exchange resulted in a decrease of non-controlling interest of €0.5 million and a corresponding increase of share capital and net increase to share premium for the issuance of shares and derecognition of the non-controlling interest. The RSAA was also cancelled as of July 1, 2020. Any future services rendered by MD Anderson will be paid in cash.

The loss allocated to the non-controlling interest amounted to €0.6 million in 2020. In total, the Group recognized expenses in relation to MD Anderson's performance under the RSAA of €0.04 million for the year ended December 31, 2020.

20. Personnel expenses

Personnel expenses consist of the following:

	Year ended December 31,		
	2022	2021	2020
	(Euros in thousands)		
Wages and salaries			
Research and development expenses	(33,694)	(21,993)	(15,277)
General and administrative expenses	(9,230)	(7,105)	(6,968)
Total Wages and salaries	**(42,924)**	**(29,098)**	**(22,245)**
Other employee benefits			
Research and development expenses	(5,662)	(3,550)	(2,624)
General and administrative expenses	(2,049)	(1,536)	(1,015)
Total other employee benefits	**(7,711)**	**(5,086)**	**(3,639)**
Share-based compensation expenses			
Research and development expenses	(12,925)	(15,564)	(14,546)
General and administrative expenses	(9,645)	(10,839)	(10,973)
Total share-based compensation expenses	**(22,570)**	**(26,403)**	**(25,519)**
Total	**(73,205)**	**(60,587)**	**(51,403)**

Other employee benefit expenses include employee retirement fund contributions, health insurance, and statutory social expenses. Immatics US Inc. sponsors a defined contribution retirement plan for employees in the United States. During 2022, 2021 and 2020, total Group contributions to the defined contribution plan amounted to €0.9 million, €0.2 million and €0.2 million, respectively.

For the year ended December 31, 2022, 2021 and 2020, other employee benefits also include employee health insurance costs amounting to €0.8 million, €0.6 million and €0.4 million for Immatics US Inc., statutory social expenses amounting to €3.2 million, €2.4 million and €1.7 million for our German operations and other miscellaneous expenses amounting to €0.1 million, €0.1 million and €0.1 million, respectively.

21. Income Tax

During the year ended December 31, 2022, the Group generated a net income due to the recognition of revenue in connection with the license component of the BMS IMA401 Collaboration agreement. This one-time revenue is not accounted for under German GAAP and consequently under German tax accounting. Instead, the Group recognizes revenue for the BMS agreement over the period of the clinical trial service. The deferred tax liability arising from the temporary difference related to delayed revenue recognition under German tax accounting is offset by deferred tax assets on tax losses carried forward that were previously not capitalized due to the Groups expectation of generating taxable losses in the foreseeable future.

The Group's German operations were subject to a statutory tax rate of 30.4% during 2022 and of 29.1% during 2021 and 2020. The Group's German statutory tax rate increased by 1.3% in comparison to the previous period due to increased trade tax rates. In the U.S., the Group was subject to a corporate income tax rate of 21% for the year ended December 31, 2022, 2021 and 2020.

For Immatics Biotechnologies GmbH, the Group recognized a current income tax expense of €4.5 million for the year ended December 31, 2022. The current income tax expense is calculated based on taxable income of Immatics Biotechnologies GmbH for the year ended December 31, 2022. Since no deferred tax assets have been recognized as of December 31, 2021, the Group took into account the tax losses carried forward that can be used to offset the

taxable income generated in the year ended December 31, 2022. In accordance with §10d para 2 EStG (German income tax code), 60% of an income of a given year can be offset with tax losses carried forward. Accordingly, 40% of the income before tax of Immatics Biotechnologies GmbH are subject to income tax.

As the profit is considered a one-time profit, no deferred tax assets exceeding the deferred tax liability on temporary differences have been recognized in respect of tax losses carried forward. The current assessment regarding the usability of deferred tax assets may change, depending on the Group's taxable income in future years, which could result in the recognition of deferred tax assets. The Group continued to generate losses for all other entities within the Group during the year ended December 31, 2022, as well as for all entities during the year ended December 31, 2021 and 2020.

Due to the ARYA Merger described in Note 3, there are certain limitations on tax losses carried forward for net operating losses incurred by Immatics US, Inc., under Section 382 of the U.S. Internal Revenue Code.

A reconciliation between taxes on income reflected on the Consolidated Statement of Profit/(Loss) and the expected income tax benefit, based on the Group's German statutory tax rate, for the years ended December 31, 2022, 2021 and 2020 is as follows:

	Year ended December 31,		
	2022	2021	2020
		(Euros in thousands)	
Profit/(loss) before taxes	42,036	(93,335)	(211,841)
Expected taxes on income	(12,774)	27,160	61,646
Effects			
Difference in tax rates	(4,868)	(3,274)	(2,582)
Non-deductible tax-expenses	—	(53)	(599)
Government grants exempted from taxes	—	—	45
Permanent Differences	(1,123)	(10,881)	(39,288)
Utilization of previously unrecorded tax losses carried forward	7,067	—	—
Non-recognition of deferred taxes on tax losses and temporary differences	7,176	(12,953)	(19,222)
Taxes on income	**(4,522)**	**—**	**—**

For the year ended December 31, 2022, permanent differences relate to share-based compensation expenses, to transaction costs directly attributable and incremental to capital raises and to the change in fair value of the financial liabilities for the warrants. For the year ended December 31, 2021, permanent differences relate to share-based compensation expenses and to the change in fair value of the financial liabilities for the warrants.

For the year ended December 31, 2020, the main permanent difference relates to the share listing expense of €153 million, which does not have a corresponding taxable expense. Other permanent differences include transaction costs directly attributable and incremental to capital raises, expenses for equity-settled share-based compensation, as well as the change in fair value of the financial liabilities for the warrants.

Deferred tax assets and deferred tax liabilities consist of the following:

	As of			
	December 31, 2022		December 31, 2021	
	(Euros in thousands)			
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Intangible assets	10,328	—	1,288	—
Right-of-use assets	—	(3,239)	—	(2,629)
Deferred revenue	—	(23,133)	—	—
Other assets	1,964	(947)	—	—
Lease liabilities	3,560	—	2,627	—
Deferred expenses	—	—	12	—
Recognition of tax losses carried forward	11,467	—	—	—
Recognized	**27,319**	**(27,319)**	**3,927**	**(2,629)**
Netting	(27,319)	27,319	(2,629)	2,629
Non-recognition of deferred tax assets on temporary differences	—	—	(1,298)	—
Net deferred tax assets/liabilities	**—**	**—**	**—**	**—**

For the years ended December 31, 2022, and 2021, the Group had accumulated tax losses of €357.2 million and €353.1 million, respectively, that may be offset against future taxable profits of the Group subject to certain limitations. For €319.4 million and €353.1 million of the accumulated tax losses no deferred tax asset has been recognised in the financial statements. For the year ended December 31, 2022, €26 million of total tax losses is subject to a twenty-year carry forward period. All other tax losses have an indefinite carry forward period.

Limitation on tax loss carry forwards in the US Inc. is 80.00% of each subsequent year`s net income starting with losses generated after January 1, 2018. These have an indefinite carry forward period, but no carry back option. Any losses generated prior to January 1, 2018 still can be utilized at 100.00% and are subject to a twenty-year carry forward expiration period. Due to the ARYA Merger described in Note 3, there are certain limitations on tax losses carried forward for net operating losses incurred by Immatics US, Inc., under Section 382 of the U.S. Internal Revenue Code. For Immatics Biotechnologies GmbH, we believe that the ARYA Merger did not lead to a forfeiture of tax losses carried forward in accordance with § 8c KStG.

22. Financial Risk Management Objectives and Policies

The Group’s principal financial instruments comprise cash and cash equivalents, short-term deposits, accounts receivables and bonds. The main purpose of these financial instruments is to invest the proceeds of capital contributions and upfront payments from collaboration agreements. The Group has various other financial instruments such as other receivables and trade accounts payables, which arise directly from its operations.

The main risks arising from the Group’s financial instruments are market risk and liquidity risk. The Board of Management reviews and agrees on policies for managing these risks as summarized below. The Group also monitors the market price risk arising from all financial instruments.

Interest rate risk

The exposure of the Group to changes in interest rates relates to investments in deposits, bonds 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.

Regarding the liabilities shown in the Consolidated Statement of Financial Position, the Group is currently not subject to interest rate risks.

Credit risk

Financial instruments that potentially subject the Group to concentrations of credit and liquidity risk consist primarily of cash and cash equivalents, accounts receivables, short-term deposits and bonds. The Group's cash and cash equivalents, bonds and short-term deposits are denominated in Euros and US Dollars and maintained with three high-quality financial institutions in Germany and two in the United States. The Group's accounts receivables are denominated in Euros.

The maximum default risk is €363 million and €146 million as of December 31, 2022 and 2021, respectively. These amounts consist of €149 million and €133 million cash and cash equivalents, €1.0 million and €0.7 million accounts receivables as well as €213 million and €12 million Other financial assets as of December 31, 2022 and 2021, respectively.

The cash and cash equivalents are held with banks, which are rated BBB+ to Aa3 by S&P and Moody`s. Short-term deposits are with banks, which are rated Aa3 and A1 by the rating agency Moody`s. Bond investments are with banks, which are rated AAA and AA by Moody`s. The Group continually monitors its positions with, and the credit quality of, the financial institutions and corporation, which are counterparts to its financial instruments and does not anticipate non-performance. The Group monitors the risk of a liquidity shortage. The main factors considered here are the maturities of financial assets as well as expected cash flows from equity measures**.**

Currency risk

Currency risk shows the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. In particular it poses a threat if the value of the currency in which liabilities are priced appreciates relative to the currency of the assets. The business transactions of the Group are generally conducted in Euros and U.S. dollars. The Group aims to match EUR cash inflows with EUR cash outflows and U.S. dollar cash inflows with U.S. Dollar cash outflows where possible. The objective of currency risk management is to identify, manage and control currency risk exposures within acceptable parameters.

The Group's cash and cash equivalents were €148.5 million as of December 31, 2022. Approximately 87% of the Group's cash and cash equivalents were held in Germany, of which approximately 49% were denominated in Euros and 51% were denominated in U.S. Dollars. The remainder of the Group's cash and cash equivalents were held in the United States and denominated in U.S. Dollars. Additionally, the Group held bonds and short-term deposits classified as Other financial assets denominated in Euros in the amount of €123.3 million and U.S. Dollars in the amount of €87.0 million as of December 31, 2022.
The Group recognized significant foreign exchange income and losses in 2022, as Immatics N.V.`s and Immatics GmbH´s functional currency is Euro, due to significant holdings of U.S. dollar amounts. The Group recognized significant foreign exchange income in 2021 and in 2020 significant foreign exchange losses. Cash and cash

equivalents and Other financial assets balances denominated in U.S. dollars held by entities with functional currency of EUR are as follows:

Cash, cash equivalents and financial assets Immatics N.V. held in USD

	As of	
	December 31, 2022	December 31, 2021
	(Euros in thousands)	
Cash and cash equivalents	31,350	10,410
Financial assets	51,438	—
Total assets exposed to the risk	**82,788**	**10,410**

Conversion rate EUR/USD as of December 31, 2022: 1/1.06660

Cash, cash equivalents and financial assets Immatics GmbH held in USD

	As of	
	December 31, 2022	December 31, 2021
	(Euros in thousands)	
Cash and cash equivalents	34,225	11,787
Financial assets	37,363	—
Total assets exposed to the risk	**71,588**	**11,787**

Conversion rate EUR/USD as of December 31, 2022: 1/1.06660

In 2022, if the euro had weakened/strengthened by 10% against U.S. dollars by considering that all other variables held constant, the Group`s profit would have been €14 million lower/€17 million higher, resulting from foreign exchange on translation of U.S. dollar assets of Immatics N.V. and Immatics GmbH.

Sensitivity analysis Immatics N.V. as of December 31, 2022:

	Conversion rate	Profit/(loss)	Carrying amount
	(Euros in thousands, except for conversion rate)		
Euro weakens by 1% against U.S. dollars	1.0773	(820)	81,968
Euro strengths by 1% against U.S. dollars	1.0559	836	83,624
Euro weakens by 5% against U.S. dollars	1.1199	(3,942)	78,845
Euro strengths by 5% against U.S. dollars	1.0133	4,357	87,145
Euro weakens by 10% against U.S. dollars	1.1733	(7,526)	75,261
Euro strengths by 10% against U.S. dollars	0.9599	9,199	91,986

Sensitivity analysis Immatics GmbH as of December 31, 2022:

	Conversion rate	Profit/(loss)	Carrying amount
	(Euros in thousands, except for conversion rate)		
Euro weakens by 1% against U.S. dollars	1.0773	(709)	71,055
Euro strengths by 1% against U.S. dollars	1.0559	723	72,491
Euro weakens by 5% against U.S. dollars	1.1199	(3,409)	68,349
Euro strengths by 5% against U.S. dollars	1.0133	3,768	75,543
Euro weakens by 10% against U.S. dollars	1.1733	(6,508)	65,242
Euro strengths by 10% against U.S. dollars	0.9599	7,954	79,740

In 2021, if the euro had weakened/strengthened by 10% against U.S. dollars by considering that all other variables held constant, the Group`s loss would have been €2 million higher/€2.5 million lower, resulting from foreign exchange on translation of U.S. dollar assets of Immatics N.V. and Immatics GmbH.

Sensitivity analysis Immatics N.V. as of December 31, 2021:

	Conversion rate	Profit/(loss)	Carrying amount
	(Euros in thousands, except for conversion rate)		
Euro weakens by 1% against U.S. dollars	1.1439	(103)	10,307
Euro strengths by 1% against U.S. dollars	1.1213	105	10,516
Euro weakens by 5% against U.S. dollars	1.1892	(496)	9,915
Euro strengths by 5% against U.S. dollars	1.0760	548	10,958
Euro weakens by 10% against U.S. dollars	1.2459	(946)	9,464
Euro strengths by 10% against U.S. dollars	1.0193	1,157	11,567

Sensitivity analysis Immatics GmbH as of December 31, 2021:

	Conversion rate	Profit/(loss)	Carrying amount
	(Euros in thousands, except for conversion rate)		
Euro weakens by 1% against U.S. dollars	1.1439	(117)	11,670
Euro strengths by 1% against U.S. dollars	1.1213	119	11,906
Euro weakens by 5% against U.S. dollars	1.1892	(561)	11,225
Euro strengths by 5% against U.S. dollars	1.0760	620	12,407
Euro weakens by 10% against U.S. dollars	1.2459	(1,072)	10,715
Euro strengths by 10% against U.S. dollars	1.0193	1,310	13,096

The wholly-owned subsidiary Immatics US, Inc. is located in the United States and has US Dollars as its functional currency. Therefore, the Group is subject to currency fluctuations that would affect the other comprehensive income and equity of the Group.

Sensitivity analysis Immatics US Inc. as of December 31, 2022:

	Conversion rate	OCI	Carrying amount
	(Euros in thousands, except for conversion rate)		
Euro weakens by 1% against U.S. dollars	1.0773	189	(18,873)
Euro strengths by 1% against U.S. dollars	1.0559	(193)	(19,255)
Euro weakens by 5% against U.S. dollars	1.1199	908	(18,154)
Euro strengths by 5% against U.S. dollars	1.0133	(1,003)	(20,065)
Euro weakens by 10% against U.S. dollars	1.1733	1,733	(17,329)
Euro strengths by 10% against U.S. dollars	0.9599	(2,118)	(21,180)

Sensitivity analysis Immatics US Inc. as of December 31, 2021:

	Conversion rate	OCI	Carrying amount
	(Euros in thousands, except for conversion rate)		
Euro weakens by 1% against U.S. dollars	1.1439	(290)	28,961
Euro strengths by 1% against U.S. dollars	1.1213	295	29,547
Euro weakens by 5% against U.S. dollars	1.1892	(1,393)	27,858
Euro strengths by 5% against U.S. dollars	1.0760	1,540	30,791
Euro weakens by 10% against U.S. dollars	1.2459	(2,659)	26,592
Euro strengths by 10% against U.S. dollars	1.0193	3,250	32,501

Liquidity risk

The Group continuously monitors its risk to a shortage of funds. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of capital raises.

As of December 31, 2022, and 2021, the Group held the following funds which are expected to generate cash inflows in time, to counteract liquidity risk.

	As of	
	December 31, 2022	December 31, 2021
	(Euros in thousands)	
Cash and cash equivalents	148,519	132,994
Bonds	58,756	12,123
Short-term deposits	154,930	—
Total funds available	**362,205**	**145,117**

Market risk and currency risk of warrants

The Group's activities expose it to the financial risks of changes in price of the warrants. As the warrants are recognized at fair value through profit and loss on the consolidated statement of financial position of the Group, the

Group's exposure to market risks results from the volatility of the warrants price. The Warrants are publicly traded at the Nasdaq Stock Exchange. A reasonable increase (decrease) in the warrant price by 10%, with all other variables held constant, would lead to a (loss) gain before tax of €1.7 million with a corresponding effect in the equity as of December 31, 2022. A reasonable increase (decrease) in the warrant price by 10%, with all other variables held constant, would lead to a (loss) gain before tax of €2.8 million with a corresponding effect in the equity as of December 31, 2021.

Currency risk shows the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The warrants are traded in U.S. Dollar while the functional currency of Immatics N.V. is Euro. A reasonably increase (decrease) in the U.S. Dollar / Euro exchange rate by 10%, with all other variables held constant, would lead to a gain (loss) before tax of €1.5 million / (€1.9 million) with a corresponding effect in the equity as of December 31, 2022. A reasonably increase (decrease) in the U.S. Dollar / Euro exchange rate by 10%, with all other variables held constant, would lead to a gain (loss) before tax of €2.5 million / (€3.1 million) with a corresponding effect in the equity as of December 31, 2021.

The risks associated with our warrants result in non-cash, non-operating financial statement effects and have no impact on the Company's cash position, operating expenses or cash flows.

Capital management

The Group's capital management objectives are designed primarily to finance our growth strategy.

The Group reviews the total amount of cash on a regular basis. As part of this review, the Group considers the total cash and cash equivalents, the cash outflow, currency translation differences and refinancing activities. The Group monitors cash using a burn rate. The cash burn rate is defined as the average monthly net cash flow from operating and investing activities during a financial year. In general, the aim is to maximize the financial resources available for further research and development projects. The Group is not subject to externally imposed capital requirements. The Group's capital management objectives were achieved in the reporting year.

23. Financial Instruments

Set out below are the carrying amounts and fair values of the Group's financial instruments that are carried in the consolidated financial statements as of December 31, 2022 and 2021, respectively.

	Carrying amount per measurement category				
	Financial assets		Financial liabilities		
Euros in thousands	At fair value through profit and loss	At amortized cost	At fair value through profit and loss	At amortized cost	31.12.2022
Current/non-current assets					
Cash and cash equivalents	—	148,519	—	—	**148,519**
Short-term deposits*	—	154,930	—	—	**154,930**
Bonds*	—	58,756	—	—	**58,756**
Accounts receivables	—	1,111	—	—	**1,111**
Other current/non-current assets	—	2,402	—	—	**2,402**

Current/non-current liabilities					
Accounts payable	—	—	—	11,735	**11,735**
Other current liabilities	—	—	—	54	**54**
Liabilities for warrants	—	—	16,914	—	**16,914**
Lease liabilities	—	—	—	14,563	**14,563**
Total	—	**365,718**	**16,914**	**26,352**	**408,984**

	Carrying amount per measurement category				
	Financial assets		**Financial liabilities**		
Euros in thousands	**At fair value through profit and loss**	**At amortized cost**	**At fair value through profit and loss**	**At amortized cost**	**31.12.2021**
Current/non-current assets					
Cash and cash equivalents	—	132,994	—	—	**132,994**
Short-term deposits*	—	—	—	—	**—**
Bonds*	—	12,123	—	—	**12,123**
Accounts receivables	—	682	—	—	**682**
Other current/non-current assets	—	691	—	—	**691**
Current/non-current liabilities					
Accounts payable	—	—	—	11,624	**11,624**
Other current liabilities	—	—	—	727	**727**
Liabilities for warrants	—	—	27,859	—	**27,859**
Lease liabilities	—	—	—	9,853	**9,853**
Total	—	**146,490**	**27,859**	**22,204**	**196,553**

* "Short-term deposits" and "Bonds" are classified within Other financial assets

In all valuation categories with the exception of Bonds, the carrying amount represents a reasonable approximation of the fair value based on the short-term maturities of these instruments. Set out below are the carrying amounts and fair values of the Group's Bonds as of December 31, 2022 and 2021, respectively. The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

	As of			
	December 31, 2022		**December 31, 2021**	
Euros in thousands	**Carrying amount**	**Fair value**	**Carrying amount**	**Fair value**
Bonds	58,756	58,300	12,123	12,113
Total	**58,756**	**58,300**	**12,123**	**12,113**

The following methods and assumptions were used to estimate the fair values: All financial assets are categorized Level 1 and therefore are valued using quoted (unadjusted) market prices. All financial liabilities are also categorized Level 1.

The bonds` contractual cash flows represent solely payments of principal and interest and Immatics intends to hold the bonds to collect the contractual cash flows. The Group therefore accounts for the bonds as a financial asset at amortized cost. Bonds are classified as Level 1 of the fair value hierarchy, as they are listed on publicly traded markets.

Liabilities for warrants are comprised of the Immatics Warrants issued to investors with a cashless exercise mechanism as a current liability which the Company accounted for according to provisions of IAS 32. The Company measures the warrants at fair value by using the closing price of warrants at Nasdaq. The warrants are measured in each reporting period. Changes in the fair value are recognized in the Company's Consolidated Statement of Profit/(Loss) as financial income or expenses, as appropriate. The warrants are classified as Level 1 of the fair value hierarchy. The maturity of the liabilities for warrants is dependent on the development of the share price as well as the decisions by the Immatics Warrants holders.

The Groups net result from financial instruments by measurement categories are disclosed below for the years ended December 31, 2022 and 2021, respectively.

	Year ended December 31,		
Euros in thousands	**2022**	**2021**	**2020**
Financial assets at amortized cost	1,849	5,119	(8,959)
Financial assets at fair value through profit and loss	—	(884)	2,099
Financial liabilities at amortized cost	(712)	(286)	(254)
Financial liabilities at fair value through profit and loss	10,945	(10,990)	17,775
Total	**12,082**	**(7,041)**	**10,661**

The following table shows the changes of the liabilities from financing activities, classified as cash effective and non-cash effective as of December 31, 2022 and 2021, respectively.

	As of			
	December 31, 2022		December 31, 2021	
Euros in thousands	**Cash effective**	**Non-cash effective**	**Cash effective**	**Non-cash effective**
Liabilities for warrants	—	10,945	—	(10,990)
Lease Liabilities	2,843	4,710	2,707	3,666
Total	**2,843**	**15,655**	**2,707**	**(7,324)**

24. Commitments and contingencies

Contractual obligations for 2022 consist of the following:

	Payments due by year				
(Euros in thousands)	Less than 1 year	1 - 3 years	3 - 5 years	More than 5 years	Total
Lease liabilities	3,613	5,045	3,872	6,036	18,566
Other lease obligations	637	1,424	1,521	1,420	5,002
Total	**4,250**	**6,469**	**5,393**	**7,456**	**23,568**

Contractual obligations for 2021 consist of the following:

	Payments due by year				
(Euros in thousands)	Less than 1 year	1 - 3 years	3 - 5 years	More than 5 years	Total
Lease liabilities	2,913	4,477	2,007	932	10,329
Other lease obligations	66	1,258	1,362	2,040	4,726
Contract research organization agreements	1,681	—	—	—	1,681
Total	**4,660**	**5,735**	**3,369**	**2,972**	**16,736**

Other lease obligations comprise of obligations for leases classified as short-term and low value as well as obligations for leases signed but not yet started.

The warrants will expire five years after the completion of the ARYA Merger or earlier upon redemption or liquidation in accordance with their terms.

As of December 31, 2022, and 2021 the Group is potentially liable to pay €1.6 million to a third-party upon successfully completing the milestone of the first clinical lead selection in connection with Immatics collaboration agreements. The Group does not recognize a liability for these contingent payments due to the scientific uncertainty of achieving the related milestones.

25. Related party disclosures

Key management personnel have been defined as the members of the Executive Committee of Immatics N.V.

Compensation of key management personnel consist of the following:

	Year ended December 31,		
	2022	2021	2020
	(Euros in thousands)		
Fixed	2,706	2,481	2,660
Variable	1,543	1,317	886
Share-based compensation expenses	14,325	17,016	13,841
Total	**18,574**	**20,814**	**17,387**

Fixed and variable key management compensation represent short-term employee benefits.

The non-executive members of the Board of Directors of the Group received a fixed fee. Total compensation for the non-executive members of the Board amounted to €1.7 million in 2022:

(Euros in thousands)	Peter Chambré	Friedrich von Bohlen und Halbach	Michael G. Atieh	Paul Carter	Heather L. Mason	Adam Stone	Nancy Valente	Eliot Forster	Total
Board compensation	80	40	55	52	40	40	32	40	**379**
Share-based compensation expenses	178	206	177	177	177	177	64	180	**1,336**
Total	**258**	**246**	**232**	**229**	**217**	**217**	**96**	**220**	**1,715**

Total compensation for the non-executive members of the Board amounted to €2.1 million in 2021:

(Euros in thousands)	Peter Chambré	Friedrich von Bohlen und Halbach	Michael G. Atieh	Paul Carter	Heather L. Mason	Adam Stone	Christoph Hettich	Eliot Forster	Total
Board compensation	80	20	55	53	40	40	20	40	**348**
Travel expenses.....	—	1	10	—	3	—	—	1	**15**
Share-based compensation expenses	1,143	30	114	114	114	114	—	122	**1,751**
Total	**1,223**	**51**	**179**	**167**	**157**	**154**	**20**	**163**	**2,114**

On July 1, 2021, Immatics changed its structure from a two-tier Board to a one-tier Board and Supervisory Board members became non-executive members of the Board of Directors. Total compensation for the Supervisory Board amounted to €4.1 million in 2020:

(Euros in thousands)	Peter Chambré	Harald F. Stock	Michael G. Atieh	Paul Carter	Heather L. Mason	Adam Stone	Christoph Hettich	Eliot Forster	Total
Supervisory board compensation	140	16	28	26	20	20	20	12	**282**
Travel expenses.....	4	—	—	—	—	—	—	—	**4**
Payment Exit arrangement.....	2,394	—	—	—	—	—	—	—	**2,394**
Share-based compensation expenses	1,046	—	70	70	70	70	70	40	**1,436**
Total	**3,584**	**16**	**98**	**96**	**90**	**90**	**90**	**52**	**4,116**

Prior to the ARYA Merger, Immatics N.V. established the 2020 Incentive Plan. Immatics N.V. granted certain service-based options out of the 2020 Incentive Plan to its management and directors and in addition, performance-based options to its management upon closing of the ARYA Merger. At the Annual General Meeting on June 13, 2022, Immatics shareholders approved the Group's 2022 stock option and incentive plan ("2022 Equity Plan").

Service options granted out of the 2020 Incentive Plan, will vest based upon satisfaction of a four-year time-based vesting schedule, which provides for 25% vesting on the first anniversary of the vesting commencement date and quarterly vesting thereafter. Service options granted out of the 2022 Equity Plan to the Board of Directors, will vest in full after a one-year service time.

The performance-based options will vest based both on achievement of certain market capitalization milestones and satisfaction of a four-year time-based vesting schedule, which provides for 25% vesting on the first anniversary of the vesting commencement date and quarterly vesting thereafter. The following options were granted to Immatics' Directors:

	Type of options	Grant date	Number of Options	Strike Price in USD	Expiration date
Managing Director					
Harpreet Singh	Performance-based options	June 30, 2020	1,598,000	10.00	June 30, 2030
Harpreet Singh	Service options	June 30, 2020	168,000	10.00	June 30, 2030
Harpreet Singh	Matching Stock options	June 30, 2020	264,624	10.00	June 30, 2030
Harpreet Singh	Converted options	June 30, 2020	30,939	1.06	July 1, 2027
Harpreet Singh	Converted options	June 30, 2020	145,371	1.17	January 1, 2028
Harpreet Singh	Service options	December 17, 2020	168,000	9.70	December 17, 2030
Harpreet Singh	Service options	December 9, 2021	168,000	11.00	December 9, 2031
Harpreet Singh	Service options	June 14, 2022	135,000	7.94	June 14, 2032
Harpreet Singh	Service options	December 13, 2022	388,000	9.75	December 13, 2032
Board of Directors					
Peter Chambré.....	Service options	June 30, 2020	25,000	10.00	June 30, 2030
Peter Chambré.....	Matching Stock options	June 30, 2020	211,974	10.00	June 30, 2030
Peter Chambré.....	Service options	December 9, 2021	15,000	11.00	December 9, 2031
Peter Chambré.....	Service options	June 14, 2022	25,000	7.94	June 14, 2032
Adam Stone	Service options	June 30, 2020	25,000	10.00	June 30, 2030
Adam Stone	Service options	December 9, 2021	15,000	11.00	December 9, 2031
Adam Stone	Service options	June 14, 2022	25,000	7.94	June 14, 2032
Heather L. Mason	Service options	June 30, 2020	25,000	10.00	June 30, 2030
Heather L. Mason	Service options	December 9, 2021	15,000	11.00	December 9, 2031
Heather L. Mason	Service options	June 14, 2022	25,000	7.94	June 14, 2032
Michael G. Atieh.....	Service options	June 30, 2020	25,000	10.00	June 30, 2030
Michael G. Atieh.....	Service options	December 9, 2021	15,000	11.00	December 9, 2031
Michael G. Atieh.....	Service options	June 14, 2022	25,000	7.94	June 14, 2032
Paul Carter	Service options	June 30, 2020	25,000	10.00	June 30, 2030
Paul Carter	Service options	December 9, 2021	15,000	11.00	December 9, 2031
Paul Carter	Service options	June 14, 2022	25,000	7.94	June 14, 2032
Eliot Forster	Service options	September 14, 2020	25,000	9.16	September 13, 2030
Eliot Forster	Service options	December 9, 2021	15,000	11.00	December 9, 2031
Eliot Forster	Service options	June 14, 2022	25,000	7.94	June 14, 2032
Friedrich von Bohlen und Halbach	Service options	June 17, 2021	25,000	12.05	June 17, 2031
Friedrich von Bohlen und Halbach	Service options	December 9, 2021	15,000	11.00	December 9, 2031
Friedrich von Bohlen und Halbach	Service options	June 14, 2022	25,000	7.94	June 14, 2032

	Type of options	Grant date	Number of Options	Strike Price in USD	Expiration date
Nancy Valente.....	Service options	March 22, 2022	30,000	7.40	March 22, 2032

An additional aggregate of 652,500 service options to purchase ordinary shares, were granted to other Immatics' key management personnel in 2022, who are members of the Executive Committee but not Directors. Certain key management personnel were also participants in the share-based compensation plans of Immatics GmbH (2010 Plan and 2016 Plan).

As part of the replacement awards issued in connection with the ARYA Merger (See Note 17), these key management personnel received in 2020 cash payments before taxes of €3.4 million, 417,415 converted options in Immatics N.V. and 750,076 matching stock options in Immatics N.V. The cash payments mainly covered wage tax obligations of the employees.

Until December 31, 2022, no options granted to directors and executive officers forfeited or were exercised. Refer to section "18. Share-based payments" regarding further details of the Groups share-based compensation.

There are no outstanding balances, including commitments, other than the above mentioned with related parties.

The Group did not enter into transactions with related entities in 2022, 2021 and 2020 other than the mentioned compensation contracts.

26. Earnings and Loss per Share

The Group reported basic and diluted earnings per share. Basic earnings per share are calculated by dividing the net profit or loss by the weighted-average number of ordinary shares outstanding for the reporting period. Diluted earnings per share for the year ended December 31, 2022, are calculated by adjusting the weighted-average number of ordinary shares outstanding for any dilutive effects resulting from equity awards granted to the Board and employees of the Group as well as from publicly traded Immatics Warrants. The Group's equity awards and Immatics Warrants for which the exercise price is exceeding the Groups weighted average share price for the year ended December 31, 2022, are anti-dilutive instruments and are excluded in the calculation of diluted weighted average number of ordinary shares. The Group was loss-making during the year ended December 31, 2021 and 2020, therefore all instruments are anti-dilutive instruments and are excluded in the calculation of diluted weighted average number of ordinary shares outstanding, including the outstanding equity awards and the 7,187,500 Immatics Warrants issued in 2020 and outstanding as of December 31, 2022.

	Year ended December 31,		
	2022	2021	2020
Net profit/(loss) in EUR thousands:	**37,514**	**(93,335)**	**(211,841)**
Basic in EUR.....	0.56	(1.48)	(4.40)
Diluted in EUR.....	0.55	(1.48)	(4.40)
Weighted average shares outstanding:			
Basic.....	67,220,824	62,912,921	48,001,228
Diluted.....	68,824,906	62,912,921	48,001,228

27. Events occurring after the reporting period

The Company evaluated further subsequent events for recognition or disclosure through April 26, 2023 and did not identify additional material subsequent events.

12.2 Company Financial Statements of Immatics N.V.

COMPANY BALANCE SHEET AS OF DECEMBER 31, 2022

(before profit appropriation)

(Euros in thousands)	Notes	12/31/2022	12/31/2021
Assets			
Non-current assets	*A*		
Financial fixed asset		28,131	-
		28,131	**-**
Current assets	*B, E*		
Accounts receivable		-	2,662
Other current assets		2,904	2,345
Other financial assets		139,225	-
Cash and cash equivalents		63,589	86,413
		205,718	**91,420**
Total Assets		**233,849**	**91,420**

(Euros in thousands)	Notes	12/31/2022	12/31/2021
Shareholders' equity	*C*		
Share capital		767	629
Share premium		967,553	818,568
Legal Reserve		(810)	(3,274)
Other Reserve		(791,860)	(698,525)
Unappropriated result for the year		37,514	(93,335)
		213,164	**24,063**
Non-current Liabilities	*A*		
Provision for participating interest		-	35,217
		-	**35,217**
Current liabilities	*D, E*		
Other current liabilities		3,771	4,280
Other financial liability		16,914	27,859
		20,685	**32,139**
Total liabilities and equity		**233,849**	**91,420**

COMPANY INCOME STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2022

(Euros in thousands)	Notes	Year ended December 31, 2022	2021
Share of result of participating interest after tax	*A*	51,286	(71,196)
Company result after taxes		(13,772)	(22,140)
Net profit/(loss)		**37,514**	**(93,335)**

NOTES TO THE 2022 COMPANY FINANCIAL STATEMENTS

General

The company financial statements are part of the 2022 financial statements of Immatics N.V. For the company profit and loss account, use has been made of the exemption pursuant to Section 2:402 of the Netherlands Civil Code.

Immatics N.V. is domiciled in Germany. The Company's registered office is at Paul Ehrlich Strasse 15, Tübingen Germany. The Company is primarily involved in holding activities. The Company is registered at the Chamber of Commerce number 77595726.

In so far as no further explanation is provided of items in the separate balance sheet and the separate profit and loss account, please refer to the notes to the consolidated balance sheet and profit and loss account.

Basis of preparation

Reporting Period

These financial statements of the Company have been prepared for the period January 1, 2022 up to and including December 31, 2022. Share of result of participating interest after tax includes the result of Immatics GmbH, Tuebingen, Germany and Immatics US Inc., Houston, United States for the period January 1, 2022 up to and including December 31, 2022. The prior period financial statements have been prepared for the period January 1, 2021 up to and including December 31, 2021.

Accounting Policies

The company financial statements of Immatics N.V. have been prepared in accordance with the provisions of Part 9, Book 2 of the Dutch Civil Code. Immatics N.V. has applied the option in article 2:362 (8) of Part 9 of the Dutch Civil Code to use the same accounting principles for the recognition and measurement of assets and liabilities and determination of results for the financial statements as the consolidated financial statements. These principles also include the classification and presentation of financial instruments, being equity instruments or financial liabilities. As the financial data of the company are included in the consolidated financial statements, the income statement in the company financial statements is presented in its condensed form (in accordance with article 402, Book 2 of the Dutch Civil Code)

These consolidated EU-IFRS financial statements are prepared according to the standards laid down by the International Accounting Standards Board. Please see the notes to the consolidated financial statements for a description of these principles. In case no other policies are mentioned, reference is made to the accounting policies as described in the accounting policies in the consolidated financial statements of this report.

For an appropriate interpretation, the company financial statements of Immatics N.V. should be read in conjunction with the consolidated financial statements.

Participating interests in group company

Investments in consolidated subsidiaries are measured at net asset value. Net asset value is based on the measurement of assets, provisions and liabilities and determination of profit based on the principles applied in the consolidated financial statements. The initial recognition of investments in consolidated subsidiaries is reflecting the net asset book value of the consolidated financial statements in accordance with IFRS of the subsidiary as of the initial recognition date (carry over value).

Share of result of participating interest

This item concerns the company's share of the profit or loss of its participating interest. Results on transactions involving the transfer of assets and liabilities between the company and its participating interest and mutually between participating interest themselves, are eliminated to the extent that they can be considered as not realized.

A Financial fixed asset and provision for participating interest

Financial assets include the 100% investment of the Company in its fully owned subsidiary Immatics Biotechnologies GmbH ('GmbH), with statutory seat in Tübingen, Germany as well as its fully owned subsidiary Immatics US Inc., a Delaware corporation, US ('US Inc').

A summary of the movement in the value of this investment for the year ended December 31, 2022 is given below:

(Euros in thousands)	**Total**
Opening net asset value of subsidiaries on January 1, 2022	(35,217)
Share in result subsidiaries	51,286
Share-based compensation to employees of GmbH and US Inc.	9,598
Exchange difference on translating foreign operations	2,464
Net asset value as of December 31, 2022	**28,131**

A summary of the movement in the value of this investment for the year ended December 31, 2021 is given below:

(Euros in thousands)	**Total**
Opening net asset value of subsidiaries on January 1, 2021	13,442
Share in result subsidiaries	(71,196)
Share-based compensation to employees of GmbH and US Inc.	19,023
Exchange difference on translating foreign operations	3,514
Reclassification of net assets to provision for participating interest	35,217
Net asset value as of December 31, 2021	**-**
(Euros in thousands)	**Total**
Opening provision for participating interest	-
Reclassification of net assets to provision for participating interest	(35,217)
Provision for obligations for subsidiary as of December 31, 2021	**(35,217)**

The subsidiary Immatics GmbH has a negative net asset value as of December 31, 2021. However, it is not valued at nil, because Immatics N.V. does fully guarantee the debts of this participating interest and has an obligation to support Immatics GmbH to pay its debt through a letter of comfort.

B Other assets and Cash and cash equivalents

Immatics N.V. has short-term deposits of €139.2 million with original maturities between three and twelve months, which are classified as Other financial assets as of December 31, 2022. Short-term deposits with an original maturity of three months or less are classified as cash and cash equivalents. Cash and cash equivalents are at free disposal of the Company.

Other assets consist of the following:

	As of	
(Euros in thousands)	**December 31, 2022**	**December 31, 2021**
Intercompany accounts receivables	-	2,662
Prepaid insurance expenses	1,054	1,267
Value added tax receivable	1,031	915
Other assets	819	163
Total	**2,904**	**5,007**

The nominal value for Other assets and cash and cash equivalents is a good approximation of its fair value.

Other assets are not interest bearing and have a duration of less than one year.

C Shareholders' equity

As of December 31, 2022 and 2021, the total number of ordinary shares of Immatics N.V. outstanding is 76,670,699 and 62,926,816 with a par value of €0.01, respectively. Besides the minimum amount of share capital to be held under Dutch law, there are no distribution restrictions applicable to equity of the Company. As the structure of the equity components for the company financial statements is predominately based on legal aspects, the presentation of the movement in the shareholder's equity is different from the presentation in the consolidated financial statements.

The movement in shareholder's equity is as follows:

(Euros in thousands)	**Share capital**	**Share premium**	**Legal reserves**	**Reval-uation Reserve**	**Other reserve**	**Unappropriated result**	**Total equity**
January 1, 2021	**629**	**792,071**	**(6,788)**	**914**	**(517,504)**	**(181,935)**	**87,387**
Allocation of accumulated losses	-	-	-	-	(181,935)	181,935	-
Exchange differences on translation in presentation currency	-	-	3,514	-	-	-	**3,514**
Net loss for the period	-	-	-	-	-	(93,335)	**(93,335)**
Equity settled share-based payments	-	26,497	-	-	-	-	**26,497**
Realization of revaluation reserve	-	-	-	(914)	914	-	-
December 31, 2021	**629**	**818,568**	**(3,274)**	**-**	**(698,525)**	**(93,335)**	**24,063**
January 1, 2022	**629**	**818,568**	**(3,274)**	**-**	**(698,525)**	**(93,335)**	**24,063**

Allocation of accumulated losses	-	-	-	-	(93,335)	93,335	-
Exchange differences on translation in presentation currency	-	-	2,464	-	-	-	**2,464**
Net profit for the period	-	-	-	-	-	37,514	**37,514**
Equity settled share-based payments	1	22,882	-	-	-	-	**22,883**
Realization of revaluation reserve	-	-	-	-	-	-	-
Issue of share capital - net of transaction costs	137	126,103	-	-	-	-	**126,240**
December 31, 2022	**767**	**967,553**	**(809)**	**-**	**(791,860)**	**37,513**	**213,164**

Common and financing preferred shares

According to the articles of association of the Company, up to 285,000,000 common shares and up to 15,000,000 financing preferred shares with a nominal value of EUR 0.01 (EUR 1 cent) per share are authorized to be issued. All shares are registered shares. No share certificates shall be issued.

As of December 31, 2022 and 2021, the issued capital of the Company is divided into 76,670,699 and 62,926,816 outstanding ordinary shares with a par value of €0.01, resulting in a share capital of €767 and €629 thousand, respectively. All issued shares are fully paid. No preferred shares have been issued.

Share capital and share premium

Immatics N.V. issued in 2022, 2.8 million shares under the ATM agreement with SVB Securities LLC and collected a gross amount of €20.8 million less transaction costs of €0.6 million, resulting in an increase in share capital of €28 thousand and share premium of €20.2 million. On October 12, 2022, the Group closed a registered direct offering, of 10,905,000 ordinary shares with a public offering price of $10.09 per ordinary share and received a gross amount of €113.4 million less transaction costs of €7.3 million, resulting in an increase in share capital of €109 thousand and share premium of €106.2 million. In addition, the Group issued shares from exercises of stock options by employees.

In 2021, the share capital increased due to exercise of share options.

Outstanding Warrants

For outstanding warrants, please refer to Note 15 in the consolidated financial statements.

Reserves

Besides the minimum amount of share capital to be held under Dutch law and the legal and revaluation reserves described below, there are no distribution restrictions applicable to equity of the Company.

The legal reserve amount of €0.8 million directly result from foreign exchange translations of Immatics US Inc. within the consolidation.

Equity-settled share-based compensation

The Company has adopted share-based compensation plans, pursuant to which the Company's directors and employees are granted the right to acquire ordinary shares of the Company (Note 17 of the consolidated financial

statements). The share-based payment expenses are recorded in the income statement. The plans are equity-settled. In case of an equity-settled plan, there is no obligation to transfer economic benefits, therefore the credit entry should be recognized as an increase in equity. The Company uses "Share premium" as the equity classification.

Unappropriated result

The result after tax for 2022 is included in the item unappropriated result within equity.

Proposal for result appropriation

The General Meeting will be proposed to appropriate the result after tax for 2022 as follows: to increase other reserves by €37.5 million.

D Current liabilities

Current liabilities

	As of	
(Euros in thousands)	**December 31, 2022**	**December 31, 2021**
Accruals	922	1,569
Liabilities to its subsidiaries	2,220	2,117
Other liabilities	629	594
Other financial liabilities	16,914	27,859
Total	**20,685**	**32,139**

All current liabilities are due within one year. The liabilities to its subsidiaries are not interest bearing the fair value of the Liabilities to its subsidiaries approximates the book value.

Other financial liabilities consist of the Warrants which are accounted for as derivative financial instrument. As of December 31, 2022, there were 7,187,500 warrants outstanding, which were classified as financial liabilities through profit and loss. The warrants entitle the holder to purchase one ordinary share at an exercise price of $11.50 per share. The warrants will expire five years after the completion of the Business Combination or earlier upon redemption or liquidation in accordance with their terms that is adjusted through profit and loss.

The financial liability for warrants amounted to €16.9 million and €27.9 million as of December 31, 2022 and 2021, respectively.

E Financial instruments

The Company's principal financial assets comprise short-term deposits at commercial banks with a maturity on inception of three months or less and investments in bonds. The main purpose of these financial instruments is to provide funds for the subsidiary's development activities. The Company's other financial instruments relate to other receivables and liabilities.

The risks associated with the Company financial instruments are similar to the ones disclosed in notes to the consolidated financial statements.

F Remuneration of Board

For disclosures regarding management compensation including stock options, we refer to the compensation sections in the Note 25 Related party disclosures.

Total compensation for the non-executive members of the Board is €1,715 thousand and €2,099 thousand for the year ended December 31, 2022 and 2021, respectively. This includes expenses for share-based compensation.

G Employees

The number of employees, based on full-time equivalents, was 6 as of December 31, 2022. No employee was employed inside the Netherlands.

H Audit fees

With reference to Section 2:382a(1) and (2) of the Netherlands Civil Code, the following fees for the financial year have been charged by PricewaterhouseCoopers Accountants N.V. and other PwC network to the Company, its subsidiaries and other consolidated entities.

(Euros in thousands)	PwC Netherlands	Other PwC network	Total
Audit of the financial statements	129	1,148	**1,277**
Other assurance engagements	-	-	-
Tax-related advisory services	-	-	-
Other non-audit services	-	-	-
Total	**129**	**1,148**	**1,277**

I Income taxes

The Company has not recorded income tax gain in view of the negative operating results of Immatics N.V. The company only effective tax rate as of December 31, 2022 is 0%.

J Subsequent events

There are no subsequent events.

13. OTHER INFORMATION

13.1 Independent auditor's report

The independent auditor's report is set forth on the page 236.

13.2 Profit appropriation provisions

The Articles of Association provide provisions about the appropriation of profit, the full text is as follows (as an English translation):

38. Profit and loss

38.1 The General Meeting shall be authorised to allocate the profits, subject to Articles 38.2 and 38.3.

38.2 From the profits made in any financial year, first of all, to the extent possible, the following distributions shall be made:

(a) to the holders of Financing Preferred Shares, an amount equal to the average during the financial year concerned of the twelve month Euro Interbank Offered Rate (Euribor), as set by the European Central Bank, weighted by the number of days on which such interest rate was applicable, increased by a margin not exceeding five hundred basis points, to be set by the Board upon issue of the relevant Financing Preferred Shares, calculated on the weighted average during that financial year of the aggregate amount paid up and called up on their Financing Preferred Shares; therefore, any increases and reductions of the amounts paid up and called up on their Financing Preferred Shares during that financial year shall be taken into account for the purpose of calculating each distribution; the days during which the Financing Preferred Shares were held by the Company shall be disregarded; and

(b) if Financing Preferred Shares were cancelled during the preceding financial year, to the last former holders of those Financing Preferred Shares, an amount equal to the amount of the distribution referred to in Article 11.4 under (b), reduced by the amount of the distribution already received by them pursuant to that provision.

If in any financial year the profits are insufficient to make such distributions, the deficit shall, to the extent possible, be distributed from any of the Distributable Reserves determined by the Board. If the profits made in any financial year or the Distributable Reserves are insufficient to make such distributions, the deficit shall be distributed from the profits made and the Distributable Reserves maintained in the following financial years and the preceding sentence of this Article 38.2 and Article 38.3 shall first apply after the deficit has been fully made up. Other than as set out in this Article 38.2, the Financing Preferred Shares shall not participate in the profits and the reserves of the Company, except that the holders of a series of Financing Preferred Shares shall participate in the share premium reserve maintained by the Company for the benefit of

the holders of such series of Financing Preferred Shares.

38.3 The Board shall be authorised to determine that the profits remaining after application of Article 38.2 shall in whole or in part be reserved.

38.4 The Board shall be authorised to determine how a loss will be accounted for.

38.5 A deficit may only be applied against reserves maintained pursuant to the law to the extent permitted by law.

13.3 Shares carrying limited economic entitlement

The financing preferred shares in the Company's capital carry a limited entitlement to the Company's profit and reserves. As at December 31, 2022, no preferred shares in the Company's capital were issued.

13.4 Branches

The Company has no branch offices.

/s/ Harpreet Singh

Harpreet Singh (CEO and Executive Director)

/s/ Peter Chambré

Peter Chambré (Chairman of the Board)

/s/ Adam Stone

Adam Stone

/s/ Heather L. Mason

Heather L. Mason

/s/ Paul R. Carter

Paul R. Carter

/s/ Michael G. Atieh

Michael G. Atieh

/s/ Eliot Forster

Eliot Forster

/s/ Friedrich von Bohlen und Halbach

Friedrich H. Von Bohlen und Halbach

/s/ Nancy Valente

Nancy Valente

Independent auditor's report

To: the general meeting of Immatics N.V.

Report on the financial statements 2022

Our opinion

In our opinion:

- the consolidated financial statements of Immatics N.V. together with its subsidiaries ('the Group') give a true and fair view of the financial position of the Group as at 31 December 2022 and of its result and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union ('EU-IFRS') and with Part 9 of Book 2 of the Dutch Civil Code;
- the company financial statements of Immatics N.V. ('the Company') give a true and fair view of the financial position of the Company as at 31 December 2022 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

What we have audited

We have audited the accompanying financial statements 2022 of Immatics N.V., Amsterdam. The financial statements comprise the consolidated financial statements of the Group and the company financial statements.

The consolidated financial statements comprise:

- the consolidated statement of financial position of Immatics N.V.;
- the following statements for 2022: the consolidated statement of profit/(Loss) of Immatics N.V., the consolidated statement of comprehensive income/(Loss) of Immatics N.V., consolidated statement of changes in Shareholders' equity (deficit) of Immatics N.V. and consolidated statement of cash flows; and
- the notes, comprising a summary of the significant accounting policies and other explanatory information.

The company financial statements comprise:

- the company balance sheet as of December 31, 2022;
- the company income statements for the year ended December 31, 2022; and
- the notes, comprising a summary of the accounting policies applied and other explanatory information.

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The financial reporting framework applied in the preparation of the financial statements is EU-IFRS and the relevant provisions of Part 9 of Book 2 of the Dutch Civil Code for the consolidated financial statements and Part 9 of Book 2 of the Dutch Civil Code for the company financial statements.

The basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. We have further described our responsibilities under those standards in the section 'Our responsibilities for the audit of the financial statements' of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of Immatics N.V. in accordance with the 'Wet toezicht accountantsorganisaties' (Wta, Audit firms supervision act), the 'Verordening inzake de onafhankelijkheid van accountants bij assuranceopdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

Our audit approach

We designed our audit procedures with respect to the key audit matters, fraud and going concern, and the matters resulting from that, in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The information in support of our opinion, such as our findings and observations related to individual key audit matters, the audit approach fraud risk and the audit approach going concern was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

Overview and context

Immatics N.V., together with its German subsidiary Immatics Biotechnologies GmbH and its U.S. subsidiary, Immatics US Inc., ('Immatics' or 'the Group') is a biotechnology company that is primarily engaged in the research and development of T cell redirecting immunotherapies for the treatment of cancer patients. Immatics N.V., a Dutch public limited liability company, was converted on July 1, 2020, from Immatics B.V., a Dutch company with limited liability. Immatics Biotechnologies GmbH and Immatics US Inc. became wholly-owned subsidiaries of Immatics N.V. as part of the ARYA Merger (defined below) on July 1, 2020.

Immatics N.V is registered with the commercial register at the Netherlands Chamber of Commerce under RSIN 861058926 with a corporate seat in Amsterdam and is located at Paul-Ehrlich Str. 15 in 72076 Tübingen, Germany. Prior to July 1, 2020, Immatics N.V. was a shell company with no active trade or business or subsidiaries and all relevant assets and liabilities as well as income and expenses were borne by Immatics Biotechnologies GmbH and its U.S. subsidiary Immatics US, Inc.

We considered our group audit scope and approach as set out in the section 'The scope of our group audit'. The Group is comprised of several components and therefore, we paid specific attention to the areas of focus driven by the operations of the Group, as set out below.

On effective date July 1, 2020, the group entered into a merger agreement with ARYA Sciences Acquisition Corp. ('ARYA'), a special purpose acquisition group. As a result, the shareholders of Immatics Biotechnologies GmbH exchanged their interest for ordinary shares in the share capital of Immatics B.V. ('the Reorganisation'). The Reorganisation is accounted for as a recapitalisation, with Immatics Biotechnologies GmbH being the accounting predecessor. As part of the Reorganisation, the minority shareholder in Immatics US, Inc., MD Anderson Cancer Center ('MD Anderson') exchanged its interest in Immatics US, Inc. for ordinary shares in the share capital of Immatics N.V. ('MD Anderson Share Exchange'). Additionally, ARYA merged into Immatics N.V., with former ARYA shareholders receiving ordinary shares and warrants of Immatics N.V. Immatics N.V. raised an additional net €90.1 million in net equity proceeds through a private placement of ordinary shares with existing shareholders of Immatics, ARYA and other new investors ('PIPE Financing'). Both the ARYA Merger and PIPE Financing closed as of July 1, 2020. Upon consummation of the transactions, Immatics N.V. became a publicly traded corporation at the Nasdaq Capital Market under the ticker IMTX. The Immatics Warrants are traded under the ticker IMTXW.

The warrants have a provision of cashless exercise. Therefore, the group has an option to not receive any cash but to surrender the Warrants for that number of Ordinary Shares equal to the quotient obtained by dividing (x) the product of the number of Ordinary Shares underlying the Warrants, multiplied by the difference between the Warrant Price and the fair market value by (y) the fair market value. As the fair value of the warrants is determined at a future date and is therefore variable, the criteria of IAS 32.21 is not met. Immatics disclosed the financial liability for the Immatics Warrants accounted for at fair value through profit and loss in accordance with IFRS 9 as of 31 December 2022. We audited the Fair Market Value by verifying the fair value per warrant with the respective public trade price of the Immatics Warrants as of each balance sheet day. We were able to satisfy ourselves that the Fair Market Value calculation as of 31 December 2022 are substantiated and sufficiently documented to ensure the proper valuation and recording of expenses.

Prior to its reorganisation, the group established the 2020 Incentive Plan. At the annual general meeting of the shareholders held on June 13th, 2022, Immatics shareholders approved the Company's 2022 stock option and incentive plan ('2022 Equity Plan'). The 2022 Equity Plan allows the company to grant additional options. The group granted certain service-based options out of the 2022 Incentive Plan to its employees, management and directors and in addition, performance-based options to its management upon closing of the ARYA Merger. As the underlying measurement depends to a large extent on the assumptions by the group's board of directors, we considered this as key audit matter.

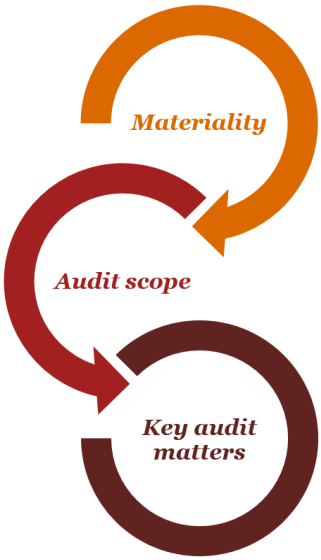
Furthermore, Immatics earns revenue through four collaboration agreements with third-party pharmaceutical and biotechnology companies. Each of these agreements included a non-refundable upfront payment, meant to subsidise research activities. Immatics recorded these payments as deferred revenue, which it allocated to the combined performance obligations for each agreement. Such amounts are recognised as revenue over the performance period of the research activities on a cost-to-cost basis. Due to the related complexity and that the revenue recognition is based on estimates and assumptions to a certain extent, we therefore considered revenue from collaboration agreements as key audit matter.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where the board of directors made important judgements, for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. In paragraph 6 of the consolidated financial statements the group describes the areas of judgement in applying accounting policies and the key sources of estimation uncertainty. Of these areas we considered the share-based payment program 2022 and revenue from collaboration agreements as key audit matters for the reasons as described above.

As in all of our audits, we also addressed the risk of management override of controls, including evaluating whether there was evidence of bias by the board of directors that may represent a risk of material misstatement due to fraud.

We ensured that the audit teams at both group and component level included the appropriate skills and competences which are needed for the audit of Immatics N.V. We therefore included experts and specialists in the areas of amongst others treasury, tax and share based payments in our team.

The outline of our audit approach was as follows:



Materiality

- Overall materiality: € 2,827,212.

Audit scope

- Our scope included both subsidiaries of the group (Immatics Biotechnologies GmbH and Immatics US Inc) as being full scope components.
- Audit coverage: 100% of consolidated revenue, 100% of consolidated total assets and 100% of consolidated loss before tax.

Key audit matters

- Share-based payments.
- Revenue from collaboration agreements.

Materiality

The scope of our audit was influenced by the application of materiality, which is further explained in the section 'Our responsibilities for the audit of the financial statements'.

Based on our professional judgement we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and to evaluate the effect of identified misstatements, both individually and in aggregate, on the financial statements as a whole and on our opinion.

Overall group materiality	€ 2,827,212 (2021: € 2,200,000)
Basis for determining materiality	We used our professional judgement to determine overall materiality. As a basis for our judgement, we used 3,5% of 3-year-average of operating loss.
Rationale for benchmark applied	We used operating income/loss as the primary benchmark, because of its close alignment to one of the most important metrics of the users of the financial statements, the approximate 'cash spent' on the core business of the company. Averaging is used because of the fluctuation of operating results in the past and in the near future. In addition, legal requirements such as existence of loan covenants were considered to challenge the percentage used as well. The materiality determined preliminarily from the selected benchmark and the percentage to be applied were finally assessed against 'Profit/loss before tax of the current year' (a standard benchmark) to reconfirm the percentage used.
Component materiality	Based on our judgement, we allocate materiality to each component in our audit scope that is less than our overall group materiality. Therefore, a component materiality for Immatics US Inc. of € 2,82,123 and for Immatics Biotechnologies GmbH a materiality of € 2,195,784 has been determined.

We also take misstatements and/or possible misstatements into account that, in our judgement, are material for qualitative reasons.

We agreed with the board of directors that we would report to them any misstatement identified during our audit above € 141,361 (2021: € 110,000) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

The scope of our group audit

Immatics N.V. is the parent company of a group of Immatics Biotechnologies GmbH and its U.S. subsidiary, Immatics US Inc. The financial information of this group is included in the consolidated financial statements of Immatics N.V.

We tailored the scope of our audit to ensure that we, in aggregate, provide sufficient coverage of the financial statements for us to be able to give an opinion on the financial statements as a whole, taking into account the management structure of the Group, the nature of operations of its components, the accounting processes and controls, and the markets in which the components of the Group operate. In establishing the overall group audit strategy and plan, we determined the type of work required to be performed at component level by the group engagement team and by each component auditor.

The group audit focused on both components: Immatics Biotechnologies GmbH and its U.S. subsidiary, Immatics US Inc.

We subjected both components to audits of their complete financial information, as those components are individually financially significant to the Group. The group engagement team performed all the work on those components.

In total, in performing these procedures, we achieved the following coverage on the financial line items:

Total consolidated revenue	100%
Total assets	100%
Loss before tax	100%

We have ensured we have performed the appropriate procedures and obtained sufficient appropriate audit evidence to support our opinion. By performing the procedures above we have been able to obtain sufficient and appropriate audit evidence on the Group's financial information, as a whole, to provide a basis for our opinion on the financial statements.

Audit approach fraud risks

We identified and assessed the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of Immatics N.V. and its environment and the components of the internal control system. This included the board of directors' risk assessment process, the board of directors' process for responding to the risks of fraud and monitoring the internal control system and how the board of directors (BoD) exercised oversight, as well as the outcomes. We refer to section 3 and 8.3 of the annual report for management's fraud risk assessment.

We evaluated the design and relevant aspects of the internal control system with respect to the risks of material misstatements due to fraud and in particular the fraud risk assessment, as well as the code of conduct and whistle-blower procedures. We evaluated the design and the implementation and, where considered appropriate, tested the operating effectiveness of internal controls designed to mitigate fraud risks.

We asked members of the board of directors as well as the legal affairs department, human resources, and regional directors and the Board of Directors whether they are aware of any actual or suspected fraud. This did not result in signals of actual or suspected fraud that may lead to a material misstatement.

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption. We evaluated whether these factors indicate that a risk of material misstatement due to fraud is present.

We identified the following fraud risks and performed the following specific procedures:

Identified fraud risks	*Our audit work and observations*
Management Override of controls Management is in a unique position to perpetrate fraud because of management's ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. That is why, in all our audits, we pay attention to the risk of management override of controls in: ● the appropriateness of journal entries and other adjustments made in the preparation of the financial statements; ● estimates. ● significant transactions, if any, outside the normal course of business for the entity.	We evaluated the design and implementation of the internal control system in the processes of generating and processing journal entries, making estimates, and monitoring projects. We also paid specific attention to the access safeguards in the IT system and the possibility that these lead to violations of the segregation of duties. We performed our audit procedures primarily substantive based. We have read and gained an understanding of the underlying share-based payments program. We involved professionals with specialised skill and knowledge to assist us in evaluating the appropriateness of management's accounting treatment with respect to the valuation and the methodology used for the determination. We selected journal entries based on risk criteria and conducted specific audit procedures for these entries. These procedures include, amongst others, inspection of the entries to source documentation. We also performed specific audit procedures related to important estimates of management. We specifically paid attention to the inherent risk of bias of management in estimates. We evaluate whether the business rationale (or lack thereof) of the transactions suggests that they may have been entered into to engage in fraudulent financial reporting or to conceal misappropriation of assets. We performed unpredictability procedures, specifically regarding sample and FSLI selection, inquiries of other than financial/management personnel. Our audit procedures did not lead to specific indications of fraud or suspicions of fraud with respect to management override of controls.
Fraud in revenue recognition As part of our risk assessment and based on a presumption that there are risks of fraud in revenue recognition, we evaluated which types of revenue Management receives bonuses, of which the size partly depends on the financial results achieved. In this context, management has not been given specific targets for growth in turnover and results. Nevertheless, there is a general risk to overstate revenue in the periods by recognising revenue too early or manipulating turnover calculation.	We evaluated the design and implementation of the internal control system in the processed related to revenue reporting. We have read and gained an understanding of the underlying collaboration agreements. We involved professionals with specialized skill and knowledge to assist us in evaluating the appropriateness of management's accounting treatment with respect to the performance obligations and the methodology used for the determination. We evaluated, among other things, management's process for estimating total costs to complete each collaboration agreement which included evaluating the reasonableness of management's estimates of total forecasted labour and directly attributable costs.

Identified fraud risks	*Our audit work and observations*
	We performed a detailed substantive testing on a sample basis, we reviewed and tested the process used by management to develop the estimate of total forecasted labour and direct cost. These estimates were derived from the entity's budget process. We have challenged the budget against actual costs occurred in the past and challenged the important parameters against actual parameters (actual labour and direct cost). Consistent with actual cost testing, we applied judgement in considering the materiality of each cost category in comparison to the total costs to determine which of the categories need to be tested. Where detailed costs items are tested as part of testing Management process, we applied judgement in determining the number of items to be tested for each contract and requested corroborative evidence from the client. Our audit procedures did not lead to specific indications of fraud or suspicions of fraud with respect to accuracy and cut-off of the revenue reporting.

We incorporated an element of unpredictability in our audit. We reviewed lawyer's letters. During the audit, we remained alert to indications of fraud. We also considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance of laws and regulations. Whenever we identify any indications of fraud, we re-evaluate our fraud risk assessment and its impact on our audit procedures.

Audit approach going concern

As disclosed in Note 2.1 to the Consolidated financial statements of Immatics N.V., the board of directors performed their assessment of the entity's ability to continue as a going concern for at least twelve months from the date of preparation of the financial statements and has not identified events or conditions that may cast significant doubt on the entity's ability to continue as a going concern (hereafter: going-concern risks). Our procedures to evaluate the board of directors' going-concern assessment included, amongst others:

- considering whether the board of directors' going-concern assessment includes all relevant information of which we are aware as a result of our audit of the cash reach and the respective cash-flow and liquidity planning and accompanying inquiries with the management regarding the board of directors' most important assumptions underlying its going-concern assessment;
- evaluating the board of directors' current budget including cash flows for at least twelve months from the signing date of our audit opinion taken into account current developments in the industry and all relevant information of which we are aware as a result of our audit;
- analysing whether the current and the required financing has been secured to enable the continuation of the entirety of the entity's operations;
- performing inquiries of the board of directors and the management as to its knowledge of going-concern risks beyond the period of the board of directors' assessment.

Our procedures did not result in outcomes contrary to the board of thus, we concluded that the board of directors' use of the going-concern basis of accounting is appropriate, and based on the audit evidence obtained, that no material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements. The key audit matters are not a comprehensive reflection of all matters identified by our audit and that we discussed. In this section, we described the key audit matters and included a summary of the audit procedures we performed on those matters.

Key audit matter	***Our audit work and observations***
Share-based payments *Notes 5.10 and 17 in the annual report* Total share-based compensation expenses for the year 2022 amount to €22.6 million (Research and development €12.9 million & general and administrative expenses €9.7 million). In 2020 the company established the 2020 Equity Plan. At the annual general meeting of the shareholders held on 13 June 2022, Immatics shareholders approved the Company's 2022 stock option and incentive plan ('2022 Equity Plan'). The 2022 Equity Plan allows the company to grant additional options. After the closing of the ARYA Merger, employees, directors, and officers received employee stock options under the 2020 and 2022 Equity Plan with a service requirement ('Service Stock Options'), to acquire shares of Immatics N.V. The service-based options will vest solely on a four-year time-based vesting schedule. Immatics applied a Black Scholes pricing model to estimate the fair value of the in 2022 granted Service Stock Options. Furthermore, certain inputs, such as exercise price, underlying share price, volatility, risk free rate and dividend yield were used in the measurement of the fair value at grant date of the Service Stock Options. Against this background and as the underlying measurement depends to a large extent on the assumptions by the Company's executive directors, this matter was therefore of particular significance for our audit.	We obtained the relevant contract and grant letters of the Service Stock Option granted in 2022 under the 2020 Equity plan and 2022 Equity plan and gained a detailed understanding on those. Additionally, we obtained and inspected the related supporting documentation, such as the plan terms and conditions of the options, the Black-Scholes pricing model, including valuation input parameter as well as fair market values provided from management for the underlying data such as exercise price, underlying share price, volatility, risk free rate and dividend yield which were used in the measurement of the fair value at grant date of the Service Stock Options. Together with our valuation specialists we evaluated the model utilised by management in determining the fair value. We have tested the inputs of the model as follows: we have reconciled the exercise price to the grant letters and the underlying share price against observable on stock market data, volatility against observable historical volatilities of peer group companies, risk free rate as derived based on USD treasury yields as of the grant date and dividend yield by comparing to the operating performance and model of other biotech companies. Additionally, we recalculated the value to determine that it is within an acceptable range. We also agreed the calculation to the records and related disclosures. We were able to satisfy ourselves that the estimates and assumptions made by the executive directors are substantiated and sufficiently documented to ensure the proper recording of expenses. Finally, we evaluated the sufficiency of the related disclosures and found them to be an appropriate reflection of the estimation uncertainty, in line with the requirements of the accounting framework.
Revenue from collaboration agreements *Notes 5.9 and 13 in the annual report* Immatics earns revenue through collaboration agreements with third-party pharmaceutical and biotechnology companies. A total of €172.8 million in revenue from collaboration agreements was recognised.	As part of our audit, we evaluated, among other things, management's process for estimating total costs to complete for each collaboration agreement which included evaluating the reasonableness of management's estimates of total forecasted direct labor and materials costs and total external contract research organisation costs. Additionally, we have read and

Key audit matter	*Our audit work and observations*
As of December 31, 2022, deferred revenue from collaboration agreements amounts to €140.7 million. As of December 31, 2022, the Company had four collaboration agreements in place. Each of Immatics collaboration agreements included a non-refundable upfront payment, meant to subsidise research activities. Immatics recorded these payments as deferred revenue, which is allocated to the performance obligations for each agreement. Such amounts are recognised as revenue over the performance period of the research activities on a cost-to-cost basis. By applying an input method, total estimated costs are considered to be a significant estimate because assumptions made by management do have a significant effect on the revenue recognised. Further, there are multiple input factors with regards to the actual costs (FTE rates, direct & indirect costs) which impacts directly the amount of revenue recognised. When recognising revenue over a period of time, revenue is recognised based on the percentage of completion, which is the ratio of the actually incurred contract cost to the expected total cost. With respect to the complex research processes, the recognition of revenue over a period of time is based on the internal budgeting and reporting system implemented by the company, including concurrent project costing. On December 10, 2021 (the 'Execution Date'), Immatics entered into a License, Development and Commercialization agreement (the 'BMS IMA401 agreement') with Bristol-Myers Squibb Company ('BMS') with effective date in January 2022 including a non-refundable upfront payment of €133 million to grant a distinct exclusive license and to perform research activities. As the exclusive license relates to a product in phase 1 clinical trials there is no transformational relationship between the research activities rendered, which also could be performed by a third party, and the exclusive license granted. Therefore, the two performance obligations have been determined to be distinct. The non-refundable upfront payment was allocated to these performance obligations based on stand-alone selling prices. As the license has been granted at the effective date and fulfilled the right to use criteria, the transaction price allocated to this performance obligation was consequently recognised at a point in time at the effective date. The performance obligation of the research activities is recognised as revenue over the performance period of the research activities on a cost-to-cost basis.	gained an understanding of the underlying collaboration agreements. We involved professionals with specialised skill and knowledge to assist us in evaluating the appropriateness of management's accounting treatment with respect to the performance obligations and the methodology used for the determination. In order to assess the completeness, accuracy and the appropriate allocation of actual costs we performed a detailed substantive testing on a sample basis, and we assessed and tested the process used by management to develop the estimate of total forecasted direct labor and material cost. These estimates were derived from the entity's budget process. We have challenged the budget against actual costs occurred in the past and challenged the important parameters against actual parameters (actual direct labor and material cost). Consistent with actual cost testing, we applied judgement in considering the materiality of each cost category in comparison to the total costs to determine which of the categories need to be tested. Where detailed costs items are tested as part of testing the management process, we applied judgement in determining the number of items to be tested for each contract and requested corroborative evidence from the client. Furthermore, we have read and gained an understanding of the BMS IMA401 agreement and evaluated the appropriateness of management's accounting treatment with respect to the identification of two performance obligations and the application of the standalone selling prices for the allocation of the transaction price to the separate performance obligations. We involved professionals with specialised skills and knowledge to assist us in evaluating the appropriateness of management's accounting treatment with respect to the performance obligations and the methodology used for the allocation of the transaction price. After evaluating the appropriateness of the estimates for the performance obligation of the research activities, we additionally compared the calculated profit margin as utilised by management by comparing the management estimation with a peer group's profit margin of Contract Research Organization companies to evaluate the reasonableness of the standalone selling prices and therefore the transaction price allocation to the separate performance obligations. With regards to the Allogeneic ACT agreement, we involved professionals with specialised skills and knowledge to assist us in evaluating the

Key audit matter	*Our audit work and observations*
On June 1, 2022, Immatics entered into a License, Development and Commercialization agreement (the 'Allogeneic ACT agreement') with Bristol-Myer-Squibb Company ('BMS'). Pursuant to the Allogeneic ACT agreement, the Group received a $60 million upfront cash payment plus an additional payment of $5 million related to the performance obligations under the contract. The collaboration agreement contains multiple promises, which aggregate to a combined performance obligation. This combined performance obligation related to promised research and development services is satisfied over time and therefore revenue will be recognised over time as costs for the research and development services incurred using a cost-to-cost method. On October 24, 2022, Immatics received a termination letter from GlaxoSmithKline (GSK) with regards to the respective collaboration agreement from December 2019. The terms of the collaboration agreement included a €45 million non-refundable upfront payment to Immatics. The termination became effective on December 26, 2022. This termination resulted in the realisation of remaining deferred revenue in the amount of €33.3 million. Against this background, accounting for revenues from collaboration arrangements was complex and required significant judgments primarily in identifying performance obligations, determining the measurement and allocation of arrangement consideration, and evaluating estimates of the total expected inputs under the input method for revenue recognised over time. The proper application of the accounting standards for revenue recognition is considered to be complex and to a certain extent based on estimates and assumptions made by the management, this matter was therefore of particular significance for our audit.	appropriateness of management's accounting treatment with respect to the aggregation of the multiple promises to a combined performance obligation. Additionally, we have read and gained an understanding of the GSK termination agreement and evaluated the appropriateness of management's accounting treatment by verifying the effectiveness of the termination and the full realisation of remaining deferred revenue, therefore. We were able to satisfy ourselves that the estimates and assumptions made by the executive directors are substantiated and sufficiently documented to ensure the appropriate recognition of revenue from collaboration agreement on the accounting policy applied. Finally, we evaluated the sufficiency of the related disclosures and we found them to be appropriate.

Report on the other information included in the Dutch board report and financial statements

The annual report (or 'Dutch board report and financial statements') contains other information. This includes all information in the Dutch board report and financial statements in addition to the financial statements and our auditor's report thereon.

Based on the procedures performed as set out below, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements; and
- contains all the information regarding the directors' report and the other information that is required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and the understanding obtained in our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing our procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of such procedures was substantially less than the scope of those procedures performed in our audit of the financial statements.

The board of directors is responsible for the preparation of the other information, including the directors' report and the other information in accordance with Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements

Our appointment

We were appointed as auditors of Immatics N.V. on 17 June 2021. This followed the passing of a resolution by the shareholders at the annual general meeting held on 17 June 2021. Our appointment has been renewed annually by shareholders and now represents a total period of uninterrupted engagement of 3 years.

Responsibilities for the financial statements and the audit

Responsibilities of the board of directors

The board of directors is responsible for:

- the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code; and for
- such internal control as the board of directors determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the board of directors is responsible for assessing the Company's ability to continue as a going-concern. Based on the financial reporting frameworks mentioned, the board of directors should prepare the financial statements using the going-concern basis of accounting unless the board of directors either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so. The board of directors should disclose in the financial statements any event and circumstances that may cast significant doubt on the Company's ability to continue as a going concern.

Our responsibilities for the audit of the financial statements

Our responsibility is to plan and perform an audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence to provide a basis for our opinion. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high but not absolute level of assurance, which makes it possible that we may not detect all material misstatements. Misstatements may arise due to fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

A more detailed description of our responsibilities is set out in the appendix to our report.

Eindhoven, 26 April 2023
PricewaterhouseCoopers Accountants N.V.

Original has been signed by M.K.M.S. Povel RA

Appendix to our auditor's report on the financial statements 2022 of Immatics N.V.

In addition to what is included in our auditor's report, we have further set out in this appendix our responsibilities for the audit of the financial statements and explained what an audit involves.

The auditor's responsibilities for the audit of the financial statements

We have exercised professional judgement and have maintained professional scepticism throughout the audit in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit consisted, among other things of the following:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the intentional override of internal control.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors.
- Concluding on the appropriateness of the board of directors' use of the going-concern basis of accounting, and based on the audit evidence obtained, concluding whether a material uncertainty exists related to events and/or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report and are made in the context of our opinion on the financial statements as a whole. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures, and evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Considering our ultimate responsibility for the opinion on the consolidated financial statements, we are responsible for the direction, supervision and performance of the group audit. In this context, we have determined the nature and extent of the audit procedures for components of the Group to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole. Determining factors are the geographic structure of the Group, the significance and/or risk profile of group entities or activities, the accounting processes and controls, and the industry in which the Group operates. On this basis, we selected group entities for which an audit or review of financial information or specific balances was considered necessary.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related actions taken to eliminate threats or safeguards applied.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.