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

FORM 8-K/A
Amendment No. 1
Current Report

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (date of earliest event reported): May 18, 2023

IOVANCE BIOTHERAPEUTICS, INC.

(Exact Name of Registrant as Specified in Charter)

Delaware
(State of Incorporation)

001-36860	**75-3254381**
Commission File Number	**(I.R.S. Employer Identification No.)**
825 Industrial Road, 4th Floor **San Carlos, California**	**94070**
(Address of Principal Executive Offices)	**(Zip Code)**

(650) 260-7120
(Registrant's Telephone Number, Including Area Code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425).

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12).

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b)).

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c)).

Indicate by check mark whether the registrant is an emerging growth company as defined in as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter). Emerging growth company ☐

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

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, par value $0.000041666 per share	IOVA	The Nasdaq Stock Market, LLC

Explanatory Note

As previously disclosed in the Current Report on Form 8-K filed by Iovance Biotherapeutics, Inc. (the "Company") with the Securities and Exchange Commission (the "SEC") on January 23, 2023, the Company and its newly formed, wholly owned subsidiary, Iovance Biotherapeutics UK Ltd ("Purchaser") entered into an Option Agreement (the "Option Agreement") with Clinigen Holdings Limited, Clinigen Healthcare Limited, and Clinigen, Inc. (collectively, "Clinigen"), pursuant to which the Purchaser would acquire the worldwide rights in Proleukin® (aldesleukin), as well as the manufacturing, supply, commercialization and the generation of income from such rights and associated operations from Clinigen (the "Acquisition").

On May 18, 2023, the Company filed a Current Report on Form 8-K (the "Closing 8-K") with the SEC to report that the closing of the Acquisition occurred on May 18, 2023, following the satisfaction or waiver of the closing conditions under the Option Agreement.

This Current Report on Form 8-K/A (this "Amendment No. 1") amends the Closing 8-K to provide the financial statements and pro forma financial information required by Items 9.01(a) and 9.01(b) of Form 8-K that were previously omitted from the Closing 8-K in reliance on Items 9.01(a)(4) and 9.01(b)(2) of Form 8-K. This Amendment No. 1 does not amend any other item of the Closing 8-K and all other information previously reported in or filed with the Closing 8-K is hereby incorporated by reference to this Amendment No. 1.

Item 9.01. Financial Statements and Exhibits.

(a) Financial Statement of Business Acquired

The audited combined carve-out financial statements of Clinigen SP Limited (the "Target") as of June 30, 2022 and 2021 and July 1, 2020 and for the years ended June 30, 2022 and 2021, and the related notes and the related independent auditors' report thereon, are filed herewith as Exhibit 99.1 and incorporated herein by reference.

The unaudited interim condensed combined carve-out financial statements of the Target as of and for the six months ended December 31, 2022 and 2021, and the unaudited notes related thereto, are filed herewith as Exhibit 99.2 and incorporated herein by reference.

(b) Pro Forma Financial Information

Certain unaudited pro forma condensed combined financial information as of and for the three months ended March 31, 2023 and for the year ended December 31, 2022, are filed herewith as Exhibit 99.3 and incorporated herein by reference.

(d) Exhibits

Exhibit No.	Description
23.1	Consent of PricewaterhouseCoopers LLP, independent auditors of Clinigen SP Limited.
99.1	Audited combined carve-out financial statements of Clinigen SP Limited as of June 30, 2022 and 2021 and July 1, 2020 and for the years ended June 30, 2022 and 2021, and the related notes and the related independent auditors report thereon.
99.2	Unaudited interim condensed combined carve-out financial statements of Clinigen SP Limited as of and for the six months ended December 31, 2022 and 2021 and the unaudited notes related thereto.
99.3	Unaudited pro forma condensed combined financial information as of and for the three months ended March 31, 2023 and for the year ended December 31, 2022.
104	Cover Page Interactive Data File (embedded as Inline XBRL document).

SIGNATURES

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

Date: June 2, 2023	**IOVANCE BIOTHERAPEUTICS, INC.**	
	By:	/s/ Frederick G. Vogt
		Frederick G. Vogt, Interim CEO & General Counsel

Exhibit 23.1

CONSENT OF INDEPENDENT AUDITORS

We hereby consent to the incorporation by reference in the Registration Statement on Form S-3 (Nos. 333-212373 and 333-214073) and on Form S-8 (Nos. 333-271810, 333-266544, 333-263503, 333-259752, 333-227242, 333-239317, 333-239316, 333-217638, 333-214567 and 333-205097) of Iovance Biotherapeutics, Inc. of our report dated May 18, 2023 relating to the financial statements of Clinigen SP Limited (the Proleukin Business), which appears in this Current Report on Form 8-K.

/s/ PricewaterhouseCoopers LLP
East Midlands, United Kingdom
June 2, 2023

Proleukin Business

(Carve-out from Clinigen Limited)
Combined carve-out financial statements
For the years ended 30 June 2022, 2021, and as at 1 July, 2020

(Amounts expressed in United States Dollars)

Index to Combined Carve-out Financial Statements

Report of Independent Auditors

To the Directors of Clinigen SP Limited

Opinion

We have audited the accompanying combined carve-out financial statements of Clinigen SP Limited (the "Proleukin Business"), which comprise the combined statements of financial position as of June 30, 2022 and 2021 and as at July 1, 2020, and the related combined statements of profit or loss and other comprehensive income, of cash flows, and of changes in parent company net investment for the years ended June 30, 2022 and 2021, including the related notes (collectively referred to as the "combined carve-out financial statements").

In our opinion, the accompanying combined carve-out financial statements present fairly, in all material respects, the financial position of the Proleukin Business as of June 30, 2022 and 2021 and as at July 1, 2020, and the results of its operations and its cash flows for the years ended June 30, 2022 and 2021 in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Combined Carve-Out Financial Statements section of our report. We are required to be independent of the Proleukin Business and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Material Uncertainty Related to Going Concern

The accompanying combined carve-out financial statements have been prepared assuming that the Proleukin Business will continue as a going concern. As discussed in Note 2 to the combined carve-out financial statements, Clinigen Limited signed an agreement for the disposal of the Proleukin Business to Iovance Biotherapeutics Inc. for which uncertainty exists regarding the future plans and funding requirements for the Proleukin Business under the new ownership, and has stated that these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Proleukin Business' ability to continue as a going concern. Management's evaluation of the events and conditions and management's plans regarding these matters are also described in Note 2. The combined carve-out financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Combined Carve-Out Financial Statements

Management is responsible for the preparation and fair presentation of the combined carve-out financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of combined carve-out financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the combined carve-out financial statements, management is responsible for assessing the Proleukin Business' ability to continue as a going concern for at least, but not limited to, twelve months from the end of the reporting period, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Proleukin Business or to cease operations, or has no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Combined Carve-Out Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined carve-out financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. 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 override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the combined carve-out financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the combined carve-out financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the combined carve-out financial statements.
- Obtain 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 Proleukin Business' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the combined carve-out financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Proleukin Business' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

/s/ PricewaterhouseCoopers LLP

East Midlands, UK
18 May 2023

Proleukin Business

(Carve-out from Clinigen Limited)
Combined Statement of Profit or Loss and Other Comprehensive Income
For the years ended 30 June 2022 and 2021

(USD in thousands)	Notes	30 June 2022	30 June 2021
Revenue from contracts with customers	7	$ 21,624	$ 40,124
Cost of sales	12	20,371	20,747
Gross profit		1,253	19,377
Administrative expense	19	5,802	8,833
Impairment of intangible assets	13, 19	2,661	-
Total general and administrative expense		8,463	8,833
(Loss)/profit before income tax		(7,210)	10,544
Income tax expense	9	2,953	3,116
(Loss)/profit for the year		**(10,163)**	**7,428**
Items that may be reclassified to profit or loss			
Foreign currency translation (losses)/gains		(1,555)	9,643
(Loss)/profit and comprehensive (loss)/profit for the year		**$ (11,718)**	**$ 17,071**

See accompanying notes to the financial statements.

Proleukin Business

(Carve-out from Clinigen Limited)
Combined Statement of Financial Position
As at 30 June 2022, 2021, and 1 July 2020

(USD in thousands)	Notes	30 June 2022	30 June 2021	1 July 2020
Assets				
Non-current assets:				
Deferred tax assets	9	7,182	10,338	10,109
Intangibles, net	12	162,710	179,599	187,514
Total non-current assets		169,892	189,937	197,623
Current assets:				
Prepaid expenses and other current assets		$ 137	$ 185	$ 56
Trade receivables	11	2,430	4,129	11,439
Inventories	10	5,067	7,802	5,994
Cash		45	75	38
Total current assets		7,679	12,191	17,527
Total assets		**$ 177,571**	**$ 202,128**	**$ 215,150**
Liabilities and Parent Company Net Investment				
Current liabilities:				
Accounts payable and accrued expenses	14	$ 6,133	$ 8,293	$ 4,684
Onerous supply provision	15	1,736	1,847	2,122
Refund liabilities	7	5,816	11,975	11,374
Current tax liabilities	9	-	698	-
Total current liabilities		13,685	22,813	18,180
Total liabilities		13,685	22,813	18,180
Parent company net investment:				
Parent company net investment	16	155,798	169,672	196,970
Accumulated other comprehensive profit		8,088	9,643	-
Total parent company net investment		163,886	179,315	196,970
Total liabilities and parent company net investment		**$ 177,571**	**$ 202,128**	**$ 215,150**
Commitments and contingencies	20			
Events after the reporting period	21			

See accompanying notes to the financial statements.

Proleukin Business

(Carve-out from Clinigen Limited)
Combined Statement of Changes in Parent Company Net Investment
For the years ended 30 June 2022 and 2021

(USD in thousands)	Notes	Parent Company Net Investment	Accumulated other comprehensive profit/(loss)	Total
Balance at 1 July 2020		$ 196,970	$ -	$ 196,970
Other comprehensive profit/(loss):				
Foreign currency translation gains			9,643	9,643
Transfers to Parent	16	(123,247)		(123,247)
Transfers from Parent	16	88,521		88,521
Profit for the year		7,428	-	7,428
Balance at 30 June 2021		**169,672**	**9,643**	**179,315**
Other comprehensive profit/(loss):				
Foreign currency translation losses			(1,555)	(1,555)
Transfers to Parent	16	(9,129)		(9,129)
Transfers from Parent	16	5,418		5,418
Loss for the year		(10,163)	-	(10,163)
Balance at 30 June 2022		**$ 155,798**	**$ 8,088**	**$ 163,886**

See accompanying notes to the financial statements.

Proleukin Business

(Carve-out from Clinigen Limited)
Combined Statement of Cash flows
For the years ended 30 June 2022 and 2021

(USD in thousands)	Notes	30 June 2022	30 June 2021
Cash flows from operating activities:			
(Loss)/profit before income tax		$ (7,210)	$ 10,544
Adjustments to reconcile profit or loss to			
net cash used in operating activities:			
Non-cash items			
Impairment of intangible assets	13	2,661	-
Amortization of intangible assets	12	13,866	13,782
Changes in operating assets and liabilities:			
Inventories	10	2,735	(1,808)
Trade receivables	11	1,699	7,309
Prepaid expenses and other current assets		48	(129)
Refund liabilities	7	(6,159)	601
Onerous supply provision		(111)	(275)
Accounts payable and accrued expenses	14	(2,160)	3,609
		5,369	33,633
Income taxes paid	9	(495)	(2,647)
Net cash from operating activities:		4,874	30,986
Cash flows from investing activities:			
Purchase of intangible assets	12	(1,614)	(3,913)
Net cash used in investing activities:		(1,614)	(3,913)
Cash flows from financing activities:			
Transfers to Parent	16	(9,129)	(123,247)
Transfers from Parent	16	5,839	96,211
Cash flows used in financing activities:		(3,290)	(27,036)
Increase (decrease) in cash and cash equivalents		**(30)**	**37**
Cash and cash equivalents, beginning of year		**75**	**38**
Cash and cash equivalents, end of year		**$ 45**	**$ 75**

See accompanying notes to the financial statements.

Note 1. Nature of the Proleukin Business

The accompanying combined carve-out financial statements present, on a historical cost basis, the combined assets, liabilities, revenue and expenses of the Proleukin Business (hereafter "Proleukin" or the "Proleukin Business" or the "Proleukin Combined Group"), a business of Clinigen Limited (historically referred to as Clinigen Group plc, and hereafter the "Parent" or "Clinigen" or "Clinigen Group"). The combined carve-out financial statements for the Proleukin Business have been prepared in conjunction with its contemplated divestiture by Clinigen. The combined carve-out financial statements represent the financial position and performance of the Proleukin Business in consideration of the proposed transaction (the "proposed transaction"). The structure of the proposed transaction involves purchasing the Clinigen SP Limited entity, which will include the Proleukin Business. The combined carve-out financial statements portray the Proleukin Business consistently with the purpose for which they are prepared.

The Proleukin Business is the exclusive global owner of the licensed version of the generic drug Aldesleukin, Proleukin® (hereafter "Proleukin®" or the "Proleukin Product"), which is a synthetic form of interleukin-2 ("IL-2") that activates the immune system to better recognise and kill cancer cells. IL-2 is a protein produced naturally by the body that activates certain white blood cells called lymphocytes to help the immune system fight against diseases and infections. Proleukin® is an immunotherapy product that activates cancer-attacking cells in the body to reproduce and target cancer cells, blocking the spread of metastatic melanoma ("mM") and kidney cancer which has spread to other organs, or metastatic renal cell carcinoma ("mRCC"). Aldesleukin is also currently being studied as part of adoptive cellular therapy, and at significantly lower doses than those used in oncology has demonstrated immunomodulatory effects in certain auto-immune and inflammatory disease states by boosting the levels of a particular subset of white blood cells called T-regulatory lymphocytes.

The Proleukin Business acquired the United States and global distribution rights and intellectual property from Novartis Pharmaceuticals Corporation in July 2018 and April 2019, respectively. It sells the Proleukin Product either directly to the United Kingdom and overseas customers or via third-party distributors who sell to the end customer. The main end commercial customers for Proleukin® are hospital pharmacies, where the drug is ultimately administered to patients by hospital physicians. Proleukin® is also sold to third-party pharmaceutical and biotech companies for use in clinical trials.

The Proleukin Combined Group consists of the dedicated legal entities that relate to Proleukin commercial and operational activities, assets, liabilities, and the portion of Proleukin business activity within other Clinigen entities that are not within the transaction perimeter. Refer to *Note 2, Basis of presentation*, for an overview of the legal entities included in the transaction perimeter.

Note 2. Basis of presentation

The combined carve-out financial statements for the fiscal years ended 30 June 2022 and 2021 and as at 1 July 2020, have been prepared in accordance with this Basis of Preparation, which is consistent with the recognition, measurement and presentation requirements of International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS"). These combined carve-out financial statements were authorised by the Clinigen SP Limited Board of Directors on 18 May 2023. IFRS does not provide for the preparation of combined carve-out financial information, and accordingly in preparing the combined carve-out financial information certain accounting conventions commonly used for the preparation of historical financial information have been applied. IFRS has been applied and the financial information relating to the Proleukin Business has been prepared in a form that is consistent with the accounting policies adopted in Clinigen's latest annual accounts.

IFRS 1 *First-time Adoption of International Financial Reporting Standards* ("IFRS 1") has been applied in the adoption of IFRS for the purpose of preparing the Proleukin combined carve-out financial statements with a transition date of 1 July 2020 (the "Transition Date"). IFRS 1 sets out the procedures that an entity must follow when it adopts IFRS for the first time as the basis for preparing its general-purpose financial statements. Certain optional exemptions and certain mandatory exceptions as applicable for first-time IFRS adopters have been applied in preparing the combined carve-out financial statements. Estimates made in preparing the combined carve-out financial statements reflect the facts and circumstances which existed at the time such estimates were initially made. Refer to *Note 6, First-time adoption of IFRS* for additional IFRS 1 first-time adoption considerations.

For all periods prior to this first-time adoption of IFRS, the financial information of the Proleukin Business was included within the consolidated financial statements of Clinigen Limited, which were prepared in accordance with UK-adopted International Accounting Standards and with the Companies Act 2006 as applicable to companies reporting under those standards ("UK-IFRS"). Therefore, IFRS 1 first-time adoption reconciliations are not included within this set of combined carve-out financial statements.

The accounting policies and estimates applied within the combined carve-out financial statements, to the extent they are in conformity with IFRS and IFRS 1 requirements, are consistent with accounting policies and estimates applied within Clinigen's consolidated financial statements for the year ended 30 June 2022.

Basis of Combination
The Proleukin Business does not form a distinct, separate group of legal entities. The Proleukin combined carve-out financial statements have been prepared separately and are derived (carved-out) from Clinigen Limited's consolidated financial statements and accounting records and include the Statements of Financial Position, Profit or Loss and Other Comprehensive Income and Cash Flows of the Business. The combined carve-out financial statements include all legal entities fully dedicated to the Proleukin Business and all Proleukin Business activities within other Clinigen legal entities. Intercompany transactions within the Proleukin Business have been eliminated, while transactions between Proleukin and Clinigen, which were historically eliminated within Clinigen's consolidated financial statements, are reinstated to the extent they are now representative of related party transactions. Refer to *Note 18, Related party disclosures.*

The list of legal entities and country of incorporation whose underlying financial statements, financial information, and accounting records have been used for the preparation of the combined carve-out financial statements is as follows:

1. Legal entities fully dedicated to Proleukin Business activities:
   - Clinigen SP Limited (England and Wales)

2. Legal entities with Clinigen operations related to Proleukin to be carved out and included within the Proleukin Combined Group:
   - Clinigen Healthcare Limited (England and Wales)
   - Clinigen Holdings Limited (England and Wales)
   - Clinigen Limited (England and Wales)
   - Clinigen, Inc. (United States)

The individual financial statements and accounting records of Clinigen SP Limited, historically consolidated by Clinigen for the years ended 30 June 2022, 2021, and as at 1 July 2020, have been included in the combined carve-out financial statements of the Proleukin Business for the same periods, after making all required intercompany adjustments.

Proleukin Business activities are also carried out by Clinigen entities that perform other business activities not relevant to Proleukin. Therefore, to retain only the assets, liabilities, revenues, and expenses relevant to the Proleukin Business in the combined carve-out financial statements, account balances and transactions within these entities directly attributable to Proleukin have been included in addition to a representative, proportionate allocation of shared central costs within these entities. Refer to *Note 3, Approach for the preparation of the combined carve-out financial statements*, for additional discussion of the cost allocation approach. These legal entities are presented in section 2 of the above list.

Going concern
On 23 January 2023, the Clinigen Group signed an agreement for the disposal of the worldwide rights to Proleukin® to Iovance Biotherapeutics Inc. Management understands that Iovance intends to continue running the business as a going concern included within their wider group, however it is recognised that uncertainties exist regarding the future plans and funding requirements for the business under the new ownership given the timing of the completion of the acquisition for the going concern assessment.

The existence of this scenario is considered to be a material uncertainty that may cast significant doubt upon the business's ability to continue as a going concern. These combined carve-out financial statements do not give effect to any adjustments which would be necessary should the Proleukin Business be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the combined carve-out financial statements.

Note 3. Approach for the preparation of the combined carve-out financial statements

The combined carve-out financial statements have been prepared on a "carve-out basis" from Clinigen's consolidated financial statements for the purpose of separately presenting the financial statements of Proleukin. Accordingly, the combined carve-out financial statements reflect all historical assets, liabilities, revenues, expenses, and cash flows that are directly attributable or may be reasonably allocated to the Proleukin Combined Group.

Allocations and estimates within the combined carve-out financial statements are based on Clinigen management's reasonable assumptions. However, allocation methods may not necessarily indicate the Proleukin Combined Group's financial position, results of operations, or cash flows had the Proleukin Combined Group operated as a separate stand-alone group during the periods presented, nor are they necessarily indicative of future results. Furthermore, the combined carve-out financial statements do not reflect the financial impact of the separation of the Proleukin Business from Clinigen, such as contractual agreements that were not effective in the presented periods. Transactions and balances within the Clinigen accounting records previously reported as part of the historical and continuing operations of the Proleukin Business have been directly attributed to the Proleukin Business. In contrast, transactions and balances related to shared activity between Proleukin and Clinigen, previously reported as part of Clinigen, have been attributed to the Proleukin reporting entity based on specific identification or proportional allocation. Allocations were made using relative percentages of revenue, headcount, orders processed, or other methods, which are considered reasonable under the circumstances and are further explained below.

The Proleukin combined statement of financial position includes the assets and liabilities identified as attributable to Proleukin based on historical operations. As such, Proleukin related balances that are included in legal entities that also comprise other Clinigen activities have been attributed to Proleukin based on specific identification. To the extent a shared asset is primarily used by the Proleukin Business, the entire asset and a charge for any related depreciation or amortisation will be included within the Proleukin Combined Group's combined carve-out financial statements. Assets and liabilities determined to be attributable to Proleukin are included in the combined carve-out financial statements with a corresponding entry in the parent company net investment account as of 1 July 2020. If Proleukin is not the primary user of the asset, the asset will be excluded entirely from the combined carve-out financial statements; however, a representative charge for the shared usage of the asset will be included in the combined statement of profit or loss and other comprehensive income as an operating expense.

Revenue and expenses have been allocated based on information available in Clinigen's accounting records for operational activities directly attributable to Proleukin. All revenue is directly attributable to the sales of the Proleukin Product. Corporate costs incurred at the Clinigen level, such as finance and treasury, human resources, head office, IT, and legal, are charged to the business divisions based on direct usage or benefit, where identifiable. Shared costs which are not directly attributable to the Proleukin Business have been allocated consistently based on the type of expenses incurred, using allocation drivers determined by management which most directly correspond to the proportionate costs incurred by Proleukin. These allocation drivers include calculations based on the Proleukin Business's proportionate percentage of the respective total revenues, orders processed, or headcount for the applicable Clinigen legal entities. Refer to *Note 18, Related party disclosures,* for additional details.

Cash flows related to and from Proleukin activities have also been analysed on a basis consistent with the methods used to allocate assets and liabilities.

The primary account considerations in preparation of the combined carve-out financial statements are disclosed below:

Intercompany balances and transactions: All intercompany balances and transactions within the Proleukin Combined Group have been eliminated. Other balances and transactions between other Clinigen entities have not been eliminated but are presented as balances and transactions with related parties. Refer to *Note 18, Related party disclosures*, for additional details.

Trademarks and licenses: The Proleukin® trademarks and licenses providing the rights of distribution for the product within the United States and internationally, in addition to in-process product development, are owned by Clinigen SP and Clinigen Holdings Limited, respectively. Therefore, these intangible assets are reflected within the combined statement of financial position at their historical costs less accumulated amortisation.

Property, plant and equipment and other intangible assets: There are no long-lived assets fully dedicated to the Proleukin Business. For legal entities that include both Proleukin and other Clinigen operational activities, certain property, plant and equipment, and intangible assets, are shared between divisions, including Proleukin. These assets primarily consist of software, IT hardware, and office equipment. Proleukin is not the primary user, nor is it legally entitled to any of these shared assets. Therefore, no property, plant and equipment or intangible assets other than those noted within the Trademarks and licenses section above, have been recognised within the combined statement of financial position. However, because the Proleukin Business generally uses and benefits from certain shared assets, management has included a representative portion of the depreciation expense associated with the use of those assets in the combined statement of profit or loss and other comprehensive income. The allocation of depreciation expense was based on either the percentage of Proleukin Business revenues to total revenues of the respective legal entities or a percentage of headcount. Management believes the allocation methods used best represent the costs incurred by the Proleukin Business.

Right-of-use assets: The Clinigen Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Clinigen Group recognises lease liabilities representing obligations to make lease payments and right-of-use assets representing the right to use the underlying assets. Management considered whether the use of any shared asset meets the lease definition under IFRS 16 *Leases,* which would require a right-of-use asset to be recognised in the combined carve-out financial statements and determined that there were no such assets. However, because the Proleukin Business generally uses and benefits from certain shared assets, it has included an expense associated with the use of those assets in the combined statement of profit or loss and other comprehensive income.

Inventories: Balances have been attributed to Proleukin based on specific identification. Refer to *Note 10, Inventories, net*, for further details.

Trade receivables: Balances have been attributed to Proleukin based on specific identification. Refer to *Note 11, Trade receivables*, for further details including intercompany considerations.

Cash: Cash includes cash on hand and demand deposits. Cash is reflected within the combined statement of financial position only for the Clinigen SP Limited bank account to which the Proleukin Combined Group has legal rights and access. For the carve-out business, cash flows form part of additional funding from (paid to) the Parent and are disclosed in the parent company net investment line item of the combined statement of cash flows.

Financial debts and instruments: No debt is held directly by the Proleukin Combined Group as of 30 June 2022. Additionally, management has determined that no debt maintained at the Clinigen Group level or in the legal entities carrying out business related to multiple Clinigen activities was specifically or entirely related to the Proleukin Combined Group, nor did the Proleukin Combined Group pledge its assets as collateral for any of the Parent's debt (refer to *Note 20, Commitments and contingencies* for discussion relating to a guarantee provided to Clinigen Limited in respect to its borrowing facilities, representing a contingent liability). As such, no Parent level debt has been allocated to the combined carve-out financial statements. In addition, there are no derivatives or other financial instruments relevant to the Proleukin combined carve-out financial statements besides the trade receivables and payables and intercompany balances disclosed elsewhere within the notes to the combined carve-out financial statements.

Other provisions, liabilities, and contingent liabilities: Provisions, liabilities, and contingent liabilities related to the Proleukin Business have been identified and separately disclosed (refer to *Note 7, Revenue from contracts with customers*, *Note 15, Onerous supply provision,* and *Note 20, Commitments and contingencies*), on an item-by-item basis.

Share-based compensation: Certain Clinigen Group employees that provide direct support to the Proleukin Business are entitled to Clinigen stock options as part of Clinigen's share-based compensation plans. These Clinigen plans are classified as equity-settled share-based compensation plans. The expenses related to participating employees that provide direct support to the Proleukin Business, including Clinigen Group executives that support the Proleukin Business, have been allocated to the Proleukin Combined Group using the same basis as these employees' salaries and benefits, with a corresponding increase in the parent company net investment.

Income taxes: For existing legal entities, the expense and the balances recognised in the combined carve-out financial statements correspond to the historical current and deferred income tax charges and balances.

For the Clinigen legal entities that contain a portion of Proleukin business activity but are not within the transaction perimeter, income tax has been reflected as follows:

- The income tax expense has been estimated based on an income (loss) before tax of the Proleukin activities as included in the combined carve-out financial statements adjusted for permanent differences related to the carve-out business and based on the application of income tax rates to the legal entities.
- The deferred tax income (expense) corresponds to the change in the net deferred tax assets (liabilities) after the carve-out of the Proleukin Business, excluding the deferred tax income (expense) recorded as Other comprehensive income (loss); and
- Current income tax expense has been calculated based on the income tax charge after the deduction of deferred income tax expense and income.

The current tax balances resulting from the accounting entries described above have been adjusted through the contribution from (paid to) the parent company net investment of the combined carve-out financial statements as the "Corporate income tax" payable only reflects the historical tax payable balance due to the tax authorities in relation to existing legal entities fully dedicated to the Proleukin Business. Refer to *Note 9, Income tax*, for more detail.

Carried-forward tax losses are recognised as deferred tax assets in the combined statement of financial position if they are deemed recoverable. Their recoverability is assessed based on estimates of taxable profits in the foreseeable future. When the recovery is no longer considered probable, the change in deferred tax balances is recognised in the combined statement of profit or loss and other comprehensive income, except to the extent that it relates to items previously recognised outside the combined statement of profit or loss and other comprehensive income.

Parent company net investment: The parent company net investment represents the cumulative investment of Clinigen Limited in the Proleukin Business ("Parent Company Net Investment") and no analysis of this amount into components of equity is presented. It also includes the effects of carve-out expense allocations and financing provided to the carve-out business by the Parent. Refer to *Note 4, Summary of significant accounting policies*, and *Note 16, Parent company net investment* for further details.

Events after the reporting period: The combined carve-out financial statement estimates are consistent with those reflected in Clinigen's consolidated financial statements as of and for the years ended 30 June 2022, 2021, and 1 July 2020. The Proleukin Combined Group has evaluated events after the reporting period, and transactions for disclosure in the combined carve-out financial statements in accordance with IFRS through 18 May 2023, the date the combined carve-out financial statements were authorised for issuance.

Note 4. Summary of significant accounting policies

Foreign currencies: The Proleukin Business's combined carve-out financial statements are presented in United States Dollars ("USD"). Transactions included within the financial statements of the Proleukin Combined Group are measured using the currency of the primary economic environment in which the legal entities with Proleukin Business activities that are included in the combined carve-out financial statements operate (the 'functional currency'). The functional currency of the entities with Proleukin operations that do not have USD as their functional currency is British pounds sterling ("GBP"). Foreign currency transactions are recorded at the functional currency exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency exchange rates at the reporting date. Accordingly, foreign currency gains (losses) arising on settlement or remeasurement of monetary items are recognised within profit (loss) within the combined statement of profit or loss and other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated, and the historical cost is calculated using the exchange rates at the initial transactions date.

In combination, the combined statement of these entities' financial position of entities with Proleukin operations that do not have USD as their functional currency are translated into USD at their closing rate. The combined statement of profit or loss and other comprehensive income are translated in USD at the average rates for the relevant period. Exchange rate differences arising from the translation of the parent company net investment in entities with a functional currency other than USD are recorded in other comprehensive income (loss) and accumulated in the foreign exchange reserve in the combined statement of changes in the parent company net investment.

Intangible assets:
Trademarks and licenses: The Proleukin® trademarks and licenses were separately acquired from Novartis in 2018 and 2019. Both purchases were determined to be asset acquisitions. Separately acquired trademarks and licenses are shown at historical cost less accumulated depreciation. They are initially recognised at cost, being the fair value of the asset's purchase price and any directly attributable cost of acquiring the asset and preparing it for its intended use.

Internally developed intangible assets: Expenditure on development activities is capitalised if the reporting entity is technically and commercially feasible and Proleukin intends, has the technical ability, and has sufficient resources to complete development, future economic benefits are probable, and Proleukin can reliably measure the expenditure attributable to the intangible asset during its development. Development activities involve a plan or design to produce new or substantially improved products or processes. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads and capitalised borrowing costs. Other development costs are expensed as incurred and recognised within the combined statement of profit or loss and other comprehensive income.

The carrying values of trademarks and licenses and internally developed intangible assets are calculated as cost less accumulated amortisation and impairment losses. They have a finite useful life, and amortisation is calculated using the straight-line method to allocate the cost of the trademarks and licenses and internally developed intangible assets over their estimated useful lives of 15 years. The amortisation expense is recognised within cost of sales in the combined statement of profit or loss and other comprehensive income.

Internally developed trademarks and licenses are held as assets under construction during development, and amortisation commences when development is complete and the asset is available for use.

Derecognition of intangible assets: An intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss.

Impairment reviews: Long-lived assets are assessed for impairment indicators at each reporting date to determine whether an asset may be impaired. The carrying value of individual intangible and tangible assets is compared to the recoverable amount, which is the higher of the value-in-use or the fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the smallest group of assets to which it belongs, for which there are separately identifiable cash flows (the "cash-generating unit" or "CGU").

An impairment loss is recognised for the amount by which the asset's carrying value exceeds its recoverable amount. Impairment losses are recognised in the combined statement of profit or loss and other comprehensive income. Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Operating segments: An operating segment is defined as a component of an entity for which discrete financial information is available that is evaluated regularly by the chief operating decision maker ("CODM") to allocate resources and evaluate financial performance. Proleukin's CODM is the Chief Executive Officer of the Clinigen Group. The CODM evaluates performance and makes decisions about allocating resources to its operating segments based on the financial information presented in the combined carve-out financial statements. Proleukin uses the management approach to determine the segment financial information that should be disaggregated and presented separately in its notes to its combined carve-out financial statements. The management approach is based on the manner by which management has organized the segments within the Proleukin for making operating decisions, allocating resources, and assessing performance. Proleukin reports its financial results consistent with the manner in which financial information is viewed by management for decision-making purposes. Proleukin does not evaluate operating expenses such as general and administrative expenses, amortisation of intangible assets and impairment of intangible assets expenses, and income tax expenses at the segment level.

Intercompany: All intercompany balances and transactions between Proleukin and Clinigen Group companies are eliminated if directly related to Proleukin Business activities or separately disclosed as related party transactions. Refer to *Note 6, First-time adoption of IFRS* and *Note 18, Related party disclosures*, for additional detail.

Inventories: Inventories include both raw materials in the form of naked, unpacked vials and finished goods held for sale to customers. Inventories are initially recognised at cost and subsequently stated at the lower of cost or net realisable value on an average basis. The inventory cost comprises all direct and reasonable expenditures incurred in bringing inventories to their present location and condition. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

A number of arrangements exist where Proleukin holds inventories on consignment. In these arrangements, such inventories are only recognised in the combined carve-out statement of financial position when the risks and rewards of ownership are transferred to Proleukin. The Proleukin Business records the inventory in the combined statement of financial position until the sale to the end customer.

Trade receivables: Trade receivables are amounts due from customers for goods sold in the ordinary course of business. Trade receivables are recognised initially at the amount of unconditional consideration unless they contain significant financing components when recognised at fair value. They are generally due for settlement within 30 days and are all classified as current. Proleukin holds trade receivables with the objective of collecting the contractual cash flows and therefore are subsequently measured at amortised cost less allowance for expected credit losses. Refer to *Note 11, Trade receivables*, for further information.

Cash: Cash in the statement of financial position and the statement of cash flows includes cash at banks and on hand.

Accounts payable: Accounts payable are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Accounts payable are presented as current liabilities unless payment is due within more than 12 months after the reporting period. They are initially recognised at their fair value and subsequently measured at amortised cost using the effective interest method.

Provisions: Provisions are recognised in the combined statement of financial position when Proleukin has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are not recognised for future operating losses. When Proleukin expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the combined statement of profit or loss and other comprehensive income net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Onerous contracts: If Proleukin has an onerous contract, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, Proleukin recognises any impairment loss that has occurred on assets dedicated to that contract. According to IAS 37, an onerous contract is a contract under which the unavoidable costs (i.e., the costs that Proleukin cannot avoid because it has the contract) of meeting the obligations under the contract exceed the expected economic benefits received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. The cost of fulfilling a contract comprises the incremental costs that relate directly to the contract. For onerous contracts where the Proleukin Business does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period, the amounts are presented as current liabilities.

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

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where Proleukin operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. Proleukin measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the combined carve-out financial statements. Deferred income tax is also not accounted for if it arises from the initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

Deferred tax assets are only recognised if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the company is able to control the timing of the reversal of the temporary differences, and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in combined statement of profit or loss, except to the extent that it relates to items recognised directly in equity.

Revenue from contracts with customers: Revenue is recognised at the fair value of the consideration received or receivable. Revenue related to the sale of products is recognised in the combined statement of profit or loss and other comprehensive income when the performance obligation is satisfied at an amount which reflects the consideration to which Proleukin expects to be entitled in exchange for those products. Revenue from the sale of products does not contain separate performance obligations and is therefore recognised at the point in time when control of the products has transferred. This is generally the case when the customer has the ability to direct the use of and obtain substantially all of the remaining benefits from the transferred Proleukin Products, which is when the Proleukin Products are delivered to the customer.

The transaction price is not adjusted for a financing component, mainly because the period between the transfer of products and the date of payment by the customer is generally less than 12 months. A receivable is recognised when the products are delivered, as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due. Therefore, Proleukin has concluded that it is the principal in its revenue arrangements.

Variable consideration: If the consideration in a contract includes a variable amount, the Proleukin Business estimates the amount of consideration to which it will be entitled in exchange for transferring the products to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts for the sale of Proleukin® provide customers with the right to return the products within a specified period. Contracts may also provide for chargebacks for reimbursement from Proleukin for sale of product at below Wholesaler Acquisition Cost ('WAC'), contractual cash discounts, distribution fees, and rebates. The rights of return, chargebacks and other discounts, distribution fees and Medicaid rebates give rise to variable consideration.

The Proleukin Business applies either the most likely amount method or the expected value method to estimate the variable consideration in the contract. The selected method that best predicts the amount of variable consideration is driven by a variety of factors depending on the item giving rise to the variable consideration and the terms of the contract, including levels of inventory held in the supply chain close to the expiry window, outstanding chargeback claims in the wholesale supply chain, contractual fees and discounts, and outstanding Medicaid claims. Proleukin then applies the requirements on constraining estimates of variable consideration in order to determine the amount of variable consideration that can be included in the transaction price and recognised as revenue. A refund liability is recognised for

Proleukin Products that are expected to be returned, price reductions given to customers, and wholesaler distribution fees (i.e., the amount not included in the transaction price).

The disclosures of significant estimates and assumptions relating to the estimation of variable consideration for returns, chargebacks, distribution fees and rebates are provided in *Note 5, Significant accounting judgements, estimates and assumptions.*

Liabilities arising from refunds and rights of return: A refund liability is recognised for the obligation to refund some or all of the consideration received (or receivable) from a customer. The Proleukin Business's refund liabilities arise primarily from customers' right of return. Refund liabilities are also recognised for chargebacks payable to wholesale customers, cash discounts, distribution fees, and rebates. The liability is measured at the amount the Proleukin Business ultimately expects it will have to return to, or provide in price reductions, the customer. The Proleukin Business updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

Financial instruments: Proleukin's financial assets and liabilities are classified and measured as follows:

Financial asset or financial liability	Classification and Measurement
Cash	Amortised cost
Trade receivables	Amortised cost
Accounts payable and accrued expenses	Amortised cost

Classification of financial assets and financial liabilities:

Financial assets: Proleukin classifies financial assets as subsequently measured at the amortised cost, fair value through other comprehensive income or fair value through profit or loss based on its business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

A financial asset is measured at amortised cost if the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and the contractual terms of the financial asset give rise on a specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Proleukin does not hold any financial assets classified and measured as fair value through profit or loss or fair value through other comprehensive income.

Financial liabilities: Proleukin classifies all financial liabilities as subsequently at amortised cost and does not hold any financial liabilities classified and measured as fair value through profit or loss.

Initial recognition: Proleukin initially recognises a financial asset or financial liability classified as the amortised cost at its fair value less transaction costs directly attributable to the acquisition or issuance of the financial asset or financial liability. Trade receivables are initially recognised at their transaction price.

Financial assets and liabilities are presented separately in the combined statement of financial position unless there is a legal right to offset and intent to settle on a net basis.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that Proleukin commits to purchase or sell the asset.

Subsequent measurement: Proleukin subsequently measures a financial instrument based on its classification. Financial assets classified as the amortised cost will be measured subsequently using the effective interest rate method less any expected credit losses. Financial liabilities classified as the amortised cost will be subsequently measured using the effective interest rate method.

Derecognition of financial instruments: A financial asset is derecognised when the rights to receive cash flows expire or Proleukin has transferred its contractual rights to receive cash flows from the financial asset or assumes an obligation to pay the cash flows in full without material delay to a third party and has transferred substantially all the risks and rewards of the asset, or has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A financial liability is derecognised when it is extinguished, that is when the obligation is discharged, cancelled or expires. A financial liability is extinguished when the debtor (Proleukin) discharges the liability by paying in cash, other financial assets, goods or services; or is legally released from the liability.

Impairment of financial assets: Proleukin recognises loss allowances for expected credit losses ("ECLs") on financial assets measured at amortised cost. For trade receivables, Proleukin applies a simplified approach under IFRS 9 *Financial Instruments* to measure expected credit losses which use a lifetime expected loss allowance for all trade receivables in calculating ECLs. Therefore, Proleukin does not track changes in credit risk but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The expected loss rates are based on payment profiles and historical credit losses. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors to the extent they are relevant to the customers' ability to settle. The carrying amount of these assets in the combined statement of financial position is stated net of any loss allowance. A loss allowance is estimated from a review of the current and expected economic conditions and counterparty-specific facts. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

Employee benefit plan: The Clinigen Group operates a defined contribution pension plan in which certain employees that provide direct support to the Proleukin Business participate. The Clinigen Group's obligations are limited to the payment of contributions to a separately administered fund, which are recognised as employee benefit costs. Proleukin has no further payment obligations once the contributions have been paid. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

In accordance with IAS 19 *Employee benefits*, payments made in the context of a defined contribution plan are recognised as general and administrative expenses in the combined statement of profit or loss and other comprehensive income in the period in that related employee services are received.

Parent company net investment: The parent company net investment includes the net transfers from (or to) Parent, profit (loss) attributable to the Proleukin Business, and the cumulative translation adjustment after 1 July 2020. The parent company net investment balance in the combined statement of financial position constitutes Clinigen's contribution, as the owner, to the Proleukin Combined Group and represents the excess of total assets over total liabilities. See *Note 16, Parent company net investments,* for further details.

Distinction between current and non-current: Assets and liabilities are presented in the combined statement of financial position based on current and non-current classification. An asset is current when it is expected to be realised or intended to be sold or consumed in normal operating cycle, it is held primarily for trading or it is expected to be realised within twelve months after the reporting period. All other assets are classified as non-current.

A liability is current when it is expected to be settled in normal operating cycle, it is held primarily for trading, it is due to be settled within twelve months after the reporting period or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. All other liabilities are classified as non-current.

Standards issued but not yet effective: Below are the standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Proleukin Business has decided not to adopt early:

- *Amendments to IAS 37 Onerous Contracts – Cost of Fulfilling a Contract*, effective for annual reporting periods beginning on or after 1 January 2022
- *Classification of liabilities as Current or Non Current (Amendments to IAS 1)*, effective for annual reporting periods beginning on or after 1 January 2023
- *Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)*, effective for annual reporting periods beginning on or after 1 January 2023
- *Definition of Accounting Estimates (Amendments to IAS 8)*, effective for annual reporting periods beginning on or after 1 January 2023
- *Deferred Tax Related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)*, effective for annual reporting periods beginning on or after 1 January 2023

The Proleukin Business is currently assessing the impact of these new accounting standards and amendments. Other standards issued but not yet effective that are not included above are either not applicable or insignificant to the Proleukin Business.

Note 5. Significant accounting judgements, estimates and assumptions

The preparation of these financial statements requires management to make judgements, estimates and assumptions that affect the reported revenues, expenses, assets and liabilities, and the accompanying disclosures. These estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Accordingly, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below. Proleukin based its assumptions and estimates on parameters available as of each respective reporting date. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of Proleukin. Accordingly, such changes are reflected in the assumptions when they occur.

Estimating variable consideration for returns, chargebacks and other discounts, rebates, and distribution fees: Trade sales of Proleukin in the US (see *Note 7, Revenue from contracts with customers*, for further details) require the estimation and recognition of provisions for expected returns, rebates, chargebacks and distribution fees which may become payable in future in relation to sales made during the reporting period in accordance with the requirements of IFRS 15 *Revenue from contracts with customers*. Certain products are sold to wholesalers with provisions to return product because of expiry dates being reached, and for reimbursement from Proleukin for sale of product at below WAC, known as chargebacks, where agreements are in place with healthcare providers. Revenue is recognised net of an estimate of reimbursements expected. Accumulated experience is used to estimate and provide for the reimbursements and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. A liability is recognised for expected returns, rebates, distribution fees and chargebacks and other discounts payable to customers in relation to sales made until the end of the reporting period.

Proleukin estimates variable considerations to be included in the transaction price for the sale of the product with rights of return, distribution fees, chargebacks, and rebates. Management uses historical customer and contractual data for Proleukin® sales to calculate the forecasted returns, chargebacks and other discounts, and fees percentages. These percentages are applied to determine the expected value of the variable consideration. Any significant changes in experience compared to historical patterns will impact the expected percentages estimated by Proleukin.

Proleukin updates its assessment of expected returns, chargebacks and other discounts, rebates, and distribution fees quarterly and the refund liabilities are adjusted accordingly. As a result, estimates of expected returns, discounts and fees are sensitive to changes in circumstances, and Proleukin's experience regarding returns, fees and discount or rebate entitlements may not be representative of customers' actual returns, fees and discount or rebate entitlements in the future.

A 1% change in the estimated returns rate would result in a $1.1 million (2021: $1.1 million; 1 July 2020: $1.0 million) additional adjustment to revenue and the associated refund liabilities.

Estimated useful lives of intangible assets: Amortisation of intangible assets depend on useful life estimates. The amortisation methods are judgments based on Proleukin's assessment of the pattern of use of the assets. The estimate of useful lives is based on Proleukin's intended use of the assets.

As at 30 June 2022, the carrying amount of the Proleukin Business trademarks and licenses was $162.7 million (2021: $177.3 million). The Proleukin Business estimates the useful life of the trademarks and licenses to be fifteen years based on the expected period of future economic benefits to be provided. However, the actual useful life may be shorter or longer than fifteen years, depending on the relative success of alternative therapies emerging in the market. If it were only ten years, the carrying amount would be $138.6 million as at 30 June 2022 (2021: $139.4 million; 1 July 2020: $138.6 million). The increase in amortisation expense would be $6.5 million for the year ended 30 June 2022 (2021: $6.4 million). If Proleukin estimated it to be twenty years, the carrying amount would be $171.3 million as at 30 June 2022 (2021: $171.3 million; 1 July 2020: $169.6 million). The decrease in amortisation expense would be $3.7 million for each of the years ended 30 June 2022 and 2021.

Note 6. First-time adoption of IFRS

These combined carve-out financial statements for the years ended 30 June 2022 and 2021 are the first Proleukin has prepared in accordance with IFRS. For periods up to and including the year ended 30 June 2020, the Proleukin Business was included in Clinigen Group, who prepared its financial statements in accordance with UK-adopted International Accounting Standards and with the Companies Act 2006 as applicable to companies reporting under those standards ('UK-IFRS').

Accordingly, the reporting entity has prepared its financial statements that comply with IFRS applicable as at 30 June 2022, together with the comparative period data for the year ended 30 June 2021, as described in the summary of significant accounting policies. In preparing the financial statements, Proleukin's opening statement of financial position was prepared as of 1 July 2020, or Proleukin's date of transition to IFRS. As previously stated, the Clinigen consolidated financial statements used to prepare these combined carve-out financial statements are prepared under IFRS, and the recognition and measurement requirements of IFRS Standards are already applied.

Exemptions applied: For the purpose of these combined carve-out financial statements, the Proleukin Business has applied the exemption under IFRS 1.D13(a) to deem the cumulative foreign exchange differences to be zero at 1 July 2020 (the date of transition). Since the Proleukin Business did not previously prepare combined carve-out financial statements, and accordingly does not have any previous GAAP for the purposes of these combined carve-out financial statements, the Proleukin Business is not required to present reconciliations as per IFRS 1. The accounting policies applied are, to the extent applicable, consistent with accounting policies applied in the consolidated financial statements of the Group.

As a result, the combined carve-out financial statements have been prepared according to IFRS 1.D16(a) and, apart from the applied exemption, reflect the carrying amounts that are included in the consolidated financial statements of the Group.

Note 7. Revenue from contracts with customers

Revenue represents amounts receivable for goods and services provided in the ordinary course of business, net of trade discounts, VAT and other sales-related taxes, and variable consideration for returns, chargebacks, distribution fees and rebates. All revenue arises from contracts with customers and is recognised at a point in time in accordance with the relevant accounting policies. Refer to *Note 18, Related party disclosures* for related party revenues included in revenue in the combined statement of profit or loss and other comprehensive income.

Disaggregated revenue information: Revenues of approximately $3.4 million are derived from a single customer during the year ended 30 June 2022 (2021: $27.4 million are derived from two customers). These revenues are attributed to the United States segment.

The amount of revenue from contracts with customers, broken down by location of the customers which also represents the domicile of the Proleukin Business legal entities' sales, is shown below.

Geographical analysis:

(USD in thousands)	For the years ended 30 June	
	2022	**2021**
US	13,813	34,513
Rest of World	7,811	5,611
Total revenue	**$ 21,624**	**$ 40,124**

Performance obligations:

United States ("US") sales: The performance obligation related to the sale of Proleukin in the United States is satisfied upon receipt of the product at the third-party distributor's warehouse. The US entity within the Proleukin Combined Group acts as a limited risk distributor for the US sales of Proleukin®. The Proleukin Business orders the product from the manufacturer and uses a distributor logistics service which takes title to the product on delivery at its warehouse and, using its state licenses, sells the product to wholesalers who distribute it across the US. The third-party distributor has control of the selling price to wholesalers, provided the price will not exceed the WAC set by Proleukin. The distributor, therefore, takes the inventory valuation risk. Proleukin bears any non-payment risk from wholesalers, but the risk is insignificant due to the size and creditworthiness of the wholesalers.

Revenue from the supply of products is recognised at a point in time when the control of the goods has been transferred to the distributor, which is when the product is received in the third-party distributor's warehouse. Revenue is recognised based on Proleukin being the principal in the transaction with the distributor. Revenue is recognised at the gross fair value of the consideration received or receivable, less an estimate of returns, chargebacks, rebates, discounts and distribution fees.

Rest of World sales: The performance obligation related to the sale of Proleukin globally outside of the US is satisfied upon delivery of the product to hospitals or wholesalers, at which point control passes to the customer and revenue is recognised at that point in time. Sales are direct to hospitals and wholesalers who place orders via customer services. Revenue is recognised at the fair value of the consideration received or receivable, less an estimate of returns.

Refund liabilities: Proleukin recognised the following refund liabilities relating to its performance obligation of the sale of goods:

	Balances as at		
(USD in thousands)	30 June 2022	30 June 2021	1 July 2020
Arising from rights of return	4,934	7,876	7,114
Arising from chargebacks	51	2,024	1,140
Arising from distribution fees	831	2,227	1,966
Arising from cash discounts	-	(88)	1,013
Arising from Medicaid rebates	-	(64)	141
Total refund liabilities	**$ 5,816**	**$ 11,975**	**$ 11,374**

Note 8. Segment information

The Clinigen Group's Chief Executive Officer is the Chief Operating Decision Maker ("CODM") of the Proleukin Combined Group. As required by IFRS 8 *Operating segments*, segment information for Proleukin is presented in accordance with geographical areas as identified in internal reports that are regularly reviewed by the CODM to evaluate how the Proleukin Combined Group allocates resources, assesses financial performance, and makes strategic and operational decisions. Based upon such evaluation, Proleukin has determined that it has two reportable segments, United States and the Rest of World.

Allocations to Proleukin Business of costs related to accounting, information systems, human resources and legal administrative functions that provide support services to the Proleukin Business are included within the segments' results. The Proleukin Business evaluates the performance of its business segments based on gross profit with the CODM reviewing results at that level, consistent with the approach taken by the Clinigen Group.

Revenue and gross profit were comprised of the following for the years ended 30 June 2022 and 2021:

	For the years ended 30 June			
	2022		2021	
(USD in thousands)	USA	Rest of World	USA	Rest of World
Revenue	13,813	7,811	34,513	5,611
Cost of sales	(13,078)	(7,293)	(14,593)	(6,154)
Gross profit/(loss)	**$ 735**	**$ 518**	**$ 19,920**	**$ (543)**

Note 9. Income tax

	For the years ended 30 June	
(USD in thousands)	2022	2021
Current tax expense		
UK corporation tax	$ (203)	$ 1,217
Overseas tax at local prevailing rates	-	2,128
Total current tax expense	**(203)**	**3,345**
Deferred tax credit		
Origination and reversal of temporary differences	3,178	(229)
Adjustments in respect of tax rates	(22)	
Total deferred tax credit	**3,156**	**(229)**
Total income tax expense	**$ 2,953**	**$ 3,116**

The tax on the Proleukin Business's profit before income tax differs from the theoretical amount that would arise using the standard rate of corporation tax in the UK and US applied to profit for the year as follows:

(USD in thousands)	2022	2021
	For the years ended 30 June	
Profit before income tax	$ (7,210)	$ 10,544
Expected tax charge based on corporation tax rate of 19.0%	(1,370)	2,003
Expenses not deductible for tax purposes	3	3
State taxes	-	133
Tax relief for employee share schemes	(46)	32
Change in deferred tax rate	(366)	-
Higher rates of taxes on overseas earnings	615	158
Deferred tax not recognised	4,117	787
Total income tax expense	**$ 2,953**	**$ 3,116**

The movement on the deferred income tax account is as shown below:

(USD in thousands)	Balance at 1 July 2021	Recognised in income statement	Balance at 30 June 2022	Deferred tax assets	Net deferred tax assets
Short-term timing differences	10,257	(4,716)	5,541	5,541	5,541
Share-based payments	81	(81)	-	-	-
Losses	-	1,641	1,641	1,641	1,641
	$ 10,338	**$ (3,156)**	**$ 7,182**	**$ 7,182**	**$ 7,182**

(USD in thousands)	Balance at 1 July 2020	Recognised in income statement	Balance at 30 June 2021	Deferred tax assets	Net deferred tax assets
Short-term timing differences	10,033	224	10,257	10,257	10,257
Share-based payments	76	5	81	81	81
	$ 10,109	**$ 229**	**$ 10,338**	**$ 10,338**	**$ 10,338**

Group relief has been claimed within the Proleukin Business to the extent that losses have been incurred within this portion of the business. The Proleukin Business is also recognising the impact of a carry back of UK tax losses from the year ended 30 June 2022 to the year ended 30 June 2021, resulting in a current tax credit of $0.2 million.

All UK corporation tax liabilities/receivables have been treated as if settled during the year. This is due to the overall business settling total current tax liabilities by way of advanced instalment payments. The US current tax liabilities have been treated as settled in line with actual tax payments made and have been allocated to the Proleukin part of the business on the basis of the proportion of overall tax liability.

Deferred tax assets are recognised for tax losses carried forward to the extent that the realisation of the related tax benefit through future taxable profits arising from future profit forecasts is probable. Deferred tax is calculated in full on temporary differences under the liability method using the enacted tax rate for the period when the temporary difference is expected to reverse.

The Proleukin Business has recognised a deferred income tax asset of $1.6 million (2021: $nil; 1 July 2020: $nil) in respect of $7.8 million (2021: $nil; 1 July 2020: $nil) losses and $0.2 million (2021: $1.6 million; 1 July 2020: $1.2 million) within short-term timing differences above in respect of $0.8 million (2021: $7.0 million; 1 July 2020: $5.2 million) of accrued expenses. $1.3 million of the $1.6 million deferred income tax asset recognised relates to the UK while the remaining balance of $0.3 million relates to the US. This is on the basis that the subsequent unwind of these temporary differences occurs subsequent to the balance sheet date of the combined carve-out financial statements up until the completion of the proposed transaction.

A deferred income tax asset of $5.3 million (2021: $8.6 million; 1 July 2020: $8.9 million) has also been recognised within short-term timing differences above at the consolidated level on a temporary difference between the recognition of revenue and cost of sales arising due to unrealized profit in inventories on intercompany sales between UK and US Proleukin entities. The entire balance relates to the US and therefore, the deferred income tax asset has been recognised at the US deferred tax rate of 22.82% (2021: 22.77%; 1 July 2020: 22.77%) on the basis that Clinigen, Inc. is the purchaser, and the deferred tax asset is therefore unwound via the expensing of these purchases by Clinigen, Inc. This balance will transfer to the new entity post-acquisition and will therefore be deductible in the future.

Conversely, the Proleukin Business has not recognised a deferred income tax asset of $3.8 million (2021: $nil; 1 July 2020: $nil) in respect of $18.3 million of losses (2021: $nil; 1 July 2020: $nil) and $1.1 million (2021: $0.8 million; 1 July 2020: $nil) on $4.8 million (2021: $3.4 million; 1 July 2020: $nil) of accrued expenses. However, the temporary differences and tax losses can be carried forward indefinitely on the basis that the subsequent unwind of these temporary differences does not occur subsequent to the balance sheet date of the combined carve-out financial statements up until the completion of the proposed transaction, and therefore the legal right to the losses and other temporary differences remain within the Clinigen Group entities that are not within the transaction perimeter to the extent they have not been recognised.

Note 10. Inventories, net

	Balances as at		
(USD in thousands)	30 June 2022	30 June 2021	1 July 2020
Finished goods	2,477	4,389	3,380
Raw material	5,448	4,241	2,792
Provision for stock write-off	(2,858)	(828)	(178)
Total inventories, net of provisions	**$ 5,067**	**$ 7,802**	**$ 5,994**

During the year ended 30 June 2022, a total of $1.2 million (2021: $3.9 million) of inventories was included in profit or loss as expense as part of cost of sales.

Write-downs of inventories to net realisable value for the year ended 30 June 2022 amounted to $5.0 million (2021: $2.7 million). These were recognised as an expense during the years ended 30 June 2022 and 2021 and included in the cost of sales in the combined statement of profit or loss and other comprehensive income.

The provision for stock write-off balance as at 30 June 2022 primarily relates to raw materials, as an entire batch of naked vials was provided for due to slower than expected sales during the year ended 30 June 2022.

Note 11. Trade receivables

	Balances as at		
(USD in thousands)	30 June 2022	30 June 2021	1 July 2020
US	2,022	2,567	9,122
Rest of World	408	1,562	2,317
Total	**$ 2,430**	**$ 4,129**	**$ 11,439**

Historical bad debt write-offs related to Proleukin have been insignificant; therefore, there is no material allowance for expected credit losses recorded as at 30 June 2022, 2021, and as at 1 July 2020. This practice is reflective of the nature of the healthcare sector in which the business operates and strong collections history, with the predominant customer base being large global pharmaceutical groups, large global wholesalers or hospitals. The corporate customer base makes consistent payments, has strong credit ratings, and experiences little impact from economic volatility due to an ongoing underlying patient need for the Proleukin Business's products. The hospital customer base is not impacted by general economic trends, as central governments or health insurance arrangements typically fund it. The Proleukin Business does not hold any collateral as security.

The ageing analysis of the gross trade receivables balances is as follows:

(USD in thousands) 30 June 2022	Current	More than 30 days past due	More than 60 days past due	More than 120 days past due	Total
Trade receivables	791	81	37	1,520	$ 2,430

30 June 2021	Current	More than 30 days past due	More than 60 days past due	More than 120 days past due	Total
Trade receivables	3,674	222	118	115	$ 4,129

1 July 2020	Current	More than 30 days past due	More than 60 days past due	More than 120 days past due	Total
Trade receivables	11,186	44	64	145	$ 11,439

Balances within the 60 and 120 days past due aging buckets predominantly relate to trade receivables from related parties which are only settled as funds are required for operations as the Parent performs cash management and other treasury-related functions on a centralized basis. Refer to *Note 18, Related party disclosures* for terms and conditions that apply to transactions with related parties.

Note 12. Intangibles, net

(USD in thousands)	Trademark and licences	Internally Developed Intangible Assets	Total
Cost or valuation			
At 1 July 2020	$ 204,014	$ 256	$ 204,270
Additions	1,837	2,076	3,913
Exchange rate differences	2,244	31	2,275
At 30 June 2021	208,095	2,363	210,458
Additions	1,270	344	1,614
Exchange rate differences	(2,562)	(169)	(2,731)
At 30 June 2022	206,803	2,538	209,341
Depreciation			
At 1 July 2020	$ 16,756	$ -	$ 16,756
Charge for the year	13,755	27	13,782
Exchange rate differences	321	-	321
At 30 June 2021	30,832	27	30,859
Charge for the year	13,866	-	13,866
Impairment	-	2,661	2,661
Exchange rate differences	(605)	(150)	(755)
At 30 June 2022	44,093	2,538	46,631
Net book value			
At 1 July 2020	**$ 187,258**	**$ 256**	**$ 187,514**
At 30 June 2021	**$ 177,263**	**$ 2,336**	**$ 179,599**
At 30 June 2022	**$ 162,710**	**$ -**	**$ 162,710**

Amortization of intangible assets in included as part of cost of sales on the combined statement of profit or loss and other comprehensive income.

Note 13. Impairment of non-financial assets

Long-lived assets are assessed for impairment indicators at each reporting date and where required an impairment review is performed to determine whether an asset may be impaired.

The Proleukin Business started internally developing an intangible asset in February 2020 in the form of a low-dose version of Proleukin® with expected application in other diseases. Because of delays in associated clinical studies and lack of commercial feasibility, Proleukin discontinued work on developing the low-dose version of Proleukin® as there were no future economic benefits expected from the continuing use of the asset. These changes in conditions triggered an impairment review of the low-dose version of Proleukin. As a result, the Proleukin Business recognised an impairment loss to the carrying value of internally developed intangible assets in the amount of $2.7 million during the year ended 30 June 2022 (2021: $nil) in the combined carve-out statement of profit or loss and other comprehensive income.

Note 14. Accounts payable and accrued expenses

(USD in thousands)	Balances as at 30 June 2022	30 June 2021	1 July 2020
Accounts payable	5,467	6,792	2,471
Accruals and other creditors	666	1,501	2,213
Total	**$ 6,133**	**$ 8,293**	**$ 4,684**

Accounts payable: Due to their short-term nature, the carrying amounts of accounts payables are considered the same as their fair values. Accounts payables are unsecured and are usually paid within 60 days of recognition.

Note 15. Onerous supply provision

The Proleukin Business has recognised a provision related to its obligation to supply free vials of Proleukin® to clinical trials under certain contracts with suppliers for which the unavoidable costs of meeting the obligations exceed the economic benefits expected to be received. The timing of future outflows of economic benefits related to these onerous contracts is uncertain, however because the Proleukin Business does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period, the amounts are presented as current liabilities. Management considered potential direct and indirect economic benefits expected to be received in conjunction with this provision, including the potential of future sales and potential extension of Proleukin's economic life. However, management does not consider any of the potential indirect economic benefits to be probable nor can they be reliably estimated.

(USD in thousands)	Onerous supply provision
At 1 July 2020	2,122
Utilised in year	(275)
At 30 June 2021	1,847
Utilised in year	(111)
At 30 June 2022	**$ 1,736**

Note 16. Parent company net investment

Proleukin's equity on the combined statement of financial position represents the Parent Company's net investment in Proleukin and is presented as parent company net investment in lieu of stockholders' equity. The combined statement of changes in parent company net investment includes profit (loss) attributable to the Proleukin Business and the cumulative translation adjustment after 1 July 2020. Parent company net investment also includes the net cash transfers and other transfers between the Parent and Proleukin as well as intercompany receivables and payables between Proleukin and other Parent subsidiaries that were settled on a current basis.

All transactions reflected in the parent company net investment in the accompanying combined statement of financial position have been considered as cash receipts and payments for purposes of the combined statement of cash flows and are reflected as financing activities in the accompanying combined statement of cash flows.

Funding structure: The Clinigen Group performs cash management and other treasury-related functions on a centralized basis for nearly all of its legal entities, including legal entities with Proleukin Business activity.

Cash balances reflected within the combined carve-out financial statements relate solely to the account owned by the dedicated Proleukin legal entity, Clinigen SP Limited.

Cash received through operating activities within other legal entities constituting the Proleukin Business for which the Proleukin Business does not have legal rights and access to the bank accounts, is deposited at the legal entity level into general corporate funds and represent transfers to the Parent as part of the parent company net investment. Funding required for the operating and investing activities of the Proleukin Business is provided at the legal entity level via the centralized treasury function within the Parent and represent transfers from the Parent as part of the parent company net investment.

The funding structure is not necessarily representative of the financing that would have been reported if Proleukin operated as an independent entity from the Parent during the periods presented, nor is it indicative of the financing that may arise in the future.

Note 17. Risk management

The Proleukin Business is exposed through its operations to the following financial risks:

- Credit risk
- Foreign exchange risk
- Liquidity risk

Proleukin is exposed to risks that arise from its financial instruments. This note describes Proleukin's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these combined carve-out financial statements.

The principal financial instruments used by the Proleukin, from which financial instrument risk arises, are as follows:

- Cash
- Trade receivables
- Accounts payable and accrued expenses

The financial instruments used by Proleukin are measured at amortised cost. Due to their short-term nature, the carrying values approximates their fair values. Proleukin does not have any financial instruments measured at fair value as at 30 June 2022, 2021, or 1 July 2020.

General objectives, policies and processes: The Directors of Clinigen have the overall responsibility for the determination of Proleukin's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to Clinigen's finance functions.

Further details regarding these policies are set out below:

Credit risk: Credit risk is the risk of financial loss to Proleukin Business if a customer or a counterparty to a financial instrument fails to meet its contractual obligations. It is mainly exposed to credit risk from credit sales to customers. It is Proleukin's policy, implemented locally, to assess the credit risk of new customers by obtaining credit ratings before entering contracts or offering credit terms. The credit terms are then continually assessed individually and amended accordingly as a trading history is developed with the customer.

A default on Proleukin's third-party trade receivables is when the customer fails to make contractual payments within 365 days of when they fall due. Proleukin has a strong collections history and the credit risk with respect to Proleukin's trade receivables is minimal due to the nature of the biopharma in which the business operates, with the predominant customer base being large global pharmaceutical groups, large global wholesalers or hospitals. Similarly, any non-payment risk from wholesalers selling the Proleukin Product in the U.S. is borne by Proleukin, but the risk is insignificant due to the size and creditworthiness of the wholesalers.

Further disclosures regarding trade receivables at the end of the financial year are provided in *Note 11, Trade receivables*.

Foreign exchange risk: Foreign currency risk is the risk that the fair value or future cash flows of exposure will fluctuate because of changes in foreign exchange rates. Foreign exchange risk arises because the business operations of Proleukin are located in various parts of the world where foreign currencies are different from the functional currencies in which the Proleukin Business operates. During the financial year 30 June 2022, approximately 14% (2021: 9%) of total revenue was transacted in a currency different from the functional currencies of the legal entities with Proleukin Business operations. Proleukin's net assets arising from such overseas operations are exposed to currency risk resulting in gains or losses on remeasurement into the functional currencies of the legal entities with Proleukin Business operations.

Proleukin did not use foreign exchange contracts or derivatives to hedge any foreign currency exposures. The volatility of exchange rates depends on many factors that Proleukin cannot forecast with reliable accuracy.

The valuation of financial instruments at the reporting date is impacted by the foreign exchange rate at that date, primarily in respect of the sterling. At 30 June 2022, if the functional currencies of the legal entities with Proleukin Business operations had weakened/strengthened by 10% against the foreign currencies in which net assets are denominated, with all variables held constant, profit for the year would have been $0.1 million (2021: $0.1 million) higher/lower as a result of foreign exchange gains/losses on remeasurement of foreign currency denominated trade receivables, cash, and accounts payables. The figure of 10% used for sensitivity analysis has been chosen because it represents a range of reasonable fluctuations in exchange rates.

With regards to the impact of unrealized gains/(losses), if the functional currencies of the legal entities with Proleukin Business operations that do not have USD as their functional currency had weakened/strengthened by 10% against the presentation currency of these combined carve-out financial statements, with all other variables held constant, other comprehensive income for the year would have been $1.3 million (2021: $5.0 million) lower/higher as a result.

Liquidity risk: Liquidity risk is the risk that Proleukin cannot meet a demand for cash or fund an obligation as it comes due. Liquidity risk also includes the risk of not being able to liquidate assets in a timely manner at a reasonable price.

The Clinigen Group's central treasury department manages the liquidity risk associated with the Proleukin Business and the parent company net investment. Its main objective is to provide Proleukin with sufficient financial resources to honour its commitments.

To help ensure that Proleukin is able to react to contingencies and investment opportunities quickly, it maintains sources of liquidity at every level. The primary source of liquidity consists of cash and other financial assets, net of deposits and other associated liabilities.

As at 30 June 2022, 2021 and 1 July 2020, the contractual maturities (representing undiscounted contractual cashflows) of accounts payable and accrued expenses fall within one year of the reporting date.

Capital management: Proleukin monitors 'parent company net investment', which comprises all components of equity (i.e., net transfer from parents and retained earnings) as disclosed in the combined statement of changes in parent company net investment as detailed in *Note 16, Parent company net investment*.

The Proleukin Business's objectives when managing capital are to:
- Safeguard their ability to continue as a going concern so that they can continue to provide returns for Parent
- Maintain an optimal capital structure to reduce the cost of capital.

Note 18. Related party disclosures

The related parties identified by Proleukin include:
- Clinigen Group and its subsidiaries
- The key management personnel of Clinigen, who have the authority and responsibility for planning, directing and controlling the activity of Proleukin.

Terms and conditions of transactions with related parties: The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest-free, and settlement occurs through transfers to and from the Parent as the Parent performs cash management and other treasury-related functions on a centralized basis. No guarantees have been provided or received for any related party receivables or payables.

Clinigen Group and its subsidiaries: A summary of related party transactions is presented below for the years ended 30 June 2022 and 30 June 2021:

	For the years ended 30 June	
(USD in thousands)	**2022**	**2021**
Related party revenues	2,370	1,974
Related party purchases	136	3

The following balances are outstanding at 30 June 2022, 30 June 2021, and as at 1 July 2020 in relation to transactions with related parties:

	Balances as at		
(USD in thousands)	30 June 2022	30 June 2021	1 July 2020
Trade receivables from related parties	1,430	376	198
Accounts payable to related parties	138	3	-

General Corporate Overhead: Historically, the Proleukin Business has been managed and operated in the normal course of business with other Clinigen Group entities. Accordingly, certain shared costs have been allocated to Proleukin and reflected as expenses in the combined statement of profit or loss and other comprehensive income. Management considers the allocation methodologies used to be reasonable and appropriate reflections of the historical Clinigen Group expenses attributable to Proleukin for purposes of the combined carve-out financial statements. The expenses reflected in the combined carve-out financial statements may not be indicative of expenses that will be incurred by the Proleukin Business in the future.

The Clinigen Group incurs significant corporate costs for support services provided to the Proleukin Business as well as other Clinigen Group entities. These costs include expenses for information systems, accounting, other financial services such as treasury and audit, purchasing, human resources, legal, facilities, corporate stewardship, and marketing. Expenses relating to these services have been allocated to Proleukin and are reflected in the combined carve-out financial statements. Where direct assignment is not possible or practical, these costs were allocated using methods based on the Proleukin Business's proportionate percentage of the respective legal entities' total revenues, orders processed, or headcount. Such costs that are not directly attributable to the Proleukin Business have been allocated consistently based on the type of expenses incurred, using the allocation drivers defined by management that most directly correspond to the proportion of costs incurred by Proleukin.

The general allocated corporate expenses were $2.4 million for the year ended 30 June 2022 (2021: $3.3 million) and included in the combined statement of profit or loss and other comprehensive income within general and administrative expense.

Key Management personnel: There are no key management personnel of Clinigen Group that are solely dedicated to Proleukin. All key management personnel of the consolidated group have responsibilities that cross multiple segments. The amount of remuneration that the Clinigen Group key management personnel receive is a function of their responsibilities across the entire business and the performance of the entire business, not solely Proleukin. As such, the Proleukin Business obtained key management personnel services from other entities within the Clinigen Group, and therefore, key management compensation has been allocated to the Proleukin Business using the same basis as other employees' salaries and benefits and share-based compensation. These costs were allocated using methods based on the Proleukin Business's proportionate percentage of the respective legal entities' total revenues or headcount. Refer to *Note 19, General and administrative expenses* for allocation of compensation related expenses to the Proleukin Business.

Note 19. General and administrative expenses

	For the years ended 30 June,	
(USD in thousands)	2022	2021
Salaries, bonuses and other staff expenses	3,257	3,986
Impairment of intangible assets	2,661	-
Professional, legal and regulatory expenses	1,421	1,950
Shared asset usage costs	473	676
Advertising and marketing expenses	218	1,141
Information technology and office expenses	259	415
Share-based payment expenses	55	229
Other (income)/expenses	119	436
Total general and administrative expense	**$ 8,463**	**$ 8,833**

General and administrative expenses include those specifically incurred for the Proleukin Business and allocated amounts related to corporate costs that are not directly attributable to the Proleukin Business. The various expenses include salaries, wages and bonuses to employees, impairment of intangible assets, professional, legal and regulatory fees, charges for usage of shared assets, share-based payment costs, and other indirect expenses. Refer to *Note 13, Impairment of non-financial assets* for details on management's impairment assessment.

Note 20. Commitments and contingencies

Proleukin had no commitments or contingent liabilities as at 30 June 2022. As at 30 June 2021, Proleukin had contingent liabilities of $550 million in relation to a guarantee provided to Clinigen Limited in respect of its borrowing facilities. Proleukin was not the sole guarantor. Proleukin had no commitments or contingent liabilities as at 1 July 2020.

Note 21. Events after the reporting period

Events after the reporting period have been considered for adjustment or disclosure up to 18 May 2023, the date these combined carve-out financial statements, were authorised for issue.

Sale of Proleukin Business
On 23 January 2023, the Clinigen Group signed an agreement for the disposal of the worldwide rights to Proleukin® to Iovance Biotherapeutics Inc. for up-front cash of $206.4 million, a milestone payment of $51.6 million upon first approval of lifileucel, and a perpetual double digit global sales royalty. The transaction, which comprises all the Proleukin Business transaction perimeter, is expected to close in May 2023, subject to required regulatory approvals and clearances and other customary closing conditions.

Signature

Proleukin Business (Carve-out from Clinigen Limited)

By: /s/ Richard Paling
Name: Richard Paling
Title: Group Financial Controller

Date: 18 May 2023

Proleukin Business

(Carve-out from Clinigen Limited)
Unaudited interim condensed combined carve-out financial statements
Six months ended 31 December 2022

(Amounts expressed in United States Dollars)

Index to Unaudited Interim Condensed Combined Carve-out Financial Statements

Proleukin Business

(Carve-out from Clinigen Limited)
Unaudited Interim Condensed Combined Statement of Profit or Loss and Other Comprehensive Income
For the six months ended 31 December 2022 and 2021

(USD in thousands)	Notes	31 December 2022		31 December 2021	
Revenue from contracts with customers	6	$	19,227	$	12,946
Cost of sales	11		9,019		9,418
Gross profit			10,208		3,528
General and administrative expense	16		2,566		3,886
Operating profit/(loss)			7,642		(358)
Profit/(loss) before income tax			7,642		(358)
Income tax expense	8		1,818		1,322
Profit/(loss) for the period			**5,824**		**(1,680)**
Items that may be reclassified to profit or loss					
Foreign currency translation losses			(45)		(221)
Profit/(loss) and comprehensive profit/(loss) for the period		**$**	**5,779**	**$**	**(1,901)**

See accompanying notes to the unaudited interim condensed combined financial statements.

Proleukin Business

(Carve-out from Clinigen Limited)
Unaudited Interim Condensed Combined Statement of Financial Position
As at 31 December 2022 and 30 June 2022

(USD in thousands)	Notes	31 December 2022	30 June 2022
Assets			
Non-current assets:			
Deferred tax assets	8	$ 5,412	$ 7,182
Intangibles, net	11	155,848	162,710
Total non-current assets		161,260	169,892
Current assets:			
Prepaid expenses and other current assets		394	137
Trade receivables	10	4,610	2,430
Inventories	9	6,313	5,067
Cash		30	45
Total current assets		11,347	7,679
Total assets		**$ 172,607**	**$ 177,571**
Liabilities and Parent Company Net Investment			
Current liabilities:			
Accounts payable and accrued expenses	12	$ 4,258	$ 6,133
Onerous supply provision	13	1,668	1,736
Refund liabilities	6	3,689	5,816
Total current liabilities		9,615	13,685
Total liabilities		9,615	13,685
Parent company net investment:			
Parent company net investment	14	154,949	155,798
Accumulated other comprehensive profit		8,043	8,088
Total parent company net investment		162,992	163,886
Total liabilities and parent company net investment		**$ 172,607**	**$ 177,571**
Events after the reporting period	17		

See accompanying notes to the unaudited interim condensed combined financial statements.

Proleukin Business

(Carve-out from Clinigen Limited)
Unaudited Interim Condensed Combined Statement of Changes in Parent Company Net Investment
For the six months ended 31 December 2022 and 2021

(USD in thousands)	Notes	Parent Company Net Investment	Accumulated other comprehensive profit/(loss)	Total
Balance at 30 June 2021		**$ 169,672**	**$ 9,643**	**$ 179,315**
Other comprehensive profit/(loss):				
Foreign currency translation losses		-	(221)	(221)
Transfers to Parent	14	(3,378)		(3,378)
Transfers from Parent	14	2,669	-	2,669
Loss for the period		(1,680)	-	(1,680)
Balance at 31 December 2021		**167,283**	**9,422**	**176,705**
Balance at 30 June 2022		**155,798**	**8,088**	**163,886**
Other comprehensive profit/(loss):				
Foreign currency translation losses		-	(45)	(45)
Transfers to Parent	14	(9,260)		(9,260)
Transfers from Parent	14	2,587	-	2,587
Profit for the period		5,824	-	5,824
Balance at 31 December 2022		**$ 154,949**	**$ 8,043**	**$ 162,992**

See accompanying notes to the unaudited interim condensed combined financial statements.

Proleukin Business

(Carve-out from Clinigen Limited)
Unaudited Interim Condensed Combined Statement of Cash flows
For the six months ended 31 December 2022 and 2021

(USD in thousands)	Notes	31 December 2022	31 December 2021
Cash flows from operating activities:			
Profit/(loss) before income tax		$ 7,642	$ (358)
Adjustments to reconcile profit or loss to net cash used in operating activities:			
Non-cash items			
Amortization of intangible assets	11	6,877	6,958
Changes in operating assets and liabilities:			
Inventories	9	(1,246)	(1,484)
Trade receivables	10	(2,180)	(609)
Prepaid expenses and other current assets		(257)	(103)
Refund liabilities		(2,127)	535
Onerous supply provision		(68)	(45)
Accounts payable and accrued expenses	12	(1,875)	(2,948)
		6,766	1,946
Income taxes paid	8	(48)	(698)
Net cash from operating activities:		**$ 6,718**	**$ 1,248**
Cash flows from investing activities:			
Purchase of intangible assets	11	(97)	(820)
Net cash used in investing activities:		(97)	(820)
Cash flows from financing activities:			
Transfers to Parent	14	(9,260)	(3,378)
Transfers from Parent	14	2,624	2,892
Cash flows from financing activities:		(6,636)	(486)
Decrease in cash and cash equivalents		**(15)**	**(58)**
Cash and cash equivalents, beginning of period		**45**	**75**
Cash and cash equivalents, end of period		**$ 30**	**$ 17**

See accompanying notes to the unaudited interim condensed combined financial statements.

Note 1. Nature of the Proleukin Business

The accompanying unaudited interim condensed combined carve-out financial statements present, on a historical cost basis, the combined assets, liabilities, revenue and expenses of the Proleukin Business (hereafter "Proleukin" or the "Proleukin Business" or the "Proleukin Combined Group"), a business of Clinigen Limited (historically referred to as Clinigen Group plc, and hereafter the "Parent" or "Clinigen" or "Clinigen Group"). The condensed combined carve-out financial statements for the Proleukin Business have been prepared in conjunction with its contemplated divestiture by Clinigen. The condensed combined carve-out financial statements represent the financial position and performance of the Proleukin Business in consideration of the proposed transaction (the "proposed transaction"). The structure of the proposed transaction involves purchasing the Clinigen SP Limited entity, which will include the Proleukin Business. The condensed combined carve-out financial statements portray the Proleukin Business consistently with the purpose for which they are prepared.

The Proleukin Business is the exclusive global owner of the licensed version of the generic drug Aldesleukin, Proleukin® (hereafter "Proleukin®" or the "Proleukin Product"), which is a synthetic form of interleukin-2 ("IL-2") that activates the immune system to better recognise and kill cancer cells. IL-2 is a protein produced naturally by the body that activates certain white blood cells called lymphocytes to help the immune system fight against diseases and infections. Proleukin® is an immunotherapy product that activates cancer-attacking cells in the body to reproduce and target cancer cells, blocking the spread of metastatic melanoma ("mM") and kidney cancer which has spread to other organs, or metastatic renal cell carcinoma ("mRCC"). Aldesleukin is also currently being studied as part of adoptive cellular therapy, and at significantly lower doses than those used in oncology has demonstrated immunomodulatory effects in certain auto-immune and inflammatory disease states by boosting the levels of a particular subset of white blood cells called T-regulatory lymphocytes.

The Proleukin Business acquired the United States and global distribution rights and intellectual property from Novartis Pharmaceuticals Corporation in July 2018 and April 2019, respectively. It sells the Proleukin Product either directly to the United Kingdom and overseas customers or via third-party distributors who sell to the end customer. The main end commercial customers for Proleukin® are hospital pharmacies, where the drug is ultimately administered to patients by hospital physicians. Proleukin® is also sold to third-party pharmaceutical and biotech companies for use in clinical trials.

The Proleukin Combined Group consists of the dedicated legal entities that relate to Proleukin commercial and operational activities, assets, liabilities, and the portion of Proleukin business activity within other Clinigen entities that are not within the transaction perimeter. Refer to *Note 2, Basis of presentation*, for an overview of the legal entities included in the transaction perimeter.

Note 2. Basis of presentation

The unaudited interim condensed combined carve-out financial statements for the six months ended 31 December 2022 (the "condensed carve-out financial statements") have been prepared in accordance with this Basis of Preparation, which is consistent with the recognition, measurement and presentation requirements of IAS 34 *Interim Financial Reporting* and should be read in conjunction with the Proleukin Business's last annual combined carve-out financial statements as at and for the year ended 30 June 2022. They do not include all of the information required for a complete set of financial statements prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS"). However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Proleukin Business's financial position and performance since the last annual financial statements. These condensed carve-out financial statements were authorised by the Clinigen SP Limited Board of Directors on 18 May 2023.

IFRS does not provide for the preparation of combined carve-out financial information, and accordingly in preparing the condensed carve-out financial information certain accounting conventions commonly used for the preparation of historical financial information have been applied. IFRS has been applied and the financial information relating to the Proleukin Business has been prepared in a form that is consistent with the accounting policies adopted in the Proleukin Business's last annual combined carve-out financial statements as at and for the year ended 30 June 2022.

Basis of Combination
The Proleukin Business does not form a distinct, separate group of legal entities. The Proleukin condensed carve-out financial statements have been prepared separately and are derived (carved-out) from Clinigen Limited's consolidated financial statements and accounting records and include the Financial Position, Statements of Profit or Loss and Other Comprehensive Income and Cash Flows of the Business. The condensed carve-out financial statements include all legal entities fully dedicated to the Proleukin Business and all Proleukin Business activities within other Clinigen legal entities. Intercompany transactions within the Proleukin Business have been eliminated, while transactions between Proleukin and Clinigen, which were historically eliminated within Clinigen's consolidated financial statements, are reinstated to the extent they are now representative of related party transactions. Refer to *Note 15, Related party disclosures.*

The list of legal entities and country of incorporation whose underlying financial statements, financial information, and accounting records have been used for the preparation of the condensed carve-out financial statements is as follows:

1. Legal entities fully dedicated to Proleukin Business activities:
    - Clinigen SP Limited (England and Wales)

2. Legal entities with Clinigen operations related to Proleukin to be carved out and included within the Proleukin Combined Group:
    - Clinigen Healthcare Limited (England and Wales)
    - Clinigen Holdings Limited (England and Wales)
    - Clinigen Limited (England and Wales)
    - Clinigen, Inc. (United States)
    - Clinigen Ireland Limited (Republic of Ireland)

The individual financial statements and accounting records of Clinigen SP Limited, historically consolidated by Clinigen for the six months ended 31 December 2022 and 2021, have been included in the condensed carve-out financial statements of the Proleukin Business for the same periods, after making all required intercompany adjustments.

Proleukin Business activities are also carried out by Clinigen entities that perform other business activities not relevant to Proleukin. Therefore, to retain only the assets, liabilities, revenues, and expenses relevant to the Proleukin Business in the condensed carve-out financial statements, account balances and transactions within these entities directly attributable to Proleukin have been included in addition to a representative, proportionate allocation of shared central costs within these entities. Refer to *Note 3, Approach for the preparation of the condensed carve-out financial statements*, for additional discussion of the cost allocation approach. These legal entities are presented in section 2 of the above list.

Going concern

On 23 January 2023, the Clinigen Group signed an agreement for the disposal of the worldwide rights to Proleukin® to Iovance Biotherapeutics Inc. Management understands that Iovance intends to continue running the business as a going concern included within their wider group, however it is recognised that uncertainties exist regarding the future plans and funding requirements for the business under the new ownership given the timing of the completion of the acquisition for the going concern assessment.

The existence of this scenario is considered to be a material uncertainty that may cast significant doubt upon the business's ability to continue as a going concern. These combined carve-out financial statements do not give effect to any adjustments which would be necessary should the Proleukin Business be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the combined carve-out financial statements.

Note 3. Approach for the preparation of the condensed carve-out financial statements

The condensed carve-out financial statements have been prepared on a "carve-out basis" from Clinigen's consolidated financial statements for the purpose of separately presenting the financial statements of Proleukin. Accordingly, the condensed carve-out financial statements reflect all historical assets, liabilities, revenues, expenses, and cash flows that are directly attributable or may be reasonably allocated to the Proleukin Combined Group.

Allocations and estimates within the condensed carve-out financial statements are based on Clinigen management's reasonable assumptions. However, allocation methods may not necessarily indicate the Proleukin Combined Group's financial position, results of operations, or cash flows had the Proleukin Combined Group operated as a separate stand-alone group during the periods presented, nor are they necessarily indicative of future results. Furthermore, the condensed carve-out financial statements do not reflect the financial impact of the separation of the Proleukin Business from Clinigen, such as contractual agreements that were not effective in the presented periods. Transactions and balances within the Clinigen accounting records previously reported as part of the historical and continuing operations of the Proleukin Business have been directly attributed to the Proleukin Business. In contrast, transactions and balances related to shared activity between Proleukin and Clinigen, previously reported as part of Clinigen, have been attributed to the Proleukin reporting entity based on specific identification or proportional allocation. Allocations were made using relative percentages of revenue, headcount, orders processed, or other methods, which are considered reasonable under the circumstances and are further explained below.

The Proleukin combined statement of financial position includes the assets and liabilities identified as attributable to Proleukin based on historical operations. As such, Proleukin related balances that are included in legal entities that also comprise other Clinigen activities have been attributed to Proleukin based on specific identification. To the extent a shared asset is primarily used by the Proleukin Business, the entire asset and a charge for any related depreciation or amortisation will be included within the Proleukin Combined Group's condensed carve-out financial statements. Assets and liabilities determined to be attributable to Proleukin are included in the condensed carve-out financial statements with a corresponding entry in the parent company net investment account as of 1 July 2020. If Proleukin is not the primary user of the asset, the asset will be excluded entirely from the condensed carve-out financial statements; however, a representative charge for the shared usage of the asset will be included in the combined statement of profit or loss and other comprehensive income as an operating expense.

Revenue and expenses have been allocated based on information available in Clinigen's accounting records for operational activities directly attributable to Proleukin. All revenue is directly attributable to the sales of the Proleukin Product. Corporate costs incurred at the Clinigen level, such as finance and treasury, human resources, head office, IT, and legal, are charged to the business divisions based on direct usage or benefit, where identifiable. Shared costs which are not directly attributable to the Proleukin Business have been allocated consistently based on the type of expenses incurred, using allocation drivers determined by management which most directly correspond to the proportionate costs incurred by Proleukin. These allocation drivers include calculations based on the Proleukin Business's proportionate percentage of the respective total revenues, orders processed, or headcount for the applicable Clinigen legal entities. Refer to *Note 15, Related party disclosures,* for additional details.

Cash flows related to and from Proleukin activities have also been analysed on a basis consistent with the methods used to allocate assets and liabilities.

The primary account considerations in preparation of the condensed carve-out financial statements are consistent with those followed in the preparation of the Proleukin Business's last annual combined carve-out financial statements as at and for the year ended 30 June 2022.

Note 4. Summary of significant accounting policies

The accounting policies adopted in the preparation of the condensed carve-out financial statements are consistent with those followed in the preparation of the Proleukin Business's last annual combined carve-out financial statements as at and for the year ended 30 June 2022, except for the adoption of new amendments effective as of 1 July 2022. The Proleukin Business has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

New amendments adopted: A number of amended standards became applicable for the reporting period. The Proleukin Business did not have to change its accounting policies or make retrospective adjustments as a result of adopting these amended standards as none are material to the Proleukin Business.

Note 5. Significant accounting judgements, estimates and assumptions

In preparing these condensed carve-out financial statements, management has made judgements, estimates and assumptions that affect the reported amounts of assets and liabilities, revenues, expenses, and the accompanying disclosures. These estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Accordingly, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The significant judgements made by management in applying the Proleukin Business's accounting policies and the key sources of estimation uncertainty are consistent with those described in the last annual combined carve-out financial statements as at and for the year ended 30 June 2022.

Note 6. Revenue from contracts with customers

Revenue represents amounts receivable for goods and services provided in the ordinary course of business, net of trade discounts, VAT and other sales-related taxes, and variable consideration for returns, chargebacks, distribution fees and rebates. All revenue arises from contracts with customers and is recognised at a point in time in accordance with the relevant accounting policies. Refer to *Note 15, Related party disclosures* for related party revenues included in revenue in the combined statement of profit or loss and other comprehensive income.

Disaggregated revenue information: Revenues of approximately $14.7 million are derived from two customers during the period ended 31 December 2022 (2021: $4.9 million are derived from two customers). These revenues are attributed to the United States segment.

The amount of revenue from contracts with customers, broken down by location of the customers which also represents the domicile of the Proleukin Business legal entities' sales, is shown below.

Geographical analysis:

(USD in thousands)	For the six months ended 31 December 2022	2021
US	16,244	7,608
Rest of World	2,983	5,338
Total revenue	**$ 19,227**	**$ 12,946**

Performance obligations:

United States ("US") sales: The performance obligation related to the sale of Proleukin in the United States is satisfied upon receipt of the product at the third-party distributor's warehouse. The US entity within the Proleukin Combined Group acts as a limited risk distributor for the US sales of Proleukin®. The Proleukin Business orders the product from the manufacturer and uses a distributor logistics service which takes title to the product on delivery at its warehouse and, using its state licenses, sells the product to wholesalers who distribute it across the US. The third-party distributor has control of the selling price to wholesalers, provided the price will not exceed the WAC set by Proleukin. The distributor, therefore, takes the inventory valuation risk. Proleukin bears any non-payment risk from wholesalers, but the risk is insignificant due to the size and creditworthiness of the wholesalers.

Revenue from the supply of products is recognised at a point in time when the control of the goods has been transferred to the distributor, which is when the product is received in the third-party distributor's warehouse. Revenue is recognised based on Proleukin being the principal in the transaction with the distributor. Revenue is recognised at the gross fair value of the consideration received or receivable, less an estimate of returns, chargebacks, rebates, discounts and distribution fees.

Rest of World sales: The performance obligation related to the sale of Proleukin globally outside of the US is satisfied upon delivery of the product to hospitals or wholesalers, at which point control passes to the customer and revenue is recognised at that point in time. Sales are direct to hospitals and wholesalers who place orders via customer services. Revenue is recognised at the fair value of the consideration received or receivable, less an estimate of returns.

Refund liabilities: Proleukin recognised the following refund liabilities relating to its performance obligation of the sale of goods:

(USD in thousands)	Balances as at 31 December 2022	30 June 2022
Arising from rights of return	1,784	4,934
Arising from chargebacks	350	51
Arising from distribution fees	1,201	831
Arising from cash discounts	354	-
Total refund liabilities	**$ 3,689**	**$ 5,816**

Note 7. Segment information

The Clinigen Group's Chief Executive Officer is the Chief Operating Decision Maker ("CODM") of the Proleukin Combined Group. As required by IFRS 8 *Operating segments*, segment information for Proleukin is presented in accordance with geographical areas as identified in internal reports that are regularly reviewed by the CODM to evaluate how the Proleukin Combined Group allocates resources, assesses financial performance, and makes strategic and operational decisions. Based upon such evaluation, Proleukin has determined that it has two reportable segments, United States and the Rest of World.

Allocations to Proleukin Business of costs related to accounting, information systems, human resources and legal administrative functions that provide support services to the Proleukin Business are included within the segments' results. The Proleukin Business evaluates the performance of its business segments based on gross profit with the CODM reviewing results at that level, consistent with the approach taken by the Clinigen Group.

Revenue and gross profit were comprised of the following for the six months ended 31 December 2022 and 2021:

	For the six months ended 31 December			
	2022		2021	
(USD in thousands)	USA	Rest of World	USA	Rest of World
Revenue	16,244	2,983	7,608	5,338
Cost of sales	(7,175)	(1,844)	(6,741)	(2,677)
Gross profit	**$ 9,069**	**$ 1,139**	**$ 867**	**$ 2,661**

Note 8. Income tax

	For the six months ended 31 December	
(USD in thousands)	2022	2021
Current tax expense/(credit)		
UK corporation tax	$ -	$ (61)
Overseas tax at local prevailing rates	48	-
Total current tax expense/(credit)	**48**	**(61)**
Deferred tax expense		
Origination and reversal of temporary differences	1,798	1,383
Adjustment to tax charge in respect of prior years	(28)	-
Total deferred tax expense	**1,770**	**1,383**
Total income tax expense	**$ 1,818**	**$ 1,322**

The tax on the Proleukin Business's profit before income tax differs from the theoretical amount that would arise using the standard rate of corporation tax in the UK and US applied to profit for the period as follows:

	For the six months ended 31 December	
(USD in thousands)	2022	2021
Profit/(loss) before income tax	$ 7,642	$ (358)
Expected tax charge/(credit) based on corporation tax rate of 20.5% (2021: 19.0%)	1,567	(68)
Expenses not deductible for tax purposes	-	1
Adjustments to tax charge in respect of prior years	(28)	-
Higher rates of taxes on overseas earnings	279	246
Deferred tax not recognised	-	1,143
Total income tax expense	**$ 1,818**	**$ 1,322**

On 3 March 2021, the UK Chancellor announced that the main rate of UK corporation tax would increase from 19% to 25% with effect from 1 April 2023. This change was substantively enacted on 24 May 2021.

The movement on the deferred income tax account is as shown below:

(USD in thousands)	Balance at 30 June 2022	Recognised in income statement	Balance at 31 December 2022	Deferred tax assets	Net deferred tax assets
Short-term timing differences	5,541	(2,904)	2,637	2,637	2,637
Losses	1,641	1,134	2,775	2,775	2,775
	$ 7,182	**$ (1,770)**	**$ 5,412**	**$ 5,412**	**$ 5,412**

Group relief has been claimed within the Proleukin Business to the extent that losses have been incurred within this portion of the business.

All UK corporation tax liabilities/receivables have been treated as if settled during the period. This is due to the overall business settling total current tax liabilities by way of advanced instalment payments. The US current tax liabilities have been treated as settled in line with actual tax payments made and have been allocated to the Proleukin part of the business on the basis of the proportion of overall tax liability.

Deferred tax assets are recognised for tax losses carried forward to the extent that the realisation of the related tax benefit through future taxable profits arising from future profit forecasts is probable. Deferred tax is calculated in full on temporary differences under the liability method using the enacted tax rate for the period when the temporary difference is expected to reverse.

The interim tax provision has been determined by applying the estimated effective tax rate for the year ended 30 June 2023 to the results of the interim period ended 31 December 2022. The UK and US have been treated as separate jurisdictions for this purpose.

The Proleukin Business has recognised a deferred income tax asset in respect of losses to the extent that amounts are expected to be unwound against profits earnt up to the acquisition of the Proleukin Business only. This is on the basis that the legal right to the remaining losses and other temporary differences remain within the Clinigen Group entities that are not within the transaction perimeter.

A deferred income tax asset relating to the short-term timing differences, $2.6 million (30 June 2022: $5.3 million) of which relates to unrealized profit in inventories, has been recognised in full as at 31 December 2022 since the short-term timing differences will remain within the Proleukin Business after the acquisition of the business.

Note 9. Inventories, net

	Balances as at	
(USD in thousands)	31 December 2022	30 June 2022
Finished goods	1,531	2,477
Raw material	8,141	5,448
Provision for stock write-off	(3,359)	(2,858)
Total inventories, net of provisions	**$ 6,313**	**$ 5,067**

During the six months ended 31 December 2022, a total of $1.1 million (2021: $1.7 million) of inventories was included in profit or loss as expense as part of cost of sales.

Write-downs of inventories to net realisable value for the six months ended 31 December 2022 amounted to $0.8 million (2021: $0.6 million). These were recognised as an expense during the six months ended 31 December 2022 and 2021 and included in the cost of sales in the combined statement of profit or loss and other comprehensive income.

The provision for stock write-off balance as at 31 December 2022 primarily relates to raw materials, as an entire batch of naked vials was provided for in the year ended 30 June 2022.

Note 10. Trade receivables

	Balances as at	
(USD in thousands)	31 December 2022	30 June 2022
US	3,686	2,022
Rest of World	924	408
Total	**$ 4,610**	**$ 2,430**

Historical bad debt write-offs related to Proleukin have been insignificant; therefore, there is no material allowance for expected credit losses recorded as at 31 December 2022 and 30 June 2022. This practice is reflective of the nature of the healthcare sector in which the business operates, with the predominant customer base being large global pharmaceutical groups, large global wholesalers or hospitals. The corporate customer base makes consistent payments, has strong credit ratings, and experiences little impact from economic volatility due to an ongoing underlying patient need for the Proleukin Business's products. The hospital customer base is not impacted by general economic trends, as central governments or health insurance arrangements typically fund it. The Proleukin Business does not hold any collateral as security.

The ageing analysis of the gross trade receivables balances is as follows:

(USD in thousands) 31 December 2022	Current	More than 30 days past due	More than 60 days past due	More than 120 days past due	Total
Trade receivables	2,671	335	117	1,486	$ 4,610

30 June 2022	Current	More than 30 days past due	More than 60 days past due	More than 120 days past due	Total
Trade receivables	791	81	37	1,520	$ 2,430

Balances within the 60 and 120 days past due aging buckets predominantly relate to trade receivables from related parties which are only settled as funds are required for operations as the Parent performs cash management and other treasury-related functions on a centralized basis. Refer to *Note 15, Related party disclosures* for terms and conditions that apply to transactions with related parties.

Note 11. Intangibles, net

(USD in thousands)	Trademark and licences	Internally Developed Intangible Assets	Total
Cost or valuation			
At 30 June 2022	$ 206,803	$ 2,538	$ 209,341
Additions	97	-	97
Exchange rate differences	(87)	(7)	(94)
31 December 2022	206,813	2,531	209,344
Accumulated amortisation and impairment			
At 30 June 2022	$ 44,093	$ 2,538	$ 46,631
Charge for the period	6,877	-	6,877
Exchange rate differences	(5)	(7)	(12)
31 December 2022	50,965	2,531	53,496
Net book value			
31 December 2022	**$ 155,848**	**$ -**	**$ 155,848**

(USD in thousands)	Trademark and licences	Internally Developed Intangible Assets	Total
Cost or valuation			
At 30 June 2021	$ 208,095	$ 2,363	$ 210,458
Additions	744	76	820
Exchange rate differences	(494)	(33)	(527)
31 December 2021	208,345	2,406	210,751
Accumulated amortisation and impairment			
At 30 June 2021	$ 30,832	$ 27	$ 30,859
Charge for the period	6,925	33	6,958
Exchange rate differences	(84)	-	(84)
31 December 2021	37,673	60	37,733
Net book value			
31 December 2021	**$ 170,672**	**$ 2,346**	**$ 173,018**

Amortisation of intangible assets is included as part of cost of sales on the combined statement of profit or loss and other comprehensive income.

Long-lived assets are assessed for impairment indicators at each reporting date and where required an impairment review is performed to determine whether an asset may be impaired.

The Proleukin Business started internally developing an intangible asset in February 2020 in the form of a low-dose version of Proleukin® with expected application in other diseases. Because of delays in associated clinical studies and lack of commercial feasibility, Proleukin discontinued development of the low-dose version of Proleukin® during the six months ended 30 June 2022, as there were no future economic benefits expected from the continuing use of the asset. During the six months ended 30 June 2022 the Proleukin Business recognised an impairment loss to the carrying value of internally developed intangible assets in the amount of $2.7 million. No impairment loss was recognized during the six months ended 31 December 2022 (2021: $nil).

Note 12. Accounts payable and accrued expenses

	Balances as at	
(USD in thousands)	31 December 2022	30 June 2022
Accounts payable	3,448	5,467
Accruals and other creditors	810	666
Total	**$ 4,258**	**$ 6,133**

Accounts payable: Due to their short-term nature, the carrying amounts of accounts payables are considered the same as their fair values. Accounts payables are unsecured and are usually paid within 60 days of recognition.

Note 13. Onerous supply provision

The Proleukin Business has recognised a provision related to its obligation to supply free vials of Proleukin® to clinical trials under certain contracts with suppliers for which the unavoidable costs of meeting the obligations exceed the economic benefits expected to be received. The timing of future outflows of economic benefits related to these onerous contracts is uncertain, however because the Proleukin Business does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period, the amounts are presented as current liabilities. Management considered potential direct and indirect economic benefits expected to be received in conjunction with this provision, including the potential of future sales and potential extension of Proleukin's economic life. However, management does not consider any of the potential indirect economic benefits to be probable nor can they be reliably estimated.

(USD in thousands)	Onerous supply provision
At 30 June 2022	1,736
Utilised in the period	(68)
At 31 December 2022	**$ 1,668**
At 30 June 2021	1,847
Utilised in the period	(45)
At 31 December 2021	**$ 1,802**

Note 14. Parent company net investment

Proleukin's equity on the combined statement of financial position represents the Parent Company's net investment in Proleukin and is presented as parent company net investment in lieu of stockholders' equity. The combined statement of changes in parent company net investment includes profit (loss) attributable to the Proleukin Business and the cumulative translation adjustment after 1 July 2020. Parent company net investment also includes the net cash transfers and other transfers between the Parent and Proleukin as well as intercompany receivables and payables between Proleukin and other Parent subsidiaries that were settled on a current basis.

All transactions reflected in the parent company net investment in the accompanying combined statement of financial position have been considered as cash receipts and payments for purposes of the combined statement of cash flows and are reflected as financing activities in the accompanying combined statement of cash flows.

Funding structure: The Clinigen Group performs cash management and other treasury-related functions on a centralized basis for nearly all of its legal entities, including legal entities with Proleukin Business activity.

Cash balances reflected within the unaudited interim combined carve-out financial statements relate solely to the account owned by the dedicated Proleukin legal entity, Clinigen SP Limited.

Cash received through operating activities within other legal entities constituting the Proleukin Business for which the Proleukin Business does not have legal rights and access to the bank accounts, is deposited at the legal entity level into general corporate funds and represent transfers to the Parent as part of the parent company net investment. Funding required for the operating and investing activities of the Proleukin Business is provided at the legal entity level via the centralized treasury function within the Parent and represent transfers from the Parent as part of the parent company net investment.

The funding structure is not necessarily representative of the financing that would have been reported if Proleukin operated as an independent entity from the Parent during the periods presented, nor is it indicative of the financing that may arise in the future.

Note 15. Related party disclosures

The related parties identified by Proleukin include:
- Clinigen Group and its subsidiaries
- The key management personnel of Clinigen, who have the authority and responsibility for planning, directing and controlling the activity of Proleukin.

Terms and conditions of transactions with related parties: The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the period end are unsecured and interest-free, and settlement occurs through transfers to and from the Parent as the Parent performs cash management and other treasury-related functions on a centralized basis. No guarantees have been provided or received for any related party receivables or payables.

Clinigen Group and its subsidiaries: A summary of related party transactions is presented below for the six months ended 31 December 2022 and 2021:

	For the six months ended 31 December	
(USD in thousands)	2022	2021
Related party revenues	688	1,908
Related party purchases	42	18

The following balances are outstanding at 31 December 2022 and 30 June 2022 in relation to transactions with related parties:

	Balances as at	
(USD in thousands)	31 December 2022	30 June 2022
Trade receivables from related parties	2,176	1,430
Accounts payable to related parties	180	138

General Corporate Overhead: Historically, the Proleukin Business has been managed and operated in the normal course of business with other Clinigen Group entities. Accordingly, certain shared costs have been allocated to Proleukin and reflected as expenses in the combined statement of profit or loss and other comprehensive income. Management considers the allocation methodologies used to be reasonable and appropriate reflections of the historical Clinigen Group expenses attributable to Proleukin for purposes of the condensed carve-out financial statements. The expenses reflected in the condensed carve-out financial statements may not be indicative of expenses that will be incurred by the Proleukin Business in the future.

The Clinigen Group incurs significant corporate costs for support services provided to the Proleukin Business as well as other Clinigen Group entities. These costs include expenses for information systems, accounting, other financial services such as treasury and audit, purchasing, human resources, legal, facilities, corporate stewardship, and marketing. Expenses relating to these services have been allocated to Proleukin and are reflected in the condensed carve-out financial statements. Where direct assignment is not possible or practical, these costs were allocated using methods based on the Proleukin Business's proportionate percentage of the respective legal entities' total revenues, orders processed, or headcount. Such costs that are not directly attributable to the Proleukin Business have been allocated consistently based on the type of expenses incurred, using the allocation drivers defined by management that most directly correspond to the proportion of costs incurred by Proleukin.

The general allocated corporate expenses were $1.5 million for the six months ended 31 December 2022 (2021: $1.6 million) and included in the combined statement of profit or loss and other comprehensive income within general and administrative expense.

Key Management personnel: There are no key management personnel of Clinigen Group that are solely dedicated to Proleukin. All key management personnel of the consolidated group have responsibilities that cross multiple segments. The amount of remuneration that the Clinigen Group key management personnel receive is a function of their responsibilities across the entire business and the performance of the entire business, not solely Proleukin. As such, the Proleukin Business obtained key management personnel services from other entities within the Clinigen Group, and therefore, key management compensation has been allocated to the Proleukin Business using the same basis as other employees' salaries and benefits and share-based compensation. These costs were allocated using methods based on the Proleukin Business's proportionate percentage of the respective legal entities' total revenues or headcount. Refer to *Note 16, General and administrative expenses* for allocation of compensation related expenses to the Proleukin Business.

Note 16. General and administrative expenses

General and administrative expenses include those specifically incurred for the Proleukin Business and allocated amounts related to corporate costs that are not directly attributable to the Proleukin Business. The various expenses include salaries, wages and bonuses to employees, professional, legal and regulatory fees, charges for usage of shared assets, share-based payment costs, and other indirect expenses.

For the six months ended 31 December 2022, general and administrative expenses decreased $1.3 million compared to the six months ended 31 December 2021, primarily due to savings of $0.7 million in payroll and related costs from a reduction in Proleukin related headcount.

Note 17. Events after the reporting period

Events after the reporting period have been considered for adjustment or disclosure up to 18 May 2023, the date these condensed carve-out financial statements, were authorised for issue.

Sale of Proleukin Business: On 23 January 2023, the Clinigen Group signed an agreement for the disposal of the worldwide rights to Proleukin® to Iovance Biotherapeutics Inc. for up-front cash of $206.4 million, a milestone payment of $51.6 million upon first approval of lifileucel, and a perpetual double digit global sales royalty. The transaction, which comprises all the Proleukin Business transaction perimeter, is expected to close in May 2023, subject to required regulatory approvals and clearances and other customary closing conditions.

Exhibit 99.3

UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

The following unaudited pro forma condensed combined financial statements present the combination of the historical financial statements of Iovance Biotherapeutics, Inc. (the “Company” or “Iovance”), and Clinigen SP Limited (a carve-out of the Proleukin Business from Clinigen (defined below)), which is referred to as Proleukin (defined below), adjusted to give effect to the transactions contemplated by the Option Agreement dated January 23, 2023 by and among Iovance, its newly formed, wholly owned subsidiary, Iovance Biotherapeutics UK Ltd (“Purchaser”), Clinigen Holdings Limited, Clinigen Healthcare Limited, and Clinigen, Inc (collectively, “Clinigen” or the “Sellers”). The Option Agreement provides for, among other things, the acquisition by Iovance of the worldwide rights in Proleukin® (“Proleukin”) as well as the manufacturing, supply, commercialization and the generation of income from such rights and associated operations from the Sellers (the “Acquisition”) in exchange for cash and contingent consideration. The Acquisition was completed on May 18, 2023.

The Acquisition is reflected in the pro forma condensed combined financial statements in accordance with Financial Reporting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 805, *Business Combinations*, and FASB ASC 350, *Intangibles – Goodwill and Other*. Based on the terms of the Option Agreement, Iovance has been determined to be the acquirer for accounting purposes and the Company has preliminarily concluded the Acquisition will be treated as an asset acquisition as it does not meet the definition of a business under ASC 805, and is accounted for in accordance with the “Acquisition of Assets Rather Than a Business” subsections of ASC 805-50 by using a cost accumulation model.

The unaudited pro forma condensed combined financial statements have been prepared in accordance with Article 11 of Regulation S-X, Pro Forma Financial Information, as amended by the final rule, Release No. 33-10786 “Amendments to Financial Disclosures about Acquired and Disposed Businesses”, which is herein referred to as “Article 11”. Article 11 provides simplified requirements to depict the accounting for the transaction (“Transaction Accounting Adjustments”) and the option to present the reasonably estimable synergies and other transaction effects that have occurred or are reasonably expected to occur (“Management’s Adjustments”). The Company has elected not to present Management’s Adjustments in the unaudited pro forma condensed combined financial statements.

The unaudited pro forma condensed combined balance sheet as of March 31, 2023 gives effect to the Acquisition as if it had occurred on March 31, 2023. The unaudited pro forma condensed combined statements of operations for the year ended December 31, 2022 and the quarter ended March 31, 2023 give effect to the Acquisition as if it had occurred on January 1, 2022, the beginning of the earliest period presented.

The unaudited pro forma condensed combined financial statements should be read in conjunction with Iovance’s separately filed historical consolidated financial statements and the historical Proleukin combined carve-out financial statements and accompanying notes filed as exhibits to this Form 8-K/A. The pro forma adjustments are preliminary and are based upon available information and certain assumptions, as described in the accompanying notes to the unaudited pro forma condensed combined financial statements, which the Company believes are reasonable under the circumstances.

Actual results and valuations may differ materially from the assumptions within the unaudited pro forma condensed combined financial statements. The unaudited pro forma condensed combined financial statements are not necessarily indicative of the financial position or results of operations to be expected in future periods or the results that actually would have been realized had the Acquisition occurred during the specified periods and do not give effect to the potential impact of current financial conditions, regulatory matters, operating efficiencies or other savings or expenses that may be associated with the Acquisition. The unaudited pro forma condensed combined financial information is presented for illustrative purposes only and may not be indicative of the results of operations or financial condition of the combined company following the Acquisition.

Unaudited Pro Forma Condensed Combined Balance Sheet
As of March 31, 2023
(in thousands, except share and per share information)

	Iovance Biotherapeutics, Inc. Unaudited Pro Forma Condensed Combined Balance Sheet As of March 31, 2023						
	Iovance Biotherapeutics Inc. As of March 31, 2023	**Proleukin ® As of December 31, 2022**	**Adjustments to Proleukin's ® Historical Financial Statements (Note 4)**	**Proleukin ® As Adjusted**	**Transaction Accounting Adjustments**	**Note Ref**	**Iovance Biotherapeutics Inc. Pro Forma Combined**
ASSETS							
Current Assets							
Cash and cash equivalents	$ 543,484	$ 30	-	$ 30	$ (220,041)	**A**	$ 323,473
Inventories	-	6,313	(4,339)	1,974	7,714	**A**	9,688
Trade receivables	-	4,610	(4,610)	-	-		-
Short-term investments	82,808	-	-	-	-		82,808
Prepaid expenses and other assets	11,489	394	(394)	-	-		11,489
Total Current Assets	637,781	11,347	(9,343)	2,004	(212,327)		427,458
Property and equipment, net	109,923	-	-	-	-		109,923
Operating lease right-of-use assets	70,431	-	-	-	-		70,431
Restricted cash	6,430	-	-	-	-		6,430
Long-term assets	202	-	-	-	-		202
Non-current assets							
Intangibles, net	-	155,848	(155,848)	-	280,597	**A**	280,597
Deferred tax assets	-	5,412	(5,412)	-	-		-
Total non-current assets	186,986	161,260	(161,260)	-	280,597		467,583
Total Assets	**$ 824,767**	**$ 172,607**	**$ (170,603)**	**$ 2,004**	**$ 68,270**		**$ 895,041**
LIABILITIES AND STOCKHOLDERS' EQUITY							
Current Liabilities							
Accounts payable	31,572	4,258	(4,258)	-	(1,636)	**A**	29,936
Accrued expenses	43,088	-	-	-	(1,654)	**A**	41,434
Operating lease liabilities	12,614	-	-	-	-		12,614
Refund liabilities	-	3,689	(3,689)	-	-		-
Onerous supply provision	-	1,668	(1,668)	-	-		-
Total Current Liabilities	87,274	9,615	(9,615)	-	(3,290)		83,984
Non-Current Liabilities							
Operating lease liabilities - non-current	69,612	-	-	-	-		69,612
Deferred tax liability	-	-	-	-	70,149	**A**	70,149
Long-term note payable	1,000	-	-	-	-		1,000
Total Non-Current liabilities	70,612	-	-	-	70,149		140,761
Total Liabilities	**$ 157,886**	**$ 9,615**	**$ (9,615)**	**$ -**	**$ 66,859**		**$ 224,745**
Stockholders' Equity							
Parent company net investment	-	154,949	(154,949)	-	-		-
Series A Convertible Preferred stock, $0.001 par value; 17,000 shares designated, 194 shares issued and outstanding as of March 31, 2023	-	-	-	-	-		-
Series B Convertible Preferred stock, $0.001 par value; 11,500,000 shares designated, 2,842,158 shares issued and outstanding as of March 31, 2023	3	-	-	-	-		3
Common stock $0.000041666 par value; 300,000,000 shares authorized, 224,358,979 issued and outstanding as of March 31, 2023	9	-	-	-	-		9
Accumulated other comprehensive (loss) profit	(126)	8,043	(8,043)	-	-		(126)
Additional paid-in capital	2,342,703	-	-	-	-		2,342,703
Accumulated deficit	(1,675,708)	-	-	-	3,415	**A**	(1,672,293)
Total Stockholders' Equity	666,881	162,992	(162,992)	-	3,415		**670,296**
Total Liabilities and Stockholders' Equity	**$ 824,767**	**$ 172,607**	**$ (172,607)**	**$ -**	**$ 70,274**		**$ 895,041**

Unaudited Pro Forma Condensed Combined Statement of Operations
For the Three Months Ended March 31, 2023
(in thousands, except share and per share information)

	Iovance Biotherapeutics, Inc. Unaudited Pro Forma Condensed Combined Statement of Operations For the three months ended March 31, 2023								
	Iovance Biotherapeutics Inc. For the Three Months Ended March 31, 2023	**Proleukin ® For the Three Months Ended December 31, 2022**	**Adjustments to Proleukin's ® Historical Financial Statements (Note 4)**	**Proleukin ® As Adjusted**	**Transaction Accounting Adjustments**	**Note Ref**	**Iovance Biotherapeutics Inc. Pro Forma Combined**	**Note Ref**
Revenues	$ -	$ 12,186	$ -	$ 12,186			$ 12,186	
Cost of revenues	-	4,429	(3,437)	992	4,667	**AA**	5,659	
Gross profit	-	7,757	3,437	11,194	(4,667)		6,527	
Costs & expenses								
Research and development	82,734	-	-	-	-		82,734	
Selling, general and administrative	28,122	1,624	(644)	980	51	**AA**	26,067	
					329	**CC**		
					(3,415)	**GG**		
Total costs and expenses / (income)	110,856	1,624	(644)	980	(3,035)		108,801	
(Loss) / income from operations	(110,856)	6,133	4,081	10,214	(1,632)		(102,274)	
Other income (expense)								
Interest income, net	3,486	-	-	-	-		3,486	
Income tax (expense) benefit	-	(1,459)		(1,459)	1,179	**EE**	(280)	
Net (loss) income	$ (107,370)	$ 4,674	$ 4,081	$ 8,755	$ (453)		$ (99,068)	
Net loss per common share, basic and diluted	$ (0.50)	-					$ (0.46)	**FF**
Weighted average shares of common stock outstanding, basic and diluted	213,694						213,694	

Unaudited Pro Forma Condensed Combined Statement of Operations
For the Year Ended December 31, 2022
(in thousands, except share and per share information)

	Iovance Biotherapeutics, Inc. Unaudited Pro Forma Condensed Combined Statement of Operations For the year ended December 31, 2022							
	Iovance Biotherapeutics Inc. For the Year Ended December 31, 2022	**Proleukin ® For the Twelve Months Ended December 31, 2022**	**Adjustments to Proleukin's ® Historical Financial Statements (Note 4)**	**Proleukin ® As Adjusted**	**Transaction Accounting Adjustments**	**Note Ref**	**Iovance Biotherapeutics Inc. Pro Forma Combined**	**Note Ref**
Revenues	$ -	$ 27,904	$ -	$ 27,904	$ -		$ 27,904	
Cost of revenues	-	19,972	(13,785)	6,187	18,666	**AA**	32,567	
					7,714	**BB**		
Gross profit	-	7,932	13,785	21,717	(26,380)		(4,663)	
Cost and expenses								
Research and development	294,781	-	300	300	-		295,081	
Selling, general and administrative	104,097	4,482	(2,277)	2,205	204	**AA**	108,846	
					1,316	**CC**		
					1,024	**DD**		
Impairment of intangible assets	-	2,661	(2,661)	-	-		-	
Total costs and expenses / (income)	398,878	7,143	(4,638)	2,505	2,544		403,927	
(Loss) / income from operations	(398,878)	789	18,423	19,212	(28,924)		(408,590)	
Other income (expense)								
Interest income, net	2,985	-	-	-	-		2,985	
Income tax (expense) benefit	-	(3,450)		(3,450)	4,718	**EE**	1,268	
Net (loss) income	$ (395,893)	$ (2,661)	$ 18,423	$ 15,762	$ (24,206)		$ (404,337)	
Net loss per common share, basic and diluted	$ (2.49)						$ (2.54)	**FF**
Weighted average shares of common stock outstanding, basic and diluted	159,259						159,259	

NOTES TO THE UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

Note 1. Description of the Transaction

On January 23, 2023, Iovance and its newly formed, wholly owned subsidiary, Iovance Biotherapeutics UK Ltd, entered into an Option Agreement with Clinigen pursuant to which Iovance acquired the worldwide rights in Proleukin as well as the manufacturing, supply, commercialization and the generation of income from such rights and associated operations. The Acquisition was completed on May 18, 2023.

For accounting purposes, the transaction was accounted for as an asset acquisition in accordance with FASB ASC 805, *Business Combinations*, and FASB ASC 350, *Intangibles—Goodwill and Other.* The Company determined that the Acquisition will be treated as an asset acquisition as it does not meet the definition of a business under ASC 805, and is accounted for in accordance with the "Acquisition of Assets Rather Than a Business" subsections of ASC 805-50 by using a cost accumulation model.

Consideration paid to Clinigen in the Acquisition consisted of:

- an upfront payment of approximately $207.2 million (or £166.9 million) and a payment for certain inventory of approximately $3.0 million (or £2.4 million); and
- transaction costs of $9.9 million (including Proleukin transaction costs of $2.1 million).

The Option Agreement additionally provides for future contingent cash payments consisting of:

- a milestone payment upon first approval of Lifileucel in advanced melanoma;
- deferred consideration based on double digit rates on global net sales (as defined in the Option Agreement) payable from the Company to Sellers following the completion of the transaction for the applicable deferred consideration term; and
- earnout payments payable from the Company to Sellers following the completion of the transaction if deferred consideration payments are equal or greater to the required deferred consideration amount (as defined in the Option Agreement) at any time prior to the applicable deferred consideration term.

As the transaction was accounted for as an asset acquisition and the future contingent cash payments meet various scope exceptions under ASC 815, *Derivatives and Hedging,* and are not considered probable on the acquisition date under ASC 450, *Contingencies,* the contingent payments are not included in the initial consideration for the Acquisition.

Note 2. Basis of Pro Forma Presentation

The unaudited pro forma condensed combined financial statements have been prepared in accordance with Article 11 of Regulation S-X and reflect transaction accounting adjustments management believes are necessary to present fairly the Company's pro forma results of operations following the closing of the Acquisition for the periods presented.

Iovance has a fiscal year end of December 31 and Proleukin has a fiscal year end of June 30. To comply with SEC rules and regulations for companies with different fiscal year ends, the pro forma combined financial information has been prepared utilizing different periods as permitted by Regulation S-X. The unaudited pro forma condensed combined balance sheet as of March 31, 2023 combines the unaudited condensed consolidated balance sheet of Iovance as of March 31, 2023 and the unaudited interim condensed combined statement of financial position of Proleukin as of December 31, 2022.

The unaudited pro forma condensed combined statement of operations for the year ended December 31, 2022 combines Iovance's historical audited consolidated statement of operations for the year ended December 31, 2022 with Proleukin's unaudited interim condensed combined statement of profit or loss for the twelve months ended December 31, 2022. Proleukin's financial results for the twelve-month period ended December 31, 2022, were derived by adding the Proleukin results for the year ended June 30, 2022 to the Proleukin results for the six-month period ended December 31, 2022 and subtracting the Proleukin results for the six-month period ended December 31, 2021. Proleukin's revenue and loss for the six months ended December 31, 2021, which is excluded from the unaudited pro forma condensed combined statement of operations, were $12.9 million and $1.7 million, respectively.

The unaudited pro forma condensed combined statement of operations for the three months ended March 31, 2023 combines Iovance's historical unaudited condensed consolidated statement of operations for the three months ended March 31, 2023 with Proleukin's unaudited interim condensed combined statement of profit or loss for the three months ended December 31, 2022. Proleukin's revenue and profit for the three months ended December 31, 2022, which is included in the unaudited pro forma condensed combined statements of operations for both the year ended December 31, 2022 and the quarter ended March 31, 2023, were $12.2 million and $4.6 million, respectively.

The historical financial statements of Iovance were prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP"). The historical financial statements of Proleukin were prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The Company reviewed to determine any adjustments necessary to convert Proleukin's historical financial statements prepared in accordance with IFRS to Iovance's basis of accounting under U.S. GAAP – see Note 4.

Given the Company's history of net losses and valuation allowance, management estimated a pro forma annual effective income tax rate of 0%. Therefore, the adjustments to the pro forma condensed combined statements of operations do not reflect any additional income tax adjustment.

There were no existing contractual relationships between the Company and Clinigen during the periods for which the unaudited pro forma condensed combined financials statements are presented.

These unaudited pro forma condensed combined financial statements are presented for illustrative purposes only and do not give effect to any cost savings from operating efficiencies, revenue synergies, differences in stand-alone costs or costs for the integration of Proleukin's operations. These unaudited pro forma condensed combined financial statements do not purport to represent what the actual consolidated results of operations of Iovance would have been had the Acquisition been completed on the dates assumed, nor are they indicative of future consolidated results of operations or consolidated financial position. Any transaction, separation or integration costs will be expensed in the appropriate accounting periods after completion of the Acquisition.

Note 3. Accounting Policies

As part of preparing these unaudited pro forma condensed combined financial statements, Iovance conducted a preliminary review of the accounting policies of Proleukin to determine if differences in accounting policies require reclassification or adjustment to conform to Iovance's accounting policies and classifications, noting none aside from the IFRS to U.S. GAAP differences detailed in Note 4.

The unaudited pro forma condensed combined financial statements may not reflect all reclassifications necessary to conform Proleukin's presentation to that of Iovance due to limitations on the availability of information as of the date of the Form 8-K/A to which these unaudited pro forma condensed combined financial statements are filed as an exhibit. After completion of the Acquisition, Iovance will further review Proleukin's accounting policies. As a result of that review, Iovance may identify differences between the accounting policies of the two companies that, when conformed, could have a material impact on the combined financial statements.

Note 4. Adjustments to Proleukin's Historical Financial Statements

Amounts Not Acquired

The unaudited pro forma condensed combined balance sheet was adjusted to eliminate Proleukin assets and liabilities that the Company did not acquire under the terms of the Option Agreement. The table below summarizes the assets and liabilities in Proleukin's historical balance sheet that were not acquired by Iovance and therefore are not included the unaudited pro forma condensed combined balance sheet:

	March 31, 2023 **Amounts not Acquired** (in thousands)
Trade receivables	$ 4,610
Prepaid expenses and other assets	394
Inventories (1)	4,339
Intangibles, net	155,848
Deferred tax assets	5,412
Total assets not acquired	170,603
Accounts payable	4,258
Refund liabilities	3,689
Onerous supply provision	1,668
Total liabilities not acquired	9,615

(1) Reflects excess inventory as recorded on the Proleukin unaudited interim condensed combined statement of financial position that was not acquired by Iovance under the terms of the Option Agreement.

The table below summarizes the amounts in Proleukin's historical statements of operations that relate to items not acquired by Iovance and therefore are not included the unaudited pro forma condensed combined statements of operations:

	Amounts not Acquired	
	12 Months Ended December 31, 2022	**3 Months Ended March 31, 2023**
	(in thousands)	
Impairment of intangible assets not acquired	$ 2,661	$ -
Amortization expense on intangible assets not acquired	13,785	3,437
Historical compensation expense for employees not retained	2,277	644

Amortization expense related to intangible assets acquired in the Acquisition is recorded in adjustment AA. Employee-related expense related to employees retained by Iovance is recorded in adjustment CC.

Conversion to U.S GAAP

As noted above, the historical financial statements of Proleukin were prepared in accordance with IFRS. The Company reviewed to determine any adjustments necessary to convert Proleukin's historical financial statements to Iovance's basis of accounting under U.S. GAAP and one adjustment was noted.

Under IFRS, costs related to the development of the low-dose version of Proleukin were capitalized starting when management determined the capitalization criteria were met. These costs should be expensed as incurred under U.S GAAP. The Proleukin balances under the column 'Proleukin ® as Adjusted' in the unaudited pro forma condensed combined statement of operations for the year ended December 31, 2022 have been adjusted to expense $0.3 million of research and development expenditures incurred during the period. No such expenses were incurred during the three months ended March 31, 2023. The intangible asset balance relating to capitalized research and development under IFRS was removed from the unaudited pro forma condensed combined balance sheet as part of the 'Amounts not Acquired' discussed above.

Note 5. Adjustments to Unaudited Pro Forma Condensed Combined Financial Statements

The following adjustments are reflected in the unaudited pro forma condensed combined balance sheet as of March 31, 2023:

A. Represents the allocation of the total cost of the acquisition to the acquired non-monetary assets based on their relative fair values.

The following table summarizes the total cost of the acquisition:

	Amount
	(in thousands)
Cash	$ 210,230
Buyer Reimbursement of Seller Costs (1)	2,142
Total consideration	$ 212,372
Buyer Acquisition Costs (1)	7,794
Total Cost of Acquisition	$ 220,166

(1) Includes legal, accounting and miscellaneous expenses directly attributable to the Acquisition.

The following table summarizes the preliminary allocation of the above purchase consideration based on the relative fair value of the assets acquired:

	Amount
	(in thousands)
Cash and cash equivalents	$ 30
Inventory	9,688
Developed technology	279,984
Assembled workforce	613
Deferred tax liability	(70,149)
Total Cost of Acquisition	$ 220,166

The fair value of the developed technology acquired in the Acquisition was recognized on the basis of relative fair value in accordance with ASC 805, which was estimated using an income approach, specifically the multi-period excess earnings method. The significant assumptions utilized in estimated fair value of the developed technology include the Company's projections for revenue, gross margin, operating expenses, return on contributory assets, the remaining useful life of the technology, and a discount rate of 15.5%.

The fair value of the assembled workforce acquired in the Acquisition was recognized on the basis of relative fair value in accordance with ASC 805, which was estimated using a replacement cost new less depreciation method. The significant assumptions utilized in the estimated fair value of the assembled workforce include Company projections of salary and benefits.

The deferred tax liability arose from basis differences in acquired intangibles. The deferred tax liability and resulting adjustment to the carrying amount of the acquired intangibles was calculated using the simultaneous equations method under ASC 740 *Income Taxes*. The initial temporary difference was calculated based on the book to tax basis differences which were applied to a factor resulting in an estimated deferred tax liability of $70.1 million. Such liability was allocated to the intangible assets acquired on a relative fair value basis The tax rate was based on the estimated statutory rates in the UK as this is where the intangible assets are located, although such rate is not necessarily indicative of the effective tax rate of the combined company.

This adjustment includes the settlement of transaction costs that were recorded in Accounts payable and Accrued expenses as of March 31, 2023 and the impact to Accumulated deficit resulting from the reversal of these expenses pursuant to adjustment EE.

The following adjustments are reflected in the unaudited pro forma condensed combined statements of operations for the year ended December, 31, 2022 and for the three months ended March 31, 2023, respectively:

AA. Reflects amortization expense recorded on the acquired intangible assets for the year ended December 31, 2022 and three months ended March 31, 2023 based on their estimated useful lives. The amortization expense related to the Developed technology intangible asset is recorded to Cost of revenues and the amortization expense related to the Assembled workforce is recorded to Selling, general and administrative expense.

(amounts in thousands)	Preliminary Purchase Price Allocation	Useful Life	Amortization - Year Ended December 31, 2022	Amortization - Three Months Ended March 31, 2023
Developed technology	$ 279,984	15.00	$ 18,666	$ 4,667
Assembled workforce	613	3.00	204	51
	$ 280,597		$ 18,870	$ 4,718

BB. Reflects the recognition of the fair value step-up of inventory acquired into Costs of revenues. The inventory acquired is expected to be sold within twelve months following the acquisition and therefore the fair value step-up is fully recognized during the year ended December 31, 2022.

CC. Reflects employee expenses consisting of salaries and benefits expected to be incurred in relation to Proleukin employees retained by Iovance in the period following the acquisition.

DD. Reflects expenses expected to be incurred under the Transition Services Agreement entered into between Clinigen and Iovance upon close of the Acquisition. Fees under the Transition Services Agreement are a non-recurring item and are in effect for a twelve-month period following the Acquisition.

EE. Reflects amortization of the deferred tax liability recognized in connection with adjustment A. The deferred tax liability is amortized over the same useful life of the intangible assets it is allocated to.

FF. Represents the pro forma net loss per share for the year ended December, 31, 2022 and for the three months ended March 31, 2023. Pro forma basic and diluted net loss per share is computed by dividing the pro forma net loss by the weighted average number of the Company's common stock outstanding after the closing of the Acquisition.

GG. Reflects the reversal of transaction costs expensed by Iovance during the three months ended March 31, 2023. These costs are capitalized as part of preliminary purchase consideration in adjustment A.