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

FORM 20-F

(Mark One)

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

OR

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

For the fiscal year ended June 30, 2014

OR

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

For the transition period from_____ to_____

OR

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

Date of event requiring this shell company report_____

Commission file number 001-35428

Prima BioMed Ltd

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

Australia
(Jurisdiction of incorporation or organization)

Level 7, 151 Macquarie Street, Sydney 2000, New South Wales, Australia
(Address of principal executive offices)

Marc Voigt, Chief Executive Officer and Chief Financial Officer
Level 7, 151 Macquarie Street, Sydney, 2000 New South Wales, Australia
Phone +61 (0)2 9276 1224 Fax:+61 (0)2 9276 1284

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

Title of each class	Name of each exchange on which registered
Ordinary Shares	**The NASDAQ Stock Market LLC (American Depositary Shares representing Ordinary Shares)**

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

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

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

The number of ordinary shares, as of June 30, 2014 1,228,709,341

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

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). ☐ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☐ Accelerated filer ☐ Non-accelerated filer ☒

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

U.S. GAAP ☐ International Financial Reporting Standards as issued by the International Accounting Standards Board ☒ Other ☐

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

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

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INTRODUCTION

Prima BioMed Ltd was incorporated under the laws of the Commonwealth of Australia on May 21, 1987. The principal listing of our ordinary shares and listed options to purchase our ordinary shares is the Australian Securities Exchange, or ASX. We filed a registration statement on Form 20-F with the U.S. Securities Exchange Commission that was declared effective on April 12, 2012 and our American Depositary Shares, or ADSs, were listed on the NASDAQ Global Market, or NASDAQ, under the symbol "PBMD" on April 16, 2012. The Bank of New York Mellon acts as our depositary, and registers and delivers our ADSs, each of which represents 30 of our ordinary shares. As used in this Annual Report on Form 20-F, the terms "we," "us," "our", "Prima BioMed" and the "Company" mean Prima BioMed Ltd and its subsidiaries, unless otherwise indicated.

CVac is our trademark. Any other trademarks and trade names appearing in this Annual Report on Form 20-F are owned by their respective holders.

FINANCIAL AND OTHER INFORMATION

Our consolidated financial statements appearing in this Annual Report on Form 20-F are prepared in Australian dollars and in accordance with the International Financial Reporting Standards, or IFRS, as issued by the International Accounting Standards Board, or IASB. Our consolidated financial statements appearing in this Annual Report on Form 20-F comply with both the IFRS and Australian Accounting Standards. In this Annual Report, all references to "U.S. dollars" or "US$" are to the currency of the United States of America, all references to "euro", "€" or "EUR" are to the currency of certain states of the European Union, and all references to "Australian dollars" or "A$" are to the currency of Australia.

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

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

Except for the historical information contained in this Annual Report on Form 20-F, the statements contained in this Annual Report on Form 20-F are "forward-looking statements" which reflect our current view with respect to future events and financial results. We urge you to consider that statements which use the terms "anticipate," "believe," "do not believe," "expect," "plan," "intend," "estimate," and similar expressions are intended to identify forward-looking statements. We remind investors that forward-looking statements are merely predictions and therefore inherently subject to uncertainties and other factors and involve known and unknown risks that could cause the actual results, performance, levels of activity, our achievements or industry results, to be materially different from any future results, performance, levels of activity, or our achievements expressed or implied by such forward-looking statements. Investors are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. Except as required by applicable law, including the securities laws of the United States, we undertake no obligation to publicly release any update or revision to any forward-looking statements to reflect new information, future events or circumstances, or otherwise after the date hereof. Please see the Risk Factors section that appears in "Item 3. Key Information – D. Risk Factors."

PART I

ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

Not applicable.

ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not applicable.

ITEM 3. KEY INFORMATION

A. Selected Financial Data

Our consolidated financial statements appearing in this Annual Report on Form 20-F comply with both the International Financial Reporting Standards, or IFRS, as issued by the International Accounting Standards Board and Australian equivalents to IFRS as developed by the Australian Accounting Standards Board, or AASB. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with IFRS.

The following selected consolidated financial data as of June 30, 2014 and 2013 and for the fiscal years ended June 30, 2014, 2013 and 2012 have been derived from our audited consolidated financial statements and notes thereto included elsewhere in this Annual Report on Form 20-F. The selected consolidated financial data as of June 30, 2012, 2011, and 2010 and for the fiscal years ended June 30, 2011 and 2010 have been derived from our audited consolidated financial statements and notes thereto which are not included in this Annual Report on Form 20-F. This data should be read together with, and is qualified in its entirety by reference to, "Item 5. Operating and Financial Review and Prospects" as well as our consolidated financial statements and notes thereto appearing in "Item 18. Financial Statements" of this Annual Report on Form 20-F.

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

Consolidated Statement of Operations Data:

	Year Ended June 30,				
	2014	2013	2012	2011	2010
	(in A$, except share amounts)				
Other income	3,140,066	4,005,394	4,202,567	1,066,196	523,734
Depreciation & amortization	(446,360)	(254,024)	(377,299)	(64,287)	(53,039)
Research & development and intellectual property	(11,930,857)	(14,005,259)	(15,118,816)	(9,531,163)	(5,124,522)
Corporate administrative expenses	(4,092,623)	(4,851,195)	(5,977,619)	(5,600,988)	(5,816,006)
Loss on foreign exchange	—	—	(1,181,049)	—	—
Finance expenses	—	—	—	(6,395,818)	(6,946,628)
Impairment of assets	—	—	—	(555,107)	—
Changes in fair value of derivative financial instruments	—	(33,714)	(1,488,744)	—	—
Net loss on financial liabilities at fair value through profit or loss	—	—	—	—	(528,846)
Other expenses	—	—	—	—	(15,280)
Income tax expense	(13,607)	(86,873)	—	—	—
Net loss	(13,343,381)	(15,225,671)	(19,940,960)	(21,081,167)	(17,960,587)
Loss per share – basic and diluted	(0.0109)	(0.0142)	(0.0192)	(0.0374)	(0.0360)
Weighted average number of ordinary shares outstanding – basic and diluted	1,220,083,929	1,075,381,168	1,037,618,752	563,696,560	499,567,326

Consolidated Balance Sheet Data:

	As of June 30,				
	2014	2013	2012	2011	2010
			(in A$)		
Cash and cash equivalents	14,200,042	22,023,143	16,991,716	45,918,552	5,638,342
Working capital	21,912,972	28,248,167	36,458,512	54,525,711	14,369,705
Total assets	25,377,955	32,814,298	41,612,671	57,640,661	18,050,291
Long-term debt	—	—	—	—	—
Total shareholders' equity	22,592,320	29,248,418	37,157,871	55,099,130	15,839,939
Contributed equity	149,014,372	142,326,977	136,712,525	134,895,001	74,534,413

Exchange Rate Information:

The following tables set forth, for the periods and dates indicated, certain information regarding the rates of exchange of A$1.00 into US$ based on the historical daily exchange rates of the Australian dollar by the Reserve Bank of Australia (RBA).

Exchange rate as of August 31, 2014: A$1.00 is US$0.9349

Year Ended June 30,	At Period End	Average Rate	High	Low
	US$	US$	US$	US$
2010	0.8567	0.8820	0.9405	0.7723
2011	1.0670	0.9870	1.0958	0.8323
2012	1.0191	1.0319	1.1055	0.9500
2013	0.9275	1.0271	1.0593	0.9202
2014	0.9420	0.9187	0.9672	0.8716

Month	High	Low
	US$	US$
July 2013	0.9295	0.9037
August 2013	0.9216	0.8909
September 2013	0.9496	0.8969
October 2013	0.9672	0.9369
November 2013	0.9518	0.9087
December 2013	0.9151	0.8836
January 2014	0.9036	0.8716
February 2014	0.9057	0.8755
March 2014	0.9270	0.8912
April 2014	0.9414	0.9219
May 2014	0.9401	0.9235
June 2014	0.9439	0.9260
July 2014	0.9458	0.9324
August 2014	0.9353	0.9246

B. Capitalization and Indebtedness

Not applicable.

C. Reasons for the Offer and Use of Proceeds

Not applicable.

D. Risk Factors

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

Risks Related to Our Business

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

We are a development stage company at an early stage in the development of pharmaceutical products and our success is uncertain. Unless we are able to generate sufficient product revenue, we will continue to incur losses from operations and may not achieve or maintain profitability. As of June 30, 2014, we had an accumulated deficit of approximately A$128 million. At this point we do not have any products that generate revenue. We will continue to incur losses from operations and we expect the costs of drug development to increase over the next years as more patients are recruited to our trials and potential commercialization draws near. In particular, we will continue to incur significant losses in carrying out clinical trials of CVac necessary for regulatory approval. Because of the numerous risks and uncertainties associated with the development, manufacturing, sales and marketing of therapeutic products, we may experience larger than expected future losses and may never become profitable. Our current or any future product candidate may not be successfully developed, and if successfully developed, may not generate sufficient revenue to enable us to be profitable.

If we fail to become and remain profitable, or if we are unable to fund our continuing losses, our business will be harmed and the holders of our ordinary shares and ADSs could lose all or part of their investment. There is a substantial risk that we may not be able to complete the development of our current product candidate CVac. We will rely on CVac to generate revenues for us in the future. It is possible that CVac will not be successfully commercialized, which would prevent us from ever achieving profitability.

We will require additional financing in the future to sufficiently fund our operations and research.

We have been incurring losses and will continue to do so as we expand our drug development program. Our actual cash requirements may vary from those now planned and will depend upon many factors, including: the continued progress of our research and development programs; the timing, costs and results of clinical trials; the cost, timing and outcome of submissions for regulatory approval; the commercial potential of our product candidate; our ability to increase manufacturing capabilities; the status and timing of competitive developments; and potential acquisitions or other strategic corporate transactions.

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

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

Phase I and Phase II clinical trials are not primarily designed to test the efficacy of a product candidate but rather to test safety and to understand the product candidate's side effects at various doses and schedules. Furthermore, success in preclinical and early clinical trials does not ensure that later large-scale trials will be successful nor does it predict final results. Acceptable results in early trials may not be repeated in later trials. Further, Phase III clinical trials may not show sufficient safety or efficacy to obtain regulatory approval for marketing. We may conduct lengthy and expensive clinical trials of our product candidate, only to learn that the product candidate is not an effective treatment or not sufficiently safe. A number of companies in the biotechnology industry have suffered significant setbacks in Phase III clinical trials, even after promising results in earlier trials. In addition, clinical results are frequently susceptible to varying interpretations that may delay, limit or prevent regulatory approvals. Negative or inconclusive results or adverse medical events during a clinical trial could require that the clinical trial be redone or terminated. In addition, failure to construct appropriate clinical trial protocols could result in the test or control group experiencing a disproportionate number of adverse events and could require that a clinical trial be redone or terminated. The length of time necessary to complete clinical trials and to submit an application for marketing approval by applicable regulatory authorities may also vary significantly based on the type, complexity and novelty of the product candidate involved, as well as other factors. If we suffer any significant delays, setbacks or negative results in, or termination of, our clinical trials, we may be unable to continue the development of our products or product candidate or generate revenue and our business may be harmed.

If we do not obtain the necessary regulatory approvals we will be unable to commercialize our pharmaceutical product candidate. Even if we receive regulatory approval for CVac, profitability will depend on our ability to generate revenue from the sales or the licensing of our technology.

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

CVac is currently undergoing clinical trials, however, successful results in the trial and in the subsequent application for marketing approval are not guaranteed. If we are unable to obtain regulatory approvals we will not be able to generate revenue from CVac. Even if we receive regulatory approval, our profitability will depend on our ability to generate revenues from the sale of CVac or the licensing of our technology that will offset the significant and continuing expenditure required for us to advance our research, protect and extend our intellectual property rights and develop, manufacture, license, market, distribute and sell our technology and product candidate successfully.

Even if our product candidate receives regulatory approval, we may still face development and regulatory difficulties that may delay or impair future sales of our product candidate and we would be subject to ongoing regulatory obligations and restrictions, which may result in significant expense and limit our ability to commercialize our product candidate.

If we receive regulatory approval to sell CVac, the relevant regulatory authorities may, nevertheless, impose significant restrictions on the indicated uses, manufacturing, labeling, packaging, adverse event reporting, storage, advertising, promotion and

record keeping or impose ongoing requirements for post-approval studies. In addition, regulatory agencies subject a marketed product, its manufacturer and the manufacturer's facilities to continual review and periodic inspections. Potentially costly follow-up or post-marketing clinical studies may be required as a condition of approval to further substantiate safety or efficacy, or to investigate specific issues of interest to the regulatory authority. Previously unknown problems with the product candidate, including adverse events of unanticipated severity or frequency, may result in restrictions on the marketing of the product, and could include withdrawal of the product from the market. If we discover previously unknown problems with a product or our manufacturing facilities or the manufacturing facilities of a contract manufacturer, a regulatory agency may impose restrictions on that product, on us or on our third-party contract manufacturers, including requiring us to withdraw the product from the market. If we fail to comply with applicable regulatory requirements, a regulatory agency may:

- issue warning letters;
- impose civil or criminal penalties;
- suspend our regulatory approval;
- suspend any of our ongoing clinical trials;
- refuse to approve pending applications or supplements to approved applications filed by us;
- impose restrictions on our operations, including closing our contract manufacturers' facilities or terminating licenses to manufacture Good Manufacturing Practice grade material; or
- seize or detain products or require a product recall.

Any of the foregoing could harm the commercialization of our product candidate and our results and operations may be harmed. Likewise, any failure to comply with ongoing regulatory requirements may significantly and adversely affect our ability to commercialize our product. In addition, the law or regulatory policies governing pharmaceuticals may change. New statutory requirements may be enacted or additional regulations may be enacted that could prevent or delay regulatory approval of our product. We cannot predict the likelihood, nature or extent of adverse government regulation that may arise from future legislation or administrative action. If we are not able to maintain regulatory compliance, we might not be permitted to market our product candidate and our business could suffer.

We have limited manufacturing experience with our product candidate. Delays in manufacturing sufficient quantities of materials may negatively impact our business and operations.

CVac differs from many therapeutic products in that it must be manufactured on a patient-by-patient basis, using the patients' own immune cells, and therefore cannot be mass produced and stockpiled. Should we obtain regulatory approval, we may not be able to manufacture sufficient quantities in a cost-effective or timely manner which would hinder the commercialization of the product and reduce or prevent potential revenues. We may need to develop additional manufacturing resources, enter into collaborative arrangements with other parties, or have third parties manufacture our products on a contract basis. We may not have access on acceptable terms to the substantial financing that would be required to scale-up production and develop commercial manufacturing processes. We may not be able to enter into collaborative or contractual arrangements on acceptable terms with third parties that will meet our requirements for quality, quantity and timeliness. Such delays and hurdles could harm our business, financial condition and results of operations.

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

We are a small company, with few internal staff and no capital facilities. As of June 30, 2014 we only had 31 employees. We rely on a variety of contractors to manufacture our products, to perform clinical testing and to prepare regulatory dossiers. Adverse events that affect one or more of our contractors could adversely affect us, such as:

- a contractor is unable to retain key staff that have been working on our business;
- a contractor is unable to sustain operations due to financial or other business issues;
- a contractor loses its permits or licenses that may be required to manufacture our products; or
- errors, negligence or misconduct that occur within a contractor may adversely affect our business concerns although we may not be directly responsible.

To the extent we are able to enter into collaborative arrangements or strategic alliances, we will be exposed to risks related to those collaborations and alliances.

An important element of our strategy for developing, manufacturing and commercializing our product candidate is entering into partnerships and strategic alliances with other pharmaceutical companies or other industry participants to advance our programs and enable us to maintain our financial and operational capacity. We may not be able to negotiate alliances on acceptable terms, if at all. Although we are not currently party to any collaborative arrangement or strategic alliance that we believe is material to our business, in the future we may rely on collaborative arrangements or strategic alliances to complete the development and commercialization of our product candidate. Although we have no specific reason to believe that we will be at a disadvantage when negotiating such collaborative arrangements or strategic alliances, our negotiating position will be influenced by our financial capacity at the relevant time to continue the development and commercialization of the relevant product candidate, as well as the timing of any such negotiations and the stage of development of the relevant product candidate. These arrangements may result in us receiving less revenue than if we sold such products directly, may place the development, sales and marketing of our products outside our control, may require us to relinquish important rights or may otherwise be on terms unfavorable to us. Collaborative arrangements or strategic alliances will subject us to a number of risks, including the risk that:

- we may not be able to control the amount and timing of resources that our strategic partner/collaborators may devote to the product candidate;
- our strategic partner/collaborators may experience financial difficulties;
- we may be required to relinquish important rights such as marketing and distribution rights;
- business combinations or significant changes in a collaborator's business strategy may also adversely affect a collaborator's willingness or ability to complete its obligations under any arrangement;
- a collaborator could independently move forward with a competing product developed either independently or in collaboration with others, including our competitors; and
- collaborative arrangements are often terminated or allowed to expire, which would delay the development and may increase the cost of developing our product candidate.

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

Our future success depends to a large extent on the continued services of our senior management and key scientific personnel. We have obtained key man insurance for our chief executive officer. Our former chief executive officer was replaced after the end of the business year without any interruption to the ongoing business.

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

Our research and development efforts will be jeopardized if we are unable to secure critical components and reagents necessary for manufacture of key components of CVac.

A key component of CVac manufacture is mononuclear cells (a type of blood cell) obtained from each patient, as CVac is made specifically for each patient. To obtain mononuclear cells, we use a process called apheresis, which requires specially trained technicians using qualified processes on a COBE® Spectra or Spectra Optia machine from Terumo BCT. We have invested significant time and money into the training and quality control procedures for mononuclear cell collections. However, if we are unable to identify and train appropriate technicians in sufficient number, or if the equipment becomes obsolete, or if kits are no longer supplied by the manufacturer, and we are unable to arrange for qualified substitutes, the continued development and any future commercialization of CVac may be delayed.

Besides the patients' own cells, many reagents important to CVac manufacture are common to all patients. Many of the key reagents are available from reputable commercial sources, produced under the appropriate level of quality control (e.g. GMP, ISO, etc.) and supplied with appropriate specifications and batch release documentation. We have assumed that our ongoing supply of these reagents will be available during further clinical development, that no further technology transfer from us is required and that lot-to-lot reproducibility can be assured.

Some key reagents important to CVac manufacture are custom made for Prima BioMed, in particular the CVac antigen (Mannosylated Fusion Protein or M-FP). We have scaled up manufacturing of M-FP and other key custom reagents and we have sufficient quantities stockpiled for our foreseeable development needs; however, it may be difficult to obtain the same or comparable custom reagents in the future.

If we are unable to secure critical reagents from our current suppliers the continued development and any future commercialization of our product candidate may be delayed if regulatory authorities require any comparability testing or bridging studies to be performed.

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

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

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

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

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

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

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

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

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

- decreased demand for our products and product candidate;
- injury to our reputation;
- withdrawal of clinical trial participants;
- costs of related litigation;

- substantial monetary awards to patients and others;
- loss of revenues; and
- the inability to commercialize our products and product candidate. If there is a claim made against us or some other problem that is attributable to our products or product candidate, our share price may be negatively affected. Even if we were ultimately successful in product liability litigation, the litigation would consume substantial amounts of our financial and managerial resources and may create adverse publicity, all of which would impair our ability to generate sales of our product candidate. We may incur substantial liabilities or be required to limit development or commercialization of our product candidate if we cannot successfully defend ourselves against product liability claims. Such coverage may not be available in the future on acceptable terms, or at all. Even if we have adequate insurance coverage, product liability claims or recalls could result in negative publicity and force us to devote significant managerial and financial resources to those matters, and the commercialization of our product candidate may be delayed or severely compromised.

We rely on a number of third party researchers and contractors to produce, collect, and analyze data regarding the safety and efficacy of our product candidate. We have quality control and quality assurance in place to mitigate these risks, as well as professional liability and clinical trial insurance to cover financial damages in the event that human testing is done incorrectly or the data is analyzed incorrectly. If a claim is made against us in conjunction with the research testing activities, our share price may be negatively affected. We may be at risk of needing to redo testing at a significant cost. We could face additional liability beyond our insurance limits if testing mistakes were to endanger any human subjects. Liability claims due to errors or omissions in human testing may result in injury to our reputation in the eyes of scientists, doctors, regulators, and patients.

We are currently taking advantage of certain exemptions from having to comply with the Sarbanes-Oxley Act due to our status as an "emerging growth company".

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

For so long as we remain an "emerging growth company," we may take advantage of certain exemptions from various requirements that are applicable to public companies that are not "emerging growth companies," including, but not limited to, the provisions of Section 404(b) of the Sarbanes-Oxley Act requiring that our independent registered public accounting firm provide an attestation report on the effectiveness of our internal control over financial reporting. As a result, our independent registered public accounting firm will not be required to provide an attestation report on the effectiveness of our internal control over financial reporting for so long as we qualify as an "emerging growth company," which may increase the risk that weaknesses or deficiencies in our internal control over financial reporting go undetected. Similarly, so long as we qualify as an "emerging growth company," we may elect not to provide investors with certain information, including certain financial information and certain information regarding compensation of our executive officers, that we would otherwise have been required to provide in filings we make with the SEC, which may make it more difficult for investors and securities analysts to evaluate our company.

We may take advantage of these exemptions until we are no longer an "emerging growth company." We would cease to be an "emerging growth company" upon the earliest of: (i) the last day of our fiscal year following the fifth anniversary of the date of the first sale of our common equity securities pursuant to an effective registration statement under the Securities Act of 1933, as amended; (ii) the last day of the first fiscal year in which our annual gross revenues are $1 billion or more; (iii) the date on which we have, during the previous three-year period, issued more than $1 billion in non-convertible debt securities; or (iv) as of the end of any fiscal year in which the market value of our ordinary shares or ADSs held by non-affiliates exceeded $700 million as of the end of the second quarter of that fiscal year.

We cannot predict if investors will find our ordinary shares or ADSs less attractive because we may rely on these exemptions. If some investors find our ordinary shares or ADSs less attractive as a result, there may be a less active trading market for such shares, and our stock price may be more volatile and may decline.

Risks Related to Intellectual Property

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

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

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

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

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

Our attempts to prevent third parties from circumventing our intellectual property and other rights may ultimately be unsuccessful. We may also fail to take the required actions or pay the necessary fees to maintain our patents.

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

Our commercial success depends upon our ability and the ability of our potential collaborators to develop, manufacture, market and sell CVac or other product candidates without infringing valid intellectual property rights of third parties. If a third-party intellectual property right exists that covers the composition of CVac or the uses and dosages that the regulatory authorities approve for CVac, we may not be in a position to commercialize CVac unless we successfully pursue litigation or administrative proceedings to nullify or invalidate the third-party intellectual property right concerned, or enter into a license agreement with the intellectual property right holder, which may not be available on commercially reasonable terms, if at all.

It is possible that we are unaware of all patents or applications relevant to the manufacture, use or commercialization of CVac. For example, we have not conducted a recent freedom to operate search in connection with CVac and its use to treat cancer. Any freedom to operate search previously conducted may not have uncovered all relevant patents and patent applications, and there may be pending or future patent applications that, if issued, would block us from commercializing CVac. For example, U.S. applications filed before November 29, 2000 and certain U.S. applications filed after that date that will not be filed outside the United States remain confidential until patents issue. Patent applications in the United States (filed November 29, 2000 or later) and elsewhere are published approximately 18 months after the earliest filing for which priority is claimed, with such earliest filing date being commonly referred to as the priority date. Therefore, patent applications covering CVac or its use to treat cancer could have been filed by others without our knowledge. In addition, pending patent applications which have been published can, subject to certain limitations, be later amended in a manner that could cover CVac or the use of CVac. As a result, we do not know whether the manufacture, use, or commercialization of CVac or any of our other product candidate will infringe any third-party patents with valid claims that have been or will in the future be issued.

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

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

If we infringe the intellectual property rights of third parties, it may increase our costs or prevent us from the commercialization of our product candidate.

There is a risk that we are or may infringe other proprietary rights of third parties of which we are unaware. There has been substantial litigation and other proceedings regarding patent and other intellectual property rights in the pharmaceutical and biotechnology industries. To date, we have not been involved in any such third-party claims and, except as stated above, we are not aware that our product candidate infringe the intellectual property rights of third parties. As a result of intellectual property infringement claims, or to avoid potential claims, we might be:

- prohibited from selling or licensing any product candidate that we may develop unless the patent holder licenses the patent to us, which it is not required to do;
- required to expend considerable amounts of money in defending the claim;
- required to pay substantial royalties or grant a cross license to our patents to another patent holder;
- required to redesign the formulation of a product so that it does not infringe, which may not be possible or could require substantial funds and time; or
- required to pay substantial monetary damages.

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

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

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

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

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

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

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

If we are unable to keep pace with technological change or with the advances of our competitors, our technology and products may become non-competitive.

The biotechnology and pharmaceutical industries are subject to rapid and significant technological change. Our competitors in Australia and elsewhere are numerous and include major pharmaceutical companies, biotechnology firms and other research institutions. These competitors may develop technologies and products that are more effective than any that we are developing, or which would render our technology and products non-competitive. Many of these competitors have greater financial and technical resources and manufacturing and marketing capabilities than we do, and have more experience in conducting clinical trials and obtaining FDA, Australia's Therapeutic Goods Administration and other regulatory approvals. Our ability to further develop and commercialize our products may be adversely affected if our competitors were to succeed in obtaining regulatory approval for their products sooner than us.

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

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

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

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

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

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

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

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

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

The "first-inventor-to-file" system and the new definitions of prior art apply to U.S. patent applications with claims having an effective filing date on or after March 16, 2013. Until at least 2034, patent practice will involve both pre-AIA and AIA laws.

Depending on decisions by the U.S. Congress, the federal courts, and the USPTO, the laws and regulations governing patents could change in unpredictable ways that could weaken our ability to obtain new patents or to exploit our existing patents and patents that we might obtain in the future. Similarly, the complexity and uncertainty of European patent laws has also increased in recent years. In addition, the European patent system is relatively stringent in the type of amendments that are allowed during prosecution. Changes in patent law or patent jurisprudence could limit our ability to obtain new patents in the future that may be important for our business.

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

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

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

Risks Relating to Our Securities

Our stock price may be volatile and could decline significantly.

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

For example, during the last two fiscal years, the market price for our ordinary shares on the Australian Securities Exchange has ranged from as low as A$0.03 to a high of A$0.20. We may experience a material decline in the market price of our shares, regardless of our operating performance. Therefore, a holder of our ordinary shares or ADSs may not be able to sell those ordinary shares or ADSs at or above the price paid by such holder for such shares or ADSs. Price declines in our ordinary shares or ADSs could result from a variety of factors, including many outside our control. These factors include:

- the results of pre-clinical testing and clinical trials by us and our competitors;
- unforeseen safety issues or adverse side effects resulting from the clinical trials or the commercial use of our product candidate;

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

Our ordinary shares may be considered a "penny stock" under SEC regulations which could adversely affect the willingness of investors to hold our ADSs.

The SEC has adopted regulations which generally define "penny stock" to be an equity security that has a market price of less than $5.00 per share, subject to specific exemptions. During the fiscal year ended June 30, 2014, our ordinary shares traded on the ASX from low of A$0.03 to a high of A$0.11 per share. In fiscal 2013 our ordinary shares traded on the ASX from low of A$0.06 to a high of A$0.20 per share. Under ASX listing rules our shares may not trade below A$0.001 per share. The low trading price of our ordinary shares may adversely affect the willingness of investors to hold our ADSs.

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

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

The determination of whether we are a PFIC is made on an annual basis and depends on the composition of our income and the value of our assets. Therefore, it is possible that we could be a PFIC in the current year as well as in future years. If we are classified as a PFIC in any year that a U.S. Holder owns ADSs, the U.S. Holder will generally continue to be treated as holding ADSs of a PFIC in all subsequent years, notwithstanding that we are not classified as a PFIC in a subsequent year. Dividends received by the U.S. Holder and gains realized from the sale of our ADSs would be taxed as ordinary income and subject to an interest charge. We urge U.S. investors to consult their own tax advisors about the application of the PFIC rules and certain elections that may help to minimize adverse U.S. federal income tax consequences in their particular circumstances.

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

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

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

The price of our ordinary shares is quoted in Australian dollars and the price of our ADSs will be quoted in U.S. dollars. Movements in the Australian dollar/U.S. dollar exchange rate may adversely affect the U.S. dollar price of our ADSs and the U.S.

dollar equivalent of the price of our ordinary shares. In the last two years, the Australian dollar has as a general trend appreciated against the U.S. dollar. Any continuation of this trend may positively affect the U.S. dollar price of our ADSs and the U.S. dollar equivalent of the price of our ordinary shares, even if the price of our ordinary shares in Australian dollars increases or remains unchanged. However, this trend may not continue and may be reversed. If the Australian dollar weakens against the U.S. dollar, the U.S. dollar price of the ADSs could decline, even if the price of our ordinary shares in Australian dollars increases or remains unchanged.

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

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

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

Our ordinary shares are listed on three separate stock markets and investors seeking to take advantage of price differences between such markets may create unexpected volatility in our share price; in addition, investors may not be able to easily move shares for trading between such markets.

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

Risks Relating to Our Location in Australia

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

Our business is affected by fluctuations in foreign exchange rates. Currency fluctuations could, therefore, cause our costs to increase and revenues to decline. Our expenses will be denominated in Australian dollars, U.S. dollars and European euro. In the last two years, the Australian dollar has, as a general trend, appreciated against the U.S. dollar and European euro. We conduct clinical trials in many different countries and we have manufacturing of our product candidate undertaken outside of Australia, which exposes us to potential cost increases resulting from fluctuations in exchange rates. In fiscal 2014, we made foreign exchange gains as a result of currency fluctuations of A$0.4 million. In fiscal 2013 our foreign exchange gain was A$1.4 million.

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

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

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

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

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

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

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

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

Risks Related to an Investment in Our ADSs

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

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

Securities Other than Equity Securities – D. American Depositary Shares." Our shareholders have shareholder rights. Australian law and our constitution govern shareholder rights. For a description of our shareholders' rights, see "Item 10. Additional Information – B. Memorandum and Articles of Association." Our ADS holders do not have the same voting rights as our shareholders. Shareholders are entitled to our notices of general meetings and to attend and vote at our general meetings of shareholders. At a general meeting, every shareholder present (in person or by proxy, attorney or representative) and entitled to vote has one vote on a show of hands. Every shareholder present (in person or by proxy, attorney or representative) and entitled to vote has one vote per fully paid ordinary share on a poll. This is subject to any other rights or restrictions which may be attached to any shares. ADS holders may exercise voting rights with respect to the underlying ordinary shares only in accordance with the provisions of the deposit agreement. Under the deposit agreement, ADS holders vote by giving voting instructions to the depositary. Upon receipt of instructions, the depositary will try to vote in accordance with those instructions. Otherwise, ADS holders will not be able to vote unless they withdraw the ordinary shares underlying their ADSs. ADS holders may not learn of ordinary shareholders' meetings in time to instruct the depositary or withdraw underlying ordinary shares. If we ask for our ADS holders' instructions, the depositary will notify our ADS holders of the upcoming vote and arrange to deliver our voting materials and form of notice to them. The depositary will try, as far as practical, subject to Australian law and the provisions of the depositary agreement, to vote the shares as our ADS holders instruct. The depositary will not vote or attempt to exercise the right to vote other than in accordance with the instructions of the ADS holders. We cannot assure our ADS holders that they will receive the voting materials in time to ensure that they can instruct the depositary to vote their shares. This means that there is a risk that our ADS holders may not be able to exercise voting rights and there may be nothing they can do if their shares are not voted as they requested.

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

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

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

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

NASDAQ may delist our ADSs from trading on its exchange which could limit investors' ability to make transactions in our ADSs and subject us to additional trading restrictions.

We may in the future fail to comply with the NASDAQ Global Market regulations and listing requirements as to minimum stockholders' equity, minimum market value, minimum total assets and revenue, minimum bid price, minimum public float and other requirements (the "**NASDAQ Listing Requirements**"), and as a result NASDAQ may initiate procedures to delist our ordinary shares from the NASDAQ Global Market.

In the past 52-weeks, our ADSs have been trading in a range from $0.82 to $1.95 per share, and the longest period below $1.00 was for 6 business days from October 9, 2013 through October 16, 2013, inclusive. Under NASDAQ's Marketplace Rule 5450(a)(1) (the "**Rule**"), any company whose shares have a closing bid price less than $1.00 for 30 consecutive business days may be subject to a delisting proceeding by NASDAQ. If we fail to meet the continued listing criteria under the Rule or any of the NASDAQ Listing Requirements, our ordinary shares may be delisted from trading on the NASDAQ Global Market.

Delisting from the NASDAQ Global Market could have an adverse effect on our business and on the trading of our ADSs. If a delisting of our ADSs were to occur, such shares may trade in the over-the-counter market such as on the OTC Bulletin Board or on the "pink sheets". The over-the-counter market is generally considered to be a less efficient market, and this could diminish investors' interest in our ADSs as well as significantly impact the price and liquidity of our ADSs. Any such delisting may also severely complicate trading of our ADSs by our shareholders, or prevent them from re-selling their ADSs at/or above the price they paid. Furthermore, our relatively low trading volume on the NASDAQ Global Market may make it difficult for shareholders to trade ADSs or initiate any other transactions. Delisting may also make it more difficult for us to issue additional securities or secure additional financing.

ITEM 4. INFORMATION ON THE COMPANY

A. History and Development of the Company

Prima BioMed is a global leader in the development of personalized bio-therapeutic products for cancer. Our key product candidate in development is CVac™, an autologous dendritic cell based product in clinical trials for late stage ovarian cancer patients in complete remission.

Our registered office is located at Level 7, 151 Macquarie Street, Sydney 2000 New South Wales, Australia and our telephone number is +61 (0)2 9276 1224. Our address on the Internet is www.primabiomed.com.au. The information on, or accessible through, our website is not part of this Annual Report on Form 20-F. We have included our website address in this Annual Report on Form 20-F solely as an inactive textual reference.

Fiscal 2012

In August 2011, the Saxony Development Bank of the German State of Saxony, or SAB, awarded a grant of up to EUR 4.1 million to support clinical trials of CVac in Europe. Part of this grant is paid directly to Prima BioMed GmbH as reimbursement for eligible development costs. The majority of the grant is paid to the Fraunhofer-Gesellschaft zur Förderung der angewandten Forschung e. V., or Fraunhofer Institute, as reimbursement for CVac manufacturing costs to support clinical trials in Europe. The amounts paid to the Fraunhofer Institute reduce the costs incurred by Prima BioMed for manufacturing CVac in Europe. In the event the SAB does not reimburse the Fraunhofer Institute for their eligible manufacturing costs, Prima BioMed GmbH is obligated to pay the Fraunhofer Institute for contract manufacturing costs.

In September 2011, we were included in the Standard & Poor's S&P/ASX 300 Index for the first time, as part of Standard & Poor's September 2011 quarterly review.

In October 2011, we announced the formal launch of a partnership with The City Hospital in Dubai Healthcare City to make CVac commercially available in the Middle East region. In October of 2011, we also announced the launch of another partnership with The City Hospital for a therapeutic apheresis service.

In February 2012, we enrolled the first patient in CANVAS (CANcer VAccine Study) a double blind placebo controlled Phase II/III study of CVac as maintenance treatment of epithelial ovarian cancer patients in remission.

In March 2012, we announced that we had received a manufacturing license from the Therapeutic Good Administration to produce CVac for clinical trials in Australia.

On April 16, 2012, we commenced trading on the NASDAQ Stock Market of American Depositary Shares (ADSs). Every one ADS represents 30 ordinary fully paid shares. Prima BioMed's NASDAQ listing is a Level II ADR compliance listing. Bank of New York Mellon is Prima BioMed's deposit agent for converting our common shares into ADSs. A registration statement relating to the ADSs was filed with, and declared effective by, the U.S. Securities and Exchange Commission.

In June 2012, we announced that we would list our ADSs on the Entry Standard of the Frankfurt Stock Exchange as of June 5, 2012.

In June 2012, we announced that we had terminated our preclinical development for the Cripto-1 antibody program.

In June 2012, we announced that we will be winding down our business activities in Dubai due to regulatory delays and logistical challenges that would make it difficult to treat patients and achieve profitability in a reasonable amount of time.

Fiscal 2013

In October 2012, we announced positive trends in the interim data from the CAN-003 phase 2 clinical trial of CVac to treat epithelial ovarian cancer patients in remission after first-line or second line therapy.

In February 2013, we received A$1.4 million in cash rebate from the Australian federal government's R&D tax incentive program. The cash rebate was provided essentially for expenditures incurred on eligible Australian R&D activities conducted foremost on CVac clinical trials and manufacturing during the 2011/12 financial year. Additionally, we have received A$206,605 from the SAB as a reimbursement for CVac clinical trial costs incurred in Europe.

In February 2013, we announced that we had commenced recruitment of patients into the CANVAS (CANcer VAccine Study) trial in Europe.

In March 2013, the SAB approved a grant of up to EUR 3.8 million to support phase 2 clinical trials of CVac in up to three new cancer indications as well as several manufacturing optimization programs. The majority of the grant is paid to the Fraunhofer Institute as reimbursement for CVac manufacturing costs to support clinical trials in Europe.

As of June 30, 2013 we raised A$7.7 million from our Shareholder Purchase Plan, an Option Entitlement Offer, and from a private placement to sophisticated investors of our Share Purchase Plan shortfall. After the end of fiscal year 2013, in July and August 2013, we raised a further A$6.8 million from sophisticated investors who participated in additional Share Purchase Plan shortfall placements, resulting in total funds raised from these capital raisings of A$14.6 million. These funds, in addition to co-funding from the SAB, will help us to continue with our clinical and manufacturing development plans.

Fiscal 2014

In September 2013, we announced top-line results of our CAN-003 phase 2 trial of CVac for the treatment of epithelial ovarian cancer patients in remission after first or second line treatment. Results indicated that CVac was well tolerated by patients, with only one serious adverse event considered possibly related to CVac treatment. The majority of adverse events were considered mild and transient in nature. Evaluation of immunological responses to CVac indicated no humoral or antibody responses as expected and importantly CVac induced a cellular T cell response in patients. The estimate of median progression-free survival at that time resulted in no observed difference between the CVac treated patients and the control arm on the CAN-003 study when looking at the first and second remission patients as a single group. The efficacy of CVac was evaluated by determining the progression free survival (PFS) and overall survival (OS). PFS was measured from the date of randomization to the earlier of the date of documented disease progression or death from any cause. Initial top line PFS data indicated divergent trends for the first and second remission populations. It was too early to make conclusions about CVac's effect on overall survival. As of the date of analysis, eight study patients out of 58 (5 of the initial 63 patients enrolled had withdrawn their consent) were confirmed to be deceased. We anticipate, based on projecting current trends, that the overall survival data will be interpretable by approximately the end of calendar year 2014.

The phase 2/3 CANVAS trial was a trial in first remission patients who in the CAN-003 top line data appeared to show no benefit with respect to PFS and an unknown benefit with respect to OS. Additionally the CANVAS trial evaluates PFS as the primary efficacy endpoint. Prima BioMed suspended enrolment of new patients in the CANVAS trial while the CAN-003 data was reconciled and data queried and cleaned to permit amendment of the CANVAS trial based on accurate data from the CAN-003 trial. Patients screened and enrolled into the trial were permitted to remain in the trial.

In November 2013 we announced updated progression-free survival data from the CAN-003 protocol. In 20 patients in second remission on the CAN-003 trial, CVac conferred approximately a 50% increase in progression free survival as compared to patients receiving observation only (7.69 months versus 5.14 months; HR=0.41; p=0.09).

Based on these results we announced plans to move forward with an amended CAN-004 trial protocol in 210 patients for the maintenance treatment of platinum sensitive, epithelial ovarian cancer in patients in second line remission. We also announced our plans to move forward with an up to 40-patient pilot, multicenter, single-arm trial of CVac for the maintenance treatment of resected pancreatic cancer patients.

In January and February 2014, the Company announced the approval by regulators of the amended CAN-004 protocol initially in Belgium and then subsequently in multiple jurisdictions including Latvia, Lithuania, Bulgaria, Ukraine and Belarus.

On the 21 February 2014, the first commercial transaction for Prima BioMed and CVac was announced with the signing of a Licensing and Distribution Agreement with the Neopharm Group in Israel.

In March 2014 the company received an AU$1.6 Million dollar Research and Development tax incentive refund from the Australian Government to offset the expenses of research and development conducted within Australia in the 2013 financial year.

In March 2014, Prima BioMed was removed from the S&P ASX 300 listing after S&P's March Quarterly Rebalancing review.

In May, it was announced that Prima BioMed had been awarded fast track designation for CVac by the US Food and Drug Administration. The FDA's "fast track" process is a process designed to facilitate the development, and expedite the review of drugs to treat serious conditions and fill an unmet medical need. However, there can be no assurance that CVac will be reviewed or approved (if at all) more expeditiously than would otherwise have been the case. Please see the section titled "Regulatory Authorities—Fast Track Designation."

The final progression free-survival (PFS) data was accepted for oral presentation at the 2014 American Society for Clinical Oncology (ASCO) Conference on 31st May 2014. ASCO is among the world's largest annual scientific events in the oncology community. It was reported that CVac demonstrated a clinically meaningful improvement in progression free survival (PFS) over standard of care in second remission ovarian cancer patients in the CAN-003 protocol. Final PFS analysis from CAN-003 indicated even stronger trends toward improved clinical outcomes for CVac treated patients than topline data announced in September 2013 had suggested. In second remission patients (n=20) from CAN-003, median PFS for CVac was estimated to be greater than 12.91 months, compared to median PFS of 4.94 months for the control group (hazard ratio=0.32; p=0.04). Consistent with conclusions drawn from the previous top-line data analysis PFS was not improved for CVac patients in first remission (hazard ratio=1.18; p=0.69).

In late May, Prima BioMed received notification from the US patent office that its patent for treating patients with CVac had been allowed. This patent proceeded to be granted in July 2014 and was given a patent term extension of almost 4 years providing for patent protection in the US for this patent until at least August 2022.

Interim overall survival (OS) for CAN-003 was announced in June 2014 In second remission patients (n=20) from CAN-003, median OS for control group patients was 26.25 months while a median for CVac patients was not yet reached after 30 months (hazard ratio=0.17; p=0.07). Medians for the control group and CVac treated patients had not yet been reached for first remission patients. Further OS data updates are expected in late 2014.

On 9 July 2014, it was announced that Mr. Marc Voigt would replace Mr. Matthew Lehman as the CEO of Prima BioMed. Mr. Lehman remains as an advisor to the company and has been instrumental in designing a clinical development plan for the company. Mr. Voigt has been with Prima BioMed since 2012 as the Chief Financial Officer and Chief Business Officer and an employee of its German subsidiary since 2011, where he currently serves as a Managing Director. The shift in focus of the operations of the company to Germany due to the SAB grant support made it more practicable for Mr. Voigt to take over as CEO. In addition, Mr Voigt has over the past three years as the head of our European Operations, forged strong relationships within the European medical industry. During his role as CBO and CFO he has gained an excellent knowledge of both the operational and financial aspects of the business and he has a strong investment and transactional background within the biotechnology sector. Based in Germany, he is ideally placed to assume the responsibilities as CEO.

B. Business Overview

Background

Prima BioMed is a global leader in the development of personalized bio-therapeutic products for cancer. Our key product candidate in development is CVac™, an autologous dendritic cell based product in clinical trials for late stage epithelial ovarian cancer patients in complete remission. As we announced in this past fiscal year, we intend to explore the potential of CVac in resectable pancreatic cancer patients in a small pilot trial.

Operations Summary

Prima BioMed has small administrative offices in Sydney, Australia; Redwood City (which is expected to be closed during FY 15), USA and Berlin, Germany. We have a facility in Leipzig, Germany for management of our supply chain and logistics. Our contract manufacturing facilities for production of CVac are located in Melbourne, Australia; Mountain View, California; and Leipzig, Germany.

As of June 30, 2014, we employed 31 people. Our internal staff manages finances, business development, intellectual property, CVac product development, manufacturing, and CVac clinical development. We make extensive use of outside contractors and consultants to help manage manufacturing and clinical trials.

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

Prima BioMed's lead program is the treatment of epithelial ovarian cancer patients who are in complete remission. Currently we are targeting patients in second remission. This area represents a significant medical need due to the high relapse rates and high morbidity associated with the disease. Prima BioMed has obtained orphan indication designation in both the United States and Europe, which confers advantages to the Company such as reduced regulatory fees and market exclusivity after product approval. Please see the section titled "Regulatory Authorities—Orphan Drug Designations." Fast track designation was also granted in the US in May 2014, which allows for expedited review of data. Please see the section titled "Regulatory Authorities—Fast Track Designation."

The Company estimates a potential market for CVac in the initial target indication of second line remission epithelial ovarian cancer patients alone of up to 25,000 new patients per annum in the "major markets" of the United States, Australia, Japan, United Kingdom, Germany, France, Italy, and Spain, as well as significant additional opportunities in other global markets.

CAN-003 Phase 2 Study

In October and November 2012, we reported positive interim data from our ongoing phase 2 trial of CVac as maintenance treatment of epithelial ovarian cancer (the CAN-003 study). Data suggested that CVac has minimal side effects and none of the toxicity one would expect with more traditional cancer therapies. We saw encouraging trends of increasing PFS and OS for patients on trial for patients receiving CVac versus the control group. PFS or OS analysis were not performed as the data was too immature. In the immune monitoring completed for the first cohort of seven patients tested, we also saw that CVac induces a killer T cell response that was specific to mucin 1 (this is the antigen target on the cancer cells).

In September 2013, we announced top-line results of our CAN-003 trial. Results indicate that CVac was well tolerated by patients, with only one serious adverse event marked as possibly related to CVac treatment. The majority of adverse events were considered mild and transient in nature. While there was expected biological variability, trial data indicate that CVac induced a T cell response specific to mucin 1. This is considered to be a positive signal of the immune activity of CVac. The estimate of progression-free survival of the entire ovarian cancer patient trial population resulted in no observed difference between the CVac treated patients and the control arm on the CAN-003 study.

As of the time of CAN-003 top-line analysis, it was considered too early to make conclusions about CVac's effect on overall survival. We anticipate, based on projecting current trends, that the overall survival data would be interpretable by approximately the end of calendar year 2014.

CAN-004 Phase 2/3 Study ("CANVAS")

The CANVAS trial was designed to assess CVac in patients in first remission and to evaluate PFS as the primary endpoint. Based on the topline CAN-003 data indicating that first remission patients showed no measurable benefit with respect to PFS and an

unknown benefit with respect to OS, Prima BioMed suspended enrollment of new first remission patients on to that trial. The protocol was reviewed by advisors and key opinion leaders and amended to focus on second line remission patients based on the CAN-003 data. In order to minimize costs while maintaining feasibility we consolidated our operations and manufacturing into Europe. The amended protocol was submitted to the relevant regulators within each country we were intending to conduct our clinical trials and ethics committees for approval, clinical centers were re-educated and trained on the new protocol and, subsequently, enrolment is underway.

CAN-301 phase 2 pancreatic trial

In November 2013, we announced our plans to move forward with a 40-patient pilot, multicenter, single-arm trial of CVac for the maintenance treatment of resected pancreatic cancer patients to assess OS, PFS, adverse events, and immune monitoring. CAN-301 is a Phase 2 Trial of CVac (in patients with Resected Stage I or Stage II Adenocarcinoma (Cancer) of the Pancreas, which has been designed as a pilot study to initially assess: a) the safety and tolerability of CVac; b) duration of PFS and OS following the initiation of CVac administration; c) to evaluate the time to next treatment (TTNT); d) to evaluate immunologic response to CVac administration in this patient population; e) to investigate biomarkers, including tumor and immune characteristics, of clinical efficacy of CVac in this patient population; and f) to assess the change in quality of life (QoL) following the initiation of CVac administration in this patient population.

Personalized Immunocellular Therapeutics

To successfully produce and develop a personalized immunocellular therapeutic such as CVac, we have made significant investments in the technology and manufacturing processes that underpin our business. During fiscal 2014, we continued our efforts to optimize the four key aspects of our operational platform: (1) supply and logistics management, (2) product processing, (3) product formulation and stability, and (4) quality control. We also conducted a number of additional optimization testing programs to continuously improve and maintain our leadership in this space. These tests included transport and packaging optimization, evaluation of different cell collection systems, evaluation of different culture media conditions, optimization of wash and concentration processes, optimization of formulation and filling processes, optimization of finished packaging, validation of quality control analytical methods for CVac, and in vivo dendritic cell tracking studies.

A significant part of the costs of these optimization testing programs have been co-funded by collaboration partners, most importantly the SAB and the Peter MacCallum Cancer Center in Melbourne, Australia.

Strategic Focus

Since June 30, 2013, we have no longer continued our previous funding of early stage research into the use of super critical fluid technology for its potential applications in the reformulation of oral vaccines. While we believe the concept holds promise, the research remains too early-stage to have any practical applications that fit into our core business strategy. We remain focused on the successful clinical development of CVac as a potential treatment for ovarian cancer and resectable pancreatic cancer. Other cancer indications may be explored in the future. In addition, we intend to constantly improve the CVac manufacturing and supply process.

Intellectual Property

CVac is protected in the major markets and a number of other countries by two patent families licensed from the Burnet Institute in Melbourne, Australia, including composition of matter patents on mucin-mannan conjugates and method of composition patents of producing dendritic cells treated with M-FP. Please see the section titled “Material Contracts Related to Intellectual Property and Commercialization.”

In addition, CVac’s designation as an orphan product in ovarian cancer indications in the United States and Europe could give us market exclusivity for 7 and 10 years, respectively, in those regions. During the seven-year period in the United States, the FDA may not finally approve any other applications to market the same drug for the same disease, except in limited circumstances, such as a showing of clinical superiority to the product with orphan drug exclusivity. Orphan drug exclusivity does not prevent FDA from approving a different drug for the same disease or condition, or the same drug for a different disease or condition. Please see the section titled “Regulatory Authorities—Orphan Drug Designations.”

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

Patent matters in biotechnology are highly uncertain and involve complex legal and factual questions. The availability and breadth of claims allowed in biotechnology and pharmaceutical patents cannot be predicted. Statutory differences in patentable subject matter may limit the protection Prima BioMed can obtain on some or all of its licensed inventions or prevent us from obtaining patent protection either of which could harm our business, financial condition and results of operations. Since patent applications are not published until at least 18 months from their first filing date and the publication of discoveries in the scientific literature often lags behind actual discoveries, we cannot be certain that we, or any of our licensors, were the first creator of inventions covered by pending patent applications, or that we or our licensors, were the first to file patent applications for such inventions. Additionally, the grant and enforceability of a patent is dependent on a number of factors that may vary between jurisdictions. These factors may include the novelty of the invention, the requirement that the invention not be obvious in the light of prior art (including prior use or publication of the invention), the utility of the invention and the extent to which the patent clearly describes the best method of working the invention. In short, this means that claims granted in various territories may vary and thereby influence commercial outcomes.

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

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

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

CVac is a registered trademark in Australia, the United States, Europe, New Zealand, China, and the UAE.

Patent Portfolio

The following table presents our portfolio of patents and patent applications, including their status (as at June 30, 2014) and a brief description of their respective subject matter.

Patent Family	Title	Status	Expires
Family 1			
Mannan fusion	Composition of matter patent—Mucin-Mannan conjugates, antigen carbohydrate compounds, or mucin-1 derived antigens and their use in immunotherapy.	Granted in Australia, Canada, Japan, USA (x3), UK, Italy, France, Germany, Ireland.	2014 (Expires in November 2014 for US & Canada and in December for Australia. Already expired in other jurisdictions.*)
Family 3			
Ex vivo cell therapy	Method of producing dendritic cells pulsed with MFP (family 1).	Granted in Australia, Austria, Belgium, Canada, Denmark, France, Germany, Italy, Ireland, Japan (x2), Luxemburg, Spain, Sweden, Switzerland, Netherlands, Canada, USA and UK.	2018 (expires 2022 in USA)

* Expiration of patent family 1 means Prima BioMed no longer has a right to sue a third party for damages if they commercially produce the oxidized mannan fusion protein (M-FP) component of the CVac vaccine that contains the mucin 1 antigen. However, we do not believe that the expiration of family 1 patents will be a significant threat to Prima BioMed in the area of autologous dendritic cell therapy because while a third party may be able to commercially produce this component, it would not be able to use it to treat dendritic cells or to reintroduce these treated dendritic cells back into patients. This component of the vaccine is still protected by the family 3 patents. We also believe that it would be difficult for a third party to produce M-FP regardless of patent protection, given the substantial proprietary manufacturing know-how Prima BioMed has developed.

Material Contracts Related to Intellectual Property and Commercialization

Biomira License Agreement

In March 2004, Cancer Vac Pty Ltd (a wholly owned subsidiary of Prima BioMed Ltd) entered into a Licence and Development Agreement with a Canadian company. Biomira Inc. (now known as Oncothyreon Inc.), regarding a license under mucin 1 peptide patents. These mucin 1 peptide patents are owned by the Imperial Cancer Research Technology (ICRT) Limited, an English Research Organisation, and were exclusively licensed to Biomira. As partial consideration for the Agreement, Biomira became a shareholder of Cancer Vac Pty Ltd and milestones and royalties as per the Licence Development Agreement were agreed. The original Agreement was subsequently amended on several occasions.

In October 2013, the Biomira License Agreement was terminated. As of the termination date, we had no further obligations to Oncothyreon Inc.

ARI License Agreement

In May 2001, a Technology License Agreement between the Burnet Institute (the Austin Research Institute at that time) and its wholly-owned subsidiary Ilexus Pty Ltd and Prima BioMed and Cancer Vac Pty Ltd. was executed. A number of variations and novations have occurred with the most significant changes made in August 2005. The 2005 variation provides Cancer Vac (subsequently novated to Prima BioMed Ltd in April 2012) with a research and development licence and a commercialization licence that provide the exclusive worldwide right to conduct research and development and to commercialize the background technology in the field of cancer. Improvements to the background technology and research results arising from Prima BioMed's own development programs are owned by Prima BioMed.

The Burnet Institute is entitled to receive a single digit royalty on any income received by Prima BioMed through the commercialization of the background technology, or research results and background technology improvements that arose out of a specific research and development program while the patents remain in force. In the event that there is a trade sale of the technology, the Burnet Institute will be entitled to a single digit percentage of the consideration. Unless terminated earlier, this agreement will continue in force for the duration of the patents/patent applications. Either party may terminate this agreement upon written notice to the other party for the other party's uncured material breach, bankruptcy or cessation of business.

Competition

We expect Prima BioMed to face competition from other pharmaceutical companies and academic institutions that are developing both cell therapies and ovarian cancer maintenance therapies in second remission patients. We believe the competitive position of Prima BioMed in the face of such competition will be driven by a number of factors including the safety and efficacy of CVac compared with competitor products, the price value analysis, adoption by patients and physicians, timing of entry into the market in each indication, and the timing of regulatory approvals and influence of regulatory approvals such as orphan designation. The need to continuously improve and optimize manufacturing costs is also expected to be crucial to remaining competitive.

Current treatments for ovarian cancer include chemotherapeutics, angiogenesis inhibitors and antibody therapies. In the ovarian cancer maintenance therapy space, there is no currently approved standard of care once patients have entered remission.

Regulatory Authorities

United States

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

In the United States, The Centre for Biologics Evaluation and Research, or CBER, is the FDA organization responsible for vaccines, blood and biologics evaluation and approval. The FDA may inspect and audit the development facilities, planned production facilities, clinical trial sites and laboratory facilities. After the product is approved and marketed, the FDA uses different mechanisms for assuring that firms adhere to the terms and conditions of approval described in the application and that the product is manufactured in a consistent and controlled manner. This is done by periodic unannounced inspections of production and quality control facilities by FDA's field investigators and analysts.

Federal Food, Drug and Cosmetic Act and Public Health Service Act

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

Biologic License Applications (BLAs)

The FDA's BLA approval process generally involves:

- completion of preclinical laboratory and animal testing in compliance with the FDA's good laboratory practice, or GLP, regulations;
- submission to the FDA of an IND for human clinical testing, which must become effective before human clinical trials may begin in the United States;

- performance of adequate and well-controlled human clinical trials to establish the safety, purity and potency of the proposed biologic product for each intended use;
- satisfactory completion of an FDA pre-approval inspection of the facility or facilities at which the product is manufactured to assess compliance with the FDA's cGMP regulations; and
- submission to and approval by the FDA of a BLA.

The manufacturing and quality, as well as preclinical and clinical testing and approval process requires substantial time, effort and financial resources, and we cannot guarantee that approval for our product candidate will be granted on a timely basis, if at all. Preclinical tests include laboratory evaluation of toxicity and immunogenicity in animals. The results of preclinical tests, together with manufacturing information and analytical data, are submitted as part of an IND application to the FDA. In such a case, the IND sponsor and the FDA must resolve any outstanding concerns. Further, an independent institutional review board, or IRB, covering each medical center proposing to conduct clinical trials must review and approve the plan for any clinical trial before it commences at that center and it must monitor the study until completed. The FDA, the IRB or the sponsor may suspend a clinical trial at any time on various grounds, including a finding that the subjects or patients are being exposed to an unacceptable health risk. Clinical testing also must satisfy extensive Good Clinical Practice, or GCP, regulations, which include requirements that all research subjects provide informed consent and that all clinical studies be conducted under the supervision of one or more qualified investigators.

For purposes of an NDA submission and approval, human clinical trials are typically conducted in the following sequential phases, which may overlap:

- Phase I: Trials are initially conducted in a limited population to test the product candidate for safety and dose tolerance.
- Phase II: Trials are generally conducted in a limited patient population to identify possible adverse effects and safety risks, to determine the initial efficacy of the product for specific targeted indications and to determine dose tolerance and optimal dosage. Multiple Phase II clinical trials may be conducted by the sponsor to obtain information prior to beginning larger and more extensive Phase III clinical trials.
- Phase III: These are commonly referred to as pivotal studies. When Phase II evaluations demonstrate that a dose range of the product is effective and has an acceptable safety profile, Phase III clinical trials are undertaken in large patient populations to further evaluate dosage, to provide substantial evidence of clinical efficacy and to further test for safety in an expanded and diverse patient population at multiple, geographically-dispersed clinical trial sites. Generally, replicate evidence of safety and effectiveness needs to be demonstrated in two adequate and well-controlled Phase III clinical trials of a product candidate for a specific indication. These studies are intended to establish the overall risk/benefit ratio of the product and provide adequate basis for product labeling.
- Phase IV: In some cases, the FDA may condition approval of a BLA on the sponsor's agreement to conduct additional clinical trials to further assess the product's safety, purity and potency after BLA approval. Such post-approval trials are typically referred to as Phase IV clinical trials.

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

The results of product development, preclinical studies and clinical trials, along with the aforementioned manufacturing information, are submitted to the FDA as part of a BLA. BLAs must also contain extensive manufacturing information. Under the Prescription Drug User Fee Act, or PDUFA, the FDA agrees to specific goals for BLA review time through a two-tiered classification system, Standard Review and Priority Review. Standard Review is applied to products that offer, at most, only minor improvement over existing marketed therapies. Standard Review BLAs have a goal of being completed within a ten-month timeframe, although a review can take a significantly longer amount of time. A Priority Review designation is given to products that offer major advances in treatment, or provide a treatment where no adequate therapy exists. A Priority Review means that the time it takes the FDA to review a BLA is six months. It is likely that our product candidate will be granted a Standard Review. The review process is often significantly extended by FDA requests for additional information or clarification. The FDA may refer the application to an advisory committee for review, evaluation and recommendation as to whether the application should be approved. The FDA is not bound by the recommendation of an advisory committee, but it generally follows such recommendations.

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

Other U.S. Regulatory Requirements

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

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

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

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

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

European Union

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

Under European Union regulatory systems, we must submit and obtain authorization for a clinical trial application in each member state in which we intend to conduct a clinical trial. After we have completed our clinical trials, we must obtain marketing authorization before we can market our product. We may submit applications for marketing authorizations either under a centralized or decentralized procedure. The centralized procedure provides for the grant of a single marketing authorization that is valid for all European Union member states. The decentralized procedure provides for mutual recognition of national approval decisions. Under

this procedure, the holder of a national marketing authorization may submit an application to the remaining member states. Within 90 days of receiving the applications and assessment report, each member state must decide whether to recognize approval. If a member state objects to the approval, an arbitration process is initiated and the final decision is made by the European Commission on the basis of an opinion of the Committee for Proprietary Medicinal Products for Human Use, or CHMP. The mutual recognition procedure may be used more than once for subsequent applications to other member states in relation to the same product candidate.

The European Medicines Agency, or EMA, is a decentralized body of the European Union located in London. The EMA is responsible for the scientific evaluation of medicines developed by pharmaceutical companies for use in the European Union. The EMA is involved in the scientific evaluation of medicines that fall within the scope of the centralized procedure. However, other medicines that do not fall within this scope are marketed in the European Union either in individual member states, in accordance with their national authorization procedures, or in multiple member states through the decentralized or mutual-recognition procedures. The EMA only becomes involved in the assessment of such medicines when they have been referred to the EMA due to a disagreement between two or more member states about the authorization or use of the medicine, or due to some other issue that requires resolution in the interest of protecting public health. Like the FDA there is a harmonization between regulators and the EMA may inspect and audit the development facilities, planned production facilities, clinical trial sites and laboratory facilities. Additionally, after the product is approved and marketed, the EMA uses different mechanisms for assuring that firms adhere to the terms and conditions of approval described in the application and that the product is manufactured in a consistent and controlled manner. This is done by periodic unannounced inspections of production and quality control facilities.

Australia

In Australia, the relevant regulatory body responsible for the pharmaceutical industry is the Therapeutics Goods Administration, or TGA. Blood, blood components, plasma derivatives, tissue and cellular products, and tissue and cell based derivatives are regulated under the Therapeutic Goods Act 1989. As with the EMA and FDA there is a harmonization and collaboration between regulatory authorities. The CTN filing in Australia references the US FDA IND but separately requires a TGA manufacturing authorization to permit manufacture of products in Australia.

Third-Party Payer Coverage and Reimbursement

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

Fast Track Designation

In May 2014, the FDA granted fast track designation to the CVac clinical development program at Prima BioMed. Established under the FDA Modernization Act of 1997, fast track is a process designed to facilitate the development, and expedite the review of drugs to treat serious conditions and fill an unmet medical need. The purpose is to get important new drugs to the patient earlier. Fast track designation is reserved for therapies that attempt to treat diseases where no other therapy is available or where the Fast track therapy shows some advantages over available therapy.

Fast track designation confers some or all of the following benefits: more frequent meetings with FDA to discuss the drug's development plan and ensure collection of appropriate data needed to support drug approval, more frequent written correspondence from FDA about such things as the design of the proposed clinical trials and use of biomarkers, eligibility for Accelerated Approval and Priority Review, if relevant criteria are met, and Rolling Review, which means that a drug company can submit completed sections of its Biological License Application (BLA) or New Drug Application (NDA) for review by FDA, rather than waiting until every section of the application is completed before the entire application can be reviewed. However, there can be no assurance that a drug that has been granted fast track designation will be reviewed or approved (if at all) more expeditiously than would otherwise have been the case.

Orphan Drug Designations

CVac was granted orphan drug designation by the FDA in September 2010. Under the Orphan Drug Act, the FDA may grant orphan drug designation to drugs intended to treat a rare disease or condition—generally a disease or condition that affects fewer than 200,000 individuals in the U.S. Orphan drug designation is intended to provide incentives to encourage companies to pursue cures and treatments for rare diseases by providing major benefits during the product commercialization process. Orphan drug designation must be requested before submitting an NDA. After the FDA grants orphan drug designation, the generic identity of the drug and its potential orphan use are disclosed publicly by the FDA. Orphan drug designation does not convey any advantage in, or shorten the duration of, the regulatory review and approval process. The first NDA applicant to receive FDA approval for a particular active

ingredient to treat a particular disease with FDA orphan drug designation is entitled to a seven-year exclusive marketing period in the U.S. for that product, for that indication. During the seven-year exclusivity period, the FDA may not finally approve any other applications to market the same drug for the same disease, except in limited circumstances, such as a showing of clinical superiority to the product with orphan drug exclusivity. Orphan drug exclusivity does not prevent FDA from approving a different drug for the same disease or condition, or the same drug for a different disease or condition. Among the other benefits of orphan drug designation are tax credits for certain research and a waiver of the NDA application user fee.

In June 2010 CVac was also granted "Orphan Medicinal Product Designation" by the European Medicines Agency (EMA). This designation also provides major benefits during product commercialization. Key incentives include the exclusive rights to the cure or treatment for a specific condition for 10 years post approval to commercially market CVac and the provision of tax reductions.

Inflation and Seasonality

Management believes inflation has not had a material impact on our operations or financial condition. Management further believes that our operations are not currently subject to seasonal influences due to our current lack of marketed products. Moreover, ovarian cancer, which is the first indication in which CVac is being developed, is not a seasonal disease. Accordingly, once we have marketed products, management does not expect that our business will be subject to seasonal influences.

Manufacturing and Raw Materials

CVac Raw Materials

A key component of CVac manufacture is mononuclear cells (a type of blood cell) obtained from each patient, as CVac is made specifically for each patient. To obtain mononuclear cells, we use a process called leukapheresis, which requires specially trained technicians using qualified processes on a COBE® Spectra machine or the Spectra Optia machine from Terumo BCT. We have invested significant time and money into training and quality control procedures for mononuclear cell collections. However, if we are unable to identify and train appropriate technicians in sufficient number , or if machines or kits for the collection devices are no longer supplied by the manufacturer, and we are unable to arrange for qualified substitutes, the continued development and any future commercialization of CVac may be delayed.

Besides the patients' own cells, many of the key reagents required for CVac manufacture are available from reputable commercial sources, produced under the appropriate level of quality control (e.g. GMP, ISO, etc.) and supplied with appropriate specifications and batch release documentation. We have assumed that our ongoing supply of these reagents will be available during further clinical development, that no further technology transfer from us is required and that lot-to-lot reproducibility can be assured.

Other key reagents required for CVac manufacture are custom made for Prima BioMed, in particular the CVac antigen (Mannosylated Fusion Protein or M-FP). We have scaled up manufacturing of M-FP and other key custom reagents and we have sufficient quantities stockpiled for our foreseeable development needs; however, it may be difficult to obtain the same or comparable custom reagents in the future.

If we are unable to secure critical reagents from our current suppliers the continued development and any future commercialization of our product candidate may be delayed. In addition, even if we can secure adequate supplies of critical reagents from other suppliers, regulatory authorities may require additional tests or studies to be performed, including comparability testing or bridging studies, which could also delay the development and future commercialization of our product candidate and adversely affect our business.

CVac Manufacturing

The manufacture of CVac is conducted on a patient by patient basis. It is currently necessary to establish region-specific centralized manufacturing to ensure product can be transported within acceptable time frames between the patient and the manufacturing sites. There is a critical operational window for the delivery of mononuclear cells to a manufacturing site of less than 48 hours. Since the process must be performed for each individual patient, it is not possible to mass produce and stockpile the product in one location. It is a core requirement for our business to have sufficient facilities, materials and staff available regionally to provide each patient product. For clinical trials of CVac, we have contracts with Cell Therapies Pty Ltd in Australia, Fraunhofer Institute for Cell Therapy and Immunology ("FIZI") in Germany, and Progenitor Cell Therapy LLC ("PCT") in the United States. We have entered into manufacturing contracts with PCT and FIZI. As of the date of this filing, we are in the process of renegotiating the terms of our manufacturing contracts to reflect a suspension of CANVAS recruitment and potential changes to the CVac development plan. Currently, the manufacturing arrangements are as described below.

Cell Therapies Pty Ltd

In October 2009, Cancer Vac entered into a Manufacture Agreement with Cell Therapies Pty Ltd to assume manufacturing responsibility for CVac for clinical trials in Australia. Prima BioMed entered into a Master Services Agreement, or MSA, with Cell Therapies Pty Ltd in April 2011 to supersede the previous agreement. This MSA governed the terms under which Cell Therapies manufactured CVac for clinical trials in Australia and other consulting services to be provided. We agreed to pay Cell Therapies approximately A$77,985 per calendar month (excluding tax) as well as additional fees for consulting on an hourly rate basis. Upon the suspension of the CANVAS clinical trial, the MSA was terminated and a Transfer Services Agreement was entered into with Cell Therapies Pty Ltd in December 2013 for storage and distribution of CVac, as well as some consultative work.

Fraunhofer Institute for Cell Therapy and Immunology

In March 2010, Prima BioMed entered into an Agreement on the Tasks and the Division of Responsibilities in Contract Manufacturing of Investigational Medicinal Products with Fraunhofer-Gesellschaft zur Förderung der angewandten Forschung e. V., as legal entity for Fraunhofer Institute for Cell Therapy and Immunology IZI, or FhG/FhI. Under this agreement, FhG/FhI will provide manufacturing and related services in support of CVac clinical trials in Europe, including technology transfer, application for manufacturing authorisation, comparability trials, and manufacturing of CVac for clinical trials in Europe. The estimated total cost under this agreement was €1,271,000.

In conjunction with, and as a result of, the previously mentioned SAB Grant, the 2010 agreement with FhG/FhI has been terminated. In July 2012, we entered into a Cooperation Agreement, which outlines the terms under which FhG/FhI will manufacture CVac for the CANVAS trial in Europe. The eligible costs, up to a total of EUR 3.52 million, for the manufacturing of CVac for CANVAS will be reimbursed from the SAB to FhG/FhI under the terms of the grant document. We will be responsible for any costs that are not reimbursed by the SAB to FhG/FhI for any reason. We believe we have sufficient capacity for the CANVAS and CAN-301 trial arranged under our Cooperation Agreement and we believe the SAB grant will cover a portion, but not all, of the costs related to manufacturing of CVac for the clinical studies in Europe.

Progenitor Cell Therapy LLC

In May 2009, Prima BioMed entered into a Services Agreement with Progenitor Cell Therapy, LLC. Under this agreement, Progenitor Cell Therapy provided manufacturing and related services in support of CVac clinical trials in the United States. We also reimbursed, on a costs plus basis, certain costs for materials and reagents purchased by Progenitor Cell Therapy. Prima BioMed is required to make monthly payments to Progenitor Cell Therapy for such services, the amount of which varies from stage to stage of the project. These fees were initially approximately US$100,000 per month and were reduced to approximately US$ 70,000 per month beginning in April 2013. We subsequently renegotiated the fees for Progenitor Cell Therapy to reflect the reduced patient numbers in the US following the suspension of the CANVAS trial. Consequently the monthly fees were reduced to US$25,000 beginning in October 2013 and then to US$15,000 beginning in March 2014.

We believe these three organizations have sufficient capacity and regionally based coverage to address the clinical trial requirements for patients in Australia, Europe and the United States. Standard Operating Procedures for the production of CVac have been produced and are closely aligned between processing facilities (minor adjustments may be required due to variations in equipment or facilities). Comparability testing between sites is also completed to ensure consistency of product manufacture across the three sites.

There is a risk that one or more of our contract manufacturers may not be able to manufacture CVac according to necessary timelines or according to specifications and we have limited control over the management of the contract manufacturers. We may not be able to secure such processes or facilities for CVac in a timely manner for potential commercialization of CVac. We are evaluating expansion of the facilities of existing partners and/or engagement of new manufacturing facilities within or outside of the existing territories. We may also establish our own manufacturing facilities in order to address increased manufacturing requirements or to provide product to locations not currently accessible from the existing facilities.

C. Organizational Structure

Our research and development activities were initially conducted via four of our wholly owned Australian subsidiaries but as these activities ceased in July 2010 we deregistered three of these subsidiaries. Oncomab Pty Ltd, Panvax Pty Ltd and Arthron Pty Ltd were deregistered on July 31, 2013.

In October 2009, Prima BioMed Europe Limited, a 100% owned subsidiary of Prima BioMed Ltd, was incorporated in the United Kingdom. In April 2010, Prima BioMed USA Inc., a 100% owned subsidiary of Prima BioMed Ltd, was incorporated in the United States. In September 2010, Prima BioMed GmbH, a 100% owned subsidiary of Prima BioMed Ltd, was incorporated in Germany, and also in May 2011, Prima BioMed Middle East FZ LLC, a 100% owned subsidiary of Prima BioMed Ltd, was incorporated in the United Arab Emirates. These subsidiaries were established to allow us to conduct commercial and clinical operations in Europe, the United States, and the UAE. However, Prima BioMed Europe Limited was dissolved in June 2012 and Prima BioMed Middle East FZ LLC is in the process of being dissolved. In November 2011, Prima BioMed Australia Pty Ltd, a 100% owned subsidiary of Prima BioMed Ltd, was incorporated in Australia, and—in November 2011, Prima BioMed IP Pty Ltd, a 100% owned subsidiary of Prima BioMed Ltd, was incorporated in Australia.

D. Property, Plants and Equipment

We own computer equipment, office furniture and laboratory equipment placed at our own offices and laboratories and our contract manufacturers' facilities.

ITEM 4A. UNRESOLVED STAFF COMMENTS

None.

ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

A. Operating Results

Foreign Currency Risk

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

The group's seeks to minimise potential adverse effects on the financial performance of the group. The group uses derivative financial instruments such as foreign exchange contracts to hedge certain risk exposures. Derivatives are exclusively used for hedging purposes, i.e. not as trading or other speculative instruments. The group hedges its foreign exchange risk exposure arising from future commercial transactions and recognised assets and liabilities using forward contracts. The group uses different methods to measure different types of risk to which it is exposed.

Governmental Policies

Our ongoing research and development activities, production, and marketing of our pharmaceutical product is subject to regulation by numerous governmental authorities: (i) in Australia, principally the Therapeutics Goods Administration, or TGA; (ii) in the United States, principally the Food and Drug Administration, or FDA; and (iii) in Europe, principally the European Medicines Agency, or EMEA. Also, our ability to commercially exploit our products successfully will depend in part on the extent to which reimbursement for the cost of our products and related treatment will be available from government health administration authorities, private health coverage insurers and other organizations.

The Australian Government tax incentive scheme relating to eligible research and development activities is expected to provide us with significant benefits in future years. Such eligible R&D activities include but are not limited to:

a. Core activities, which are experimental activities whose outcome cannot be known or determined in advance, but can only be determined by applying a systematic progression of work;

b. Core activities conducted for the purpose of generating new knowledge (including new knowledge in the form of new or improved processes and materials); or

c. Supporting activities that are directly related and designed to support the above (a) and (b).

For further information regarding governmental economic, fiscal, monetary or political policies or factors that have materially affected, or could materially affect, our operations or our shareholders' investments, see Item 3.D "Risk Factors – Risks Related to Our Business," "– Risks Relating to Our Location in Australia" and "Item 10.E Additional Information – Exchange Controls" and "– Taxation."

Background

Prima BioMed Ltd is an Australian biotechnology company committed to the development of personalized immunocellular therapeutics for the treatment of cancer. For a description of the milestones that we have achieved since inception and through June 2014, see "Item 4. Information on the Company – A. History and Development of the Company."

Overview

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

Critical Accounting Policies

We prepare our financial statements in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). As such, we are required to make certain estimates, judgments, and assumptions that management believes are reasonable based upon the information available. These estimates, judgments and assumptions affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the periods presented. The significant accounting policies listed in Note 1 to the consolidated financial statements that management believes are the most critical to aid in fully understanding and evaluating our financial condition and results of operations under IFRS are discussed below.

Income taxes

The group has not recognized deferred tax assets relating to carried forward tax losses and taxable temporary differences since the group is currently in a loss making position and unable to generate taxable income to utilize the carried forward tax losses and taxable temporary differences. The utilization of the tax losses also depends on the ability of the entity to satisfy certain tests at the time the losses are recouped. Income tax expenses in financial years 2013 and 2014 arise in Prima BioMed USA, Inc as a result of the transfer pricing arrangement it has with Prima BioMed Ltd. Significant judgment is required in determining the worldwide provision for income taxes. There are certain transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The group estimates its tax liabilities based on the group's understanding of the tax law. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

Share-based Payment Transactions

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next Annual Reporting period but may impact profit or loss and equity.

Research and Development

We have expensed all internal research and development expenditures incurred during the year as the costs relate to the initial expenditure for research and development of biopharmaceutical products and the generation of future economic benefits is not considered probable given the stage of development. It was considered appropriate to expense the research and development costs as they did not meet the criteria to be capitalized under AASB 138 (IAS 38).

Impairment of Assets

We assess impairment of non-financial assets at each reporting date by evaluating conditions specific to the consolidated entity and parent entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs to sell or value- in-use calculations, which incorporate a number of key estimates and assumptions.

Fair Value of Derivative Financial Instrument

The fair value of forward exchange contracts is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract. These fair values are provided by independent third parties.

Results of Operations

Comparison of Fiscal Year Ended June 30, 2014 to Fiscal Year Ended June 30, 2013

Other Income

Other income decreased to A$3.1 million for fiscal year 2014 from A$4.0 million for fiscal year 2013, a decrease of A$0.9 million, or 23%. Other income consists of interest income, cash tax rebates, and gain on foreign exchange. The interest income for fiscal year 2014 was A$0.7 million and A$0.9 million for fiscal year 2013. The decrease in interest income in fiscal year 2014 is due to the significant decrease in the level of cash held on term deposits and a decrease in interest rates on term deposits. Cash tax rebates and grants related to eligible research and development expenditures consists of A$2 million and A$1.6 million for fiscal year 2014 and fiscal year 2013, respectively. The foreign exchange gains of A$0.4 million for fiscal year 2014 and A$1.4 million for fiscal year 2013 was driven by the impact of changes in our U.S. and Euro cash holdings.

Research & Development and Intellectual Property Expenses

Research and development and intellectual property expenses decreased to A$12 million for fiscal year 2014 from A$14 million for fiscal year 2013, a decrease of A$2 million, or 14%. The decrease in research and development and intellectual property expenses in the fiscal year 2014 was the result of consolidating our research and development work into Europe.

Corporate Administrative Expenses

Corporate administrative expenses decreased to A$4.1 million for fiscal year 2014 from A$4.9 million for fiscal year 2013, a decrease of A$0.8 million, or 16%. The decrease in corporate administrative expenses is attributable to cost control measures implemented in this past fiscal year, resulting in a reduction of discretionary expenses, such as travel expenses.

Depreciation and Amortization Expenses

Depreciation and amortization expenses increased to A$0.4 million for fiscal year 2014 from A$0.3 million for fiscal year 2013, an increase of A$0.1 million, or 33.33%. The increase in depreciation and amortization expenses is attributable to additional plant and equipment in the aggregate to the amount of A$0.5 million was purchased during the 2013 fiscal year.

Changes in Fair Value of Derivative Financial Instruments

Changes in fair value of derivative financial instruments expenses decreased to nil for fiscal year 2014 down from A$0.03 million for fiscal year 2013. There were no foreign hedging contracts entered into as at June 30, 2014.

Net Loss

Net loss decreased to A$13.3 million for fiscal year 2014 from A$15.2 million for fiscal year 2013.

Comparison of Fiscal Year Ended June 30, 2013 to Fiscal Year Ended June 30, 2012

Other Income

Other income decreased to A$4.0 million for fiscal year 2013 from A$4.2 million for fiscal year 2012, a decrease of A$0.2 million, or 5%. Other income consists of interest income, cash tax rebates, and gain on foreign exchange. The interest income for fiscal year 2013 was A$0.9 million and A$2.7 million for fiscal year 2012. The decrease in interest income in fiscal year 2013 is due to the significant decrease in the level of cash held on term deposits and a decrease in interest rates on term deposits. Cash tax rebates and grants related to eligible research and development expenditures consists of A$1.6 million and A$1.5 million for fiscal year 2013 and fiscal year 2012, respectively. The foreign exchange gains of A$1.4 million for fiscal year 2013 was driven by the impact of changes in our U.S. and Euro cash holdings.

Research & Development and Intellectual Property Expenses

Research and development and intellectual property expenses decreased to A$14 million for fiscal year 2013 from A$15.1 million for fiscal year 2012, a decrease of A$1.1 million, or 7%. The decrease in research and development and intellectual property expenses in the fiscal year 2013 was the result of decreasing the enrollment on our CANVAS trial and the termination of our R&D activities on the cripto-1 antibody.

Corporate Administrative Expenses

Corporate administrative expenses decreased to A$4.9 million for fiscal year 2013 from A$6.0 million for fiscal year 2012, a decrease of A$1.1 million, or 19%. The decrease in corporate administrative expenses is attributable to cost control measures implemented in this past fiscal year as well as the closure of our Dubai operations.

Depreciation and Amortization Expenses

Depreciation and amortization expenses decreased to A$0.3 million for fiscal year 2013 from A$0.4 million for fiscal year 2012, a decrease of A$0.1 million, or 25%. The decrease in depreciation and amortization expenses is attributable to impairment charge on intangibles to the amount of A$0.1 million during the 2012 fiscal year.

Changes in Fair Value of Derivative Financial Instruments

Changes in fair value of derivative financial instruments expenses decreased to A$0.03 million for fiscal year 2013 down from A$1.5 million for fiscal year 2012. The decrease in changes in fair value of derivative financial instrument is attributed to forward exchange contracts entered into in July 2011 to protect us against adverse movements in the USD and Euro exchange rates which have been exercised in current year. The derivative financial instrument represents the change in the fair value of the contracts outstanding as at June 30, 2013.

Net Loss

Net loss decreased to A$15.2 million for fiscal year 2013 from A$19.9 million for fiscal year 2012.

For a discussion on inflation and seasonality, see "Item 4. Information on the Company – B. Business Overview – Inflation and Seasonality."

New Accounting Standards and Interpretations Not Adopted

New and amended standards adopted by the group

The group has applied the following standards and amendments for first time for their annual reporting period commencing 1 July 2013:

- AASB 10 (IFRS 10) Consolidated Financial Statements, AASB 11(IFRS 11) Joint Arrangements, AASB 12 (IFRS 12) Disclosure of Interests in Other Entities, AASB 128 (IAS 28) Investments in Associates and Joint Ventures, AASB 127 (IAS 27) Separate Financial Statements and AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards
- AASB 2012-10 Amendments to Australian Accounting Standards – Transition Guidance and other Amendments which provides an exemption from the requirement to disclose the impact of the change in accounting policy on the current period
- AASB 13 (IFRS 13) Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13 (IFRS 13)
- AASB 119 Employee Benefits (September 2011) and AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011)
- AASB 2012-5 Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle, and
- AASB 2012-2 Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities

The adoption of the above standards did not result in significant changes in accounting policies or adjustments to the amounts recognised in the financial statements. These standards only affected the disclosures in the notes to the financial statements.

New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for June 30, 2014 reporting periods and have not been early adopted by the group. The group's assessment of the impact of these new standards and interpretations is set out below.

Title of standard	Nature of change	Impact	Mandatory application date/ Date of adoption by group
AASB 9 (IFRS 9) Financial Instruments	AASB 9 (IFRS 9) addresses the classification, measurement and derecognition of financial assets and financial liabilities. Since December 2013, it also sets out new rules for hedge accounting.	When adopted, the standard will not have any significant impact as on the financial statements unless the Company acquires financial assets and liabilities. There will be no impact on the group's accounting for financial assets, as the new requirements only affect the accounting for available-for-sale financial assets and the group does not have any such assets. There will be no impact on the group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the group does not have any such liabilities. There will be no impact on hedge account or disclosures as the forward contracts do not qualify as hedge accounting.	Must be applied for financial years commencing on or after January 1, 2018.

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

B. Liquidity and Capital Resources

Since our inception, our operations have mainly been financed through the issuance of equity securities. Additional funding has come through convertible loans, operating grants and interest earned from cash on term deposit.

Equity Issuances

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

	Fiscal Year	Number of Shares/Options	Net Proceeds (in A$)
Ordinary Shares – private placement, share purchase plan and exercise of options	2009	115,495,026	2,391,378
Ordinary Shares – private placement, share purchase plan, repayment of convertible loans and exercise of options	2010	278,662,654	21,430,975
Ordinary Shares – private placement, share purchase plan, repayment of convertible loans and exercise of options	2011	280,428,034	55,067,573
Ordinary Shares – exercise of options and share issuance	2012	85,047,759	1,820,455
Ordinary Shares – share purchase plan	2013	77,083,450	6,166,676
Listed Options – option entitlement offer	2013	77,378,699	1,547,574
Ordinary Shares – share purchase plan	2014	85,562,503	6,845,001

Capital Requirements

As of June 30, 2014, we had year-end cash and cash equivalents of A$14 million, and other financial assets being term deposits of between 90 days and 180 days of A$9 million. We anticipate that our current cash and cash equivalents will be sufficient to fund our operations for more than 12 months. However, our forecast of the period of time through which our financial resources will be adequate to support our operations is a forward-looking statement that involves risks and uncertainties, and actual results could vary materially. If we are unable to raise additional capital when required or on acceptable terms, we may have to significantly delay, scale back or discontinue one or more of our clinical trials or our operations.

We anticipate that we will require substantial additional funds in order to achieve our long-term goals and complete the research and development of our current principal pharmaceutical product candidate. We do not expect to generate revenue until we obtain regulatory approval to market and sell our product candidate and sales of our product candidate have commenced. We expect to continue to incur substantial losses. Our future capital requirements are difficult to forecast and will depend on many factors, including:

- the costs of establishing sales, marketing and distribution capabilities;
- the scope, results and timing of preclinical studies and clinical trials;
- the costs and timing of regulatory approvals; and

- the cost of filing, prosecuting, defending and enforcing any patent claims and other intellectual property rights.

Cash Flows

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

	Fiscal Year Ended June 30,		
	2014	2013	2012
	A$	A$	A$
Net cash used in operating activities	(14,227,161)	(16,037,126)	(19,120,369)
Net cash provided by (used in) investing activities	(1,103,675)	12,537,499	(11,619,991)
Net cash provided by financing activities	6,687,395	7,162,026	1,813,524
Net increase (decrease) in cash and cash equivalents	(8,643,441)	3,662,399	(28,926,836)
Effect of exchange rate on cash and cash equivalents	820,340	1,369,028	—
Cash and cash equivalents at beginning of period	22,023,143	16,991,716	45,918,552
Cash and cash equivalents at end of period	14,200,042	22,023,143	16,991,716

Operating Activities

Net cash used in operating activities was A$14.2 million, A$16.0 million, and A$19.1 million during fiscal years 2014, 2013 and 2012, respectively. Payments to suppliers and employees account for almost all of the amounts above for R&D and administrative purposes. During fiscal years 2014, 2013 and 2012, our payments to suppliers and employees were offset by interest income received of A$0.7 million, A$1.3 million, and A$2.6 million, respectively.

Investing Activities

Net cash used in investing activities was A$1.1 million during fiscal year 2014, while net cash provided and used by investing activities was A$12.5 million, and A$11.6 million during fiscal years 2013 and 2012, respectively. The net cash outflow for fiscal year 2014 was lower due to net funds received on matured term deposits being lower than funds invested in term deposits and payments for plant and equipment. For fiscal years 2013 the net cash inflow was higher due to higher funds received on matured term deposits than funds invested in term deposits, and in 2012 the net cash outflow was lower due to the higher amount of funds invested in term deposits.

Financing Activities

Net cash provided by financing activities was A$6.7 million, A$7.2 million, and A$1.8 million for fiscal years 2014, 2013 and 2012. Cash flows provided by financing activities during fiscal 2014 was primarily attributable to a share purchase plan (A$6.8 million), 2013 was primarily attributable to a share purchase plan and option entitlement offer (A$7.7 million) and in fiscal 2012 was attributable to exercise of options (A$1.8 million).

At June 30, 2014 we had A$14 million in cash and cash equivalents, plus A$9 million on a term deposit compared with 2013, where we had A$22 million in cash and cash equivalents plus A$8 million on a term deposit. At June 30, 2012, we had A$17 million in cash and cash equivalents plus A$21 million on a term deposit.

C. Research and Development, Patents and Licenses

For a description of the amount spent during each of the last three fiscal years on company-sponsored research and development activities, as well as the four components of research and development expenses, see “Item 5. Operating and Financial Review and Prospects – A. Operating Results – Results of Operations.”

D. Trend Information

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

Our research and development expenditure is our primary expenditure. Increases or decreases in research and development expenditure are attributable to the level of clinical trial activity and the amount of expenditure on those trials. The main clinical trials are a 210 patient Phase IIb study in second remission ovarian cancer and a pilot study in resectable pancreatic cancer in up to 40 patients which has not yet been started as at the date of filing this Form 20-F.

It is expected that as we activate new clinics and recruit more patients for our current clinical trials, that our R&D expenses will increase over the coming year.

E. Off-Balance Sheet Arrangements

During fiscal years 2012, 2013 and 2014, we did not have any relationships with unconsolidated entities or financial partnerships, such as entities often referred to as structured finance or special purpose entities, which would have been established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes.

F. Tabular Disclosure of Contractual Obligations

As of June 30, 2014 our contractual obligations were as set forth below:

	Payments Due by Period				
	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
Contractual Obligations					
Trade and other payables	2,652,277	2,652,277	—	—	—
Total	2,652,277	2,652,277	—	—	—

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

ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

A. Directors and Senior Management

The following table sets forth our directors and senior management, their age and the positions they held as of September 1, 2014. All of our directors and senior management may be contacted at our principal executive offices located at level 7, 151 Macquarie Street Sydney 2000 New South Wales, Australia.

Name	Age	Position
Lucy Turnbull AO[(1)(2)]	56	Non-Executive Chairman
Albert Wong [(1) (2)]	55	Non-Executive Deputy Chairman
Pete Meyers [(1)]	44	Non-Executive Director
Russell Howard, Ph.D.[(2)]	64	Non-Executive Director
Marc Voigt	41	Executive Director, Chief Executive Officer and Chief Financial Officer
Sharron Gargosky, Ph.D.	50	Chief Technical Officer
Deanne Miller	37	General Counsel & Company Secretary

(1) Member of the Audit Committee.
(2) Member of the Remuneration Committee.

Ms. Lucy Turnbull AO. Ms. Turnbull has served as Chairman of our Board of Directors since October 2010. From 2001 to 2002, Ms. Turnbull was the Chairman of the New South Wales Government's Ministerial Advisory Committee on Biotechnology, from 2002 to 2006 she was a Director of the Sydney Cancer Foundation and from 1993 to 2000 she was Director and Chair of the Sydney Children's Hospital Foundation. She is currently on the Board of the Cancer Institute NSW. Ms. Turnbull also has experience in commercial legal practice and investment banking. During her career Ms. Turnbull has held a number of position including Lord Mayor of the City of Sydney from 2003 to 2004 and, prior to that, Deputy Lord Mayor of Sydney from 1999 to 2003. Ms. Turnbull was appointed as a Director of Sealink Travel Group Ltd in 2013. She chaired ASX listed WebCentral Ltd from 2004-06 when it was acquired by ASX listed Melbourne IT Limited. She was a director of Melbourne IT from 2006-2010. She chairs the Committee for

Sydney and was Deputy Chair of the COAG Reform Council's Cities Expert Panel advising on its Metropolitan Strategic Planning Report of the Australian Technology Park, Redfern. In 2012 she was awarded an Honorary Doctorate of Business by the University of NSW for her contribution to business, philanthropy and local government. In 2011 she became an Officer of the Order of Australia for distinguished service to the community, local government and business.

Mr. Albert Wong. Mr. Wong has served as a Director of Prima BioMed since April 2010. He became Non-Executive acting Chairman of our Board of Directors in July 2010 and served in that position until being appointed to his current position in October 2010. Mr. Wong has been involved in the stockbroking and investment banking industry for over 30 years. He was admitted as a Member of the Australian Securities Exchange in 1988 and was the principal of Intersuisse Limited until 1995 when he established the Barton Capital group of companies, including eStar Online, both companies were listed on the Australian Securities Exchange. Mr. Wong was a Founding Director of Gujarat NRE Resources NL and Pluton Resources Limited. He has been the business partner of former NSW Premier, The Hon. Neville Wran AC QC at Wran Partners from 2004-2011. He served as Chairman of Winmar Resources Ltd from 2009-2014 and Deputy Chairman of Kimberly Diamonds Limited from 2011- 2014. Mr. Wong has been widely involved in philanthropic activities including his directorships on UNSW Foundation, Ian Thorpe's Fountain for Youth Foundation and Honorary Life Governor and President of the Physics Foundation at The University of Sydney. Mr. Wong is a Fellow of the Financial Services Institute of Australasia, a Master Stockbroker of the Securities & Derivatives Industry Association and a Fellow of the Australian Institute of Company Directors. Mr. Wong is also currently a director of the Children's Medical Research Institute and the CMRI Foundation

Dr. Russell Howard, Ph.D. Dr. Russell Howard has served as a Director of Prima BioMed since May 2013. He is an Australian scientist, former CEO, and entrepreneur. He was recently the overall winner of the 2013 Advance Global Australian Award for his global impact on the biotechnology field and green chemistry. He was a pioneer in the field of molecular parasitology and in leading the commercialization of one of the most important methods used widely in molecular biology today called "DNA shuffling" or "molecular breeding." He is listed as the inventor on five patents and is the author of over 140 scientific publications. After earning his Ph.D in biochemistry from the University of Melbourne, Dr. Howard has held positions at a number of leading research laboratories around the world, including the Immunoparasitology Laboratory at the Walter & Eliza Hall Institute in Melbourne and the National Institutes of Health in Bethesda, Maryland, where he became a tenured investigator. In industry, Dr. Howard worked at Schering-Plough's DNAX Research Institute of Molecular and Cellular Biology in Palo Alto, California; he was the President and Scientific Director of Affymax, Inc.; and he was the co-founder and CEO of Maxygen, Inc. after its spin-out of Affymax-GlaxoWellcome. As Maxygen's CEO, Dr. Howard led its initial public offering and a secondary offering raising a total of US$260 million in capital. Under Dr. Howard, Maxygen successfully developed and partnered dozens of technology applications and products. After leaving Maxygen in 2008, Dr. Howard started the clean technology company Oakbio, Inc. and remains involved in a number of other innovative biotechnology companies. Dr. Howard is also currently Chairman of NeuClone Pty Ltd and was appointed as a Director of Circadian Technologies Ltd in 2013.

Mr. Pete Meyers. Mr. Meyers has served as a Director of Prima BioMed since February 2014. He is currently the Chief Financial Officer of TetraLogic Pharmaceuticals Corporation, where he led the execution of their successful IPO in December 2013. Prior to his role at TetraLogic, Mr. Meyers was an accomplished health care investment banker, holding positions of increasing responsibility at Dillon, Read & Co., Credit Suisse First Boston LLC and, most recently, as Co-Head of Global Health Care Investment Banking at Deutsche Bank Securities Inc. in New York. Mr. Meyers earned a Bachelor of Science degree in finance from Boston College and a Master of Business Administration degree from Columbia Business School. Mr. Meyers is currently also the Chairman and President of the Thomas M Brennan Memorial Foundation Inc.

Mr. Marc Voigt. Mr. Voigt has served as our Chief Financial Officer and Chief Business Officer since 2012 and was appointed as CEO and Executive Director in July 2014. He has extensive experience in the corporate and biotechnology sectors. He joined Prima BioMed's management team in 2011 as the General Manager of our European operations at Prima BioMed GmbH, where he currently serves as the Managing Director. He has previously worked as an investment manager for Allianz Insurance biotech venture fund, and as a personal assistant to a member of the Executive Board of Allianz Insurance. Mr. Voigt has also worked for German investment bank, net.IPO.AG, in the area of business development and German securities offerings. In the biotech sector, he has held the positions of CFO/CBO at Revotar Biopharmaceuticals AG and Medical Enzymes AG. He has a Masters Degree in Business Administration from the Freie Universität of Berlin, and is a member of the pharma licensing club Germany and a member of the judging panel of Germany's largest business plan competition.

Dr. Sharron Gargosky, Ph.D. Dr. Gargosky is our Chief Technical Officer and has been with Prima BioMed since August 2010. Dr. Gargosky has over 19 years' experience in the biotechnology and pharmaceutical industries, and has worked in senior positions in organizations that have successfully received FDA approval for orphan drugs. She is responsible for managing the clinical team working on the CVac immunotherapy cancer vaccine. Prior to joining Prima BioMed, Dr. Gargosky was a member of ILMU consulting LLC, where she provided project management and operational expertise on pharmaceutical drug and biologic development – from early research to Phase IV Trials and the FDA approval process. Dr. Gargosky has also previously held the positions of Chief

Scientific Officer at Pulse Health LLC in Portland in the USA, and Chief Scientific Officer and Senior Vice President of Corporate Development at Hyperion Therapeutics Inc. in San Francisco. At Ucyclyd Pharma she managed the approval of orphan drug products (Ammonul) and the development of the NCE, and within Medics Pharmaceuticals, the successful BLA submission and approval for Reloxin. As Vice President of Business Development for Diagnostic System Laboratories she was responsible for business expansion through evaluation and implementation of new growth opportunities and patent portfolio management. Dr. Gargosky has a Postdoctoral Fellowship in Pediatric Endocrinology from Stanford University in California, a Ph.D in biochemistry from University of Adelaide in Australia (in collaboration with CSIRO Divisions of Human Nutrition, South Australia), First Class Honors in Biochemistry from University of Adelaide, and a Bachelor of Science, Biochemistry (Distinction), Microbiology, Immunology & Virology (Distinction) from University of Adelaide.

Ms. Deanne Miller. Ms. Miller joined Prima BioMed as General Counsel and Company Secretary in October 2012. She has over 14 years of broad commercial experience having held legal, investment banking, regulatory compliance and tax advisory positions, including, Legal Counsel at RBC Investor Services, Associate Director at Westpac Group, Legal & Compliance Manager at Macquarie Group, Regulatory Compliance Analyst at the Australian Securities and Investment Commission, and Tax Advisor at KPMG. She has a Combined Bachelor of Laws (Hons) and Bachelor of Commerce degree from the University of Sydney. She is admitted as a solicitor in NSW and member of the Law Society of NSW.

B. Compensation

Remuneration Principles

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

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

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

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

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

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

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

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

Executive Compensation

The following table sets forth all of the compensation awarded to, earned by or paid to each individual who served as directors and executive officers in fiscal 2014.

June 30, 2014	Short-term Benefits			Post Employment Benefits	Long-term Benefits		Share-based Payments	Total
	Cash salary and fees A$	Cash bonus A$	Non Monetary A$	Superannuation A$	Long service leave A$	Termination benefits A$	Equity-settled A$	A$
Non-Executive Directors								
Ms. L. Turnbull, AO	137,835	—	—	12,750	—	—	—	150,585
Mr. A .Wong	84,232	—	—	7,792	—	—	—	92,024
Dr. R. Hammel[1]	63,682	—	—	—	—	—	—	63,682
Mr. M. Rogers[2]	28,716	—	—	2,656	—	—	—	31,372
Mr. P. Meyers[3]	—	—	—	—	—	—	—	—
Dr. R. Howard	90,000	—	—	—	—	—	—	90,000
Executive Directors								
Mr. M. Lehman	364,429	—	22,783	—	—	—	6,093	393,305
Other Key Management Personnel								
Dr. S. Gargosky	325,614	—	1,445	—	—	—	15,027	342,086
Mr. M. Voigt	232,658	17,580	4,140	—	—	—	14,021	268,399
Ms. D. Miller	160,000	—	—	14,800	2,379	—	6,778	183,957
	1,487,166	17,580	28,368	37,998	2,379	—	41,919	1,615,410

(1) Dr. Richard Hammel stepped down as a non-executive director effective from February 12, 2014. He remained as a consultant with the company until June 30, 2014.

(2) Mr. Martin Rogers stepped down as a non-executive director effective from November 15, 2013.

(3) Mr. Pete Meyers was appointed as a non-executive director on February 12, 2014. Mr. Meyers will be paid up to $105,000 per annum in equity or cash in lieu of equity if the terms of the equity grant are not approved by shareholders at the next AGM. No remuneration has been paid to Mr. Meyers for the period of service to June 30, 2014.

Service Agreements

The following members of senior management have service agreements as follows:

Mr. Marc Voigt	• **Chief Executive Officer, Chief Business Officer and Chief Financial Officer**
Agreement commenced:	• July 9, 2014
Details	• The initial term is for a period of 3 years. Each party is to provide at least 6 months' notice of its intention to extend the term of the contract. The contract can be terminated by either party upon at least 3 months' notice if notice is provided within the first 6 months' of the commencement date. Thereafter it can be terminated by either party upon 6 months' notice. Prima BioMed may make payments in lieu of the period of notice, or for any unexpired part of that notice period. The agreement can be terminated with 3 months' notice. The termination terms are payment of base salary in lieu of notice period.
Base salary including superannuation	• EUR 195,000 (salary as Executive Director & CEO effective 9 July 2014. Previously EUR 157,500 as CFO & CBO)
Mr. Matthew Lehman	• **Former Chief Executive Officer**
Agreement commenced:	• September 1, 2012
Details	• This agreement was terminated on 9 July 2014. Mr. Lehman is entitled to receive 6 months' severance pay to be paid monthly over the 6 month period following his termination.
Base salary including superannuation	• US$ 335,760
Dr. Sharron Gargosky	**Chief Technical Officer**
Agreement commenced:	• June 1, 2011
Details	• The agreement can be terminated with 3 months' notice. The termination terms are payment of base salary in lieu of notice period.
Base salary including superannuation	• US$ 300,000
Ms. Deanne Miller	**General Counsel & Company Secretary**
Agreement commenced:	• October 13, 2012
Details	• The agreement can be terminated with 3 months' notice. The termination terms are payment of base salary in lieu of notice period.
Base salary including superannuation	• A$ 197,100

Global Employee Share Option Plan

Any person considered to be a full time employee by our Board of Directors is eligible to participate in our Global Employee Share Option Plan, or GESOP, each an Eligible Employee. Under the GESOP, the Board of Directors may issue options to subscribe for our ordinary shares, or GESOP Options, on such terms as it determines.

The maximum number of options available to be issued under the GESOP is 20,000,000. Subject to certain exceptions, the total number of ordinary shares issued as a result of exercise of GESOP Options must not exceed 5% of our issued share capital. The vesting date of a GESOP Option must not be a date less than 12 months following the issue date, or such other period as may be determined by the Board of Directors in its discretion. Any vesting conditions determined by the Board of Directors must be satisfied before the options vest and become exercisable. Options are generally granted for no consideration. When exercisable, each option issued under the GESOP entitles the holder to subscribe for one fully paid ordinary share in us. GESOP Options will expire three years after their issue date. Each ordinary share issued on exercise of an option will rank equally with all other ordinary shares then on issue.

The exercise price of each GESOP Option must be not less than 150% of the price equal to the volume weighted average price of Shares traded on ASX during the 7 trading days immediately prior to the date of grant of the option.

GESOP Options will immediately lapse on the first to occur of:

- the last day of the relevant exercise period;
- a determination by the Board of Directors that the option should lapse because the option holder:
    - has been dismissed or removed from office for a reason which entitled us to dismiss the option holder without notice;
    - has committed an act of fraud, dishonesty or gross misconduct in relation to our affairs;
    - has done an act with brings us into disrepute; or
    - has ceased to be employed by us prior to the option being exercisable, other than because of the termination or cessation of the option holder's employment with us as a result of total and permanent disablement, death or retirement after 55 years of age.

GESOP Options will not confer a right to notices of general meetings (except as may be required by law) or a right to attend, speak or vote at general meeting. A holder of GESOP options may only participate in new issues of securities in respect of GESOP options which have been exercised and ordinary shares issued prior to the record date for the entitlements to the new issue.

In the event that, prior to the vesting of any GESOP Options, there is a reorganization (including a consolidation, subdivision, reduction or return) of our issued capital, then the number of GESOP Options and shares to which each Eligible Employee is entitled on exercise will be reorganized in the manner permitted by the ASX Listing Rules.

If a person acquires a relevant interest in more than 50% of our issued capital or the Board of Directors determines that a person who previously had not been in a position to do so, is in the position, either alone or with associates, to remove more than 50% of the Board of Directors, before the vesting date of a GESOP Option, the GESOP Option becomes exercisable irrespective of the vesting date and vesting conditions attaching to the GESOP Option.

Each GESOP Option is personal to the Eligible Employee and is not transferable, transmissible or assignable, except with the prior written consent of the Board of Directors.

The Board will be able to amend the GESOP rules subject to the requirements of the ASX Listing Rules. The GESOP is administered by the Board of Directors.

Set out below are summaries of options granted under the GESOP up to June 30, 2014.

Grant Date	Expiry Date	Exercise Price	Balance at Start of the Period	Issued During the Period	Exercised During the Period	Lapsed During the Period	Balance at End of the Period
August 26, 2011	December 6, 2014	lower of A$0.10 or the price equal to the volume weighted average price of Shares traded on ASX during the 30 trading days immediately prior to the date of grant of the ESOP Options.	500,000	—	—	—	500,000
November 3, 2011	November 3, 2014	the price equal to the volume weighted average price of Shares traded on ASX during the 7 trading days immediately prior to the date of grant of the GESOP Options.	100,000	—	—	—	100,000
January 3, 2012	January 3, 2015	the price equal to the volume weighted average price of Shares traded on ASX during the 7 trading days immediately prior to the date of grant of the GESOP Options.	100,000	—	—	—	100,000
August 1, 2012	August 1, 2015	the price equal to the volume weighted average price of Shares traded on ASX during the 7 trading days immediately prior to the date of grant of the GESOP Options.	—	2,800,000	—	—	2,800,000
November 16, 2012	August 1, 2015	the price equal to the volume weighted average price of Shares traded on ASX during the 7 trading days immediately prior to the date of grant of the GESOP Options.	—	1,200,000	—	—	1,200,000
February 20, 2013	February 20, 2015	the price equal to the volume weighted average price of Shares traded on ASX during the 7 trading days immediately prior to the date of grant of the GESOP Options.	—	200,000	—	—	200,000

Executive Incentive Plan

A new Executive Incentive Plan, or EIP, was approved by shareholders at the Annual General Meeting in November 2012. The key terms of the EIP are as follows:

Operation

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

Eligibility

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

Grant

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

Vesting

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

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

(i) the Board may vest some or all of a participant's performance rights and/or options even if a performance condition has not been met, if the Board considers that to do so would be in the interests of the Company; and

(ii) the vesting of a participant's performance rights and/or options may be made subject to further conditions as determined by the Board.

Lapse of Performance Rights and Options

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

Conversion

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

Dealing with Performance Rights and Options

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

Shares

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

Maximum Number of Performance Rights and Options

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

Takeovers

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

Reconstruction of Capital

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

Amendment of Incentive Plan

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

Number of securities issued under the EIP since the date of last approval.

Set out below are summaries of options granted under the EIP up to June 30, 2014.

Grant Date	Expiry Date	Exercise Price	Balance at Start of the Period	Issued During the Period	Exercised During the Period	Lapsed During the Period	Balance at End of the Period
December 23, 2013	June 30, 2018	The Options are exercisable at an exercise price of A$ 0.0774 per Share at any time after vesting and prior to 5pm on June 30, 2018 (Expiry Date).	—	1,758,176	—	—	1,758,176
January 24, 2014	June 30, 2018	The Options are exercisable at an exercise price of A$ 0.0774 per Share at any time after vesting and prior to 5pm on June 30, 2018 (Expiry Date).	—	165,116	—	—	165,116

C. Board Practices

Introduction

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

Election of Directors

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

Corporate Governance

ASX Corporate Governance Principles

In Australia there are no defined corporate governance structures and practices that must be observed by a company listed on the ASX. Instead, the ASX Corporate Governance Council has published the Corporate Governance Principles and Recommendations, which contains what are called the Recommendations which articulate eight core principles which are intended to provide a reference point for companies about their corporate governance structures and practices. Under ASX listing Rule 4.10.3, companies are required to provide a statement in their Annual Report to shareholders disclosing the extent to which they have followed the Recommendations in the reporting period and where they have not followed all the Recommendations, identify the Recommendations that have not been followed and the reasons for not following them. It is not mandatory to follow the Recommendations. We believe we are in material compliance with the Recommendations. Set forth below are the material provisions of the Recommendations together with the reasons, where applicable, for variations therefrom.

1. *Lay solid foundations for management and oversight.* Companies should establish and disclose the respective roles and responsibilities of board and management.

2. *Structure the Board to add value.* Companies should have a board of an effective composition, size, and commitment to adequately discharge its responsibilities and duties. During the year ended June 30, 2014, we varied from the Recommendations in the following areas:
    a) No formal performance evaluation of the Board was conducted for the year ended June 30, 2014 as the Board believes that we are not of a size, nor are our financial affairs of such complexity, to warrant such an exercise. The Board recognizes the importance of performance evaluations and will continually assess the necessity and timing of future performance evaluation.
    b) The Board believes that we are not of a size, nor are our financial affairs of such complexity, to justify the establishment of a Nomination Committee of the Board of Directors. All matters which might be properly dealt with by a Nomination Committee are considered by the full Board of Directors. The Board considers the necessity to establish a Nomination Committee annually.
3. *Promote ethical and responsible decision-making.* Companies should actively promote ethical and responsible decision-making.
4. *Safeguard integrity in financial reporting.* Companies should have a structure to independently verify and safeguard the integrity of their financial reporting.
5. *Make timely and balanced disclosure.* Companies should promote timely and balanced disclosure of all material matters concerning the compliance.
6. *Respect the rights of shareholders.* Companies should respect the rights of shareholders and facilitate the effective exercise of those rights.
7. *Recognize and manage risk.* Companies should establish a sound system of risk oversight and management and internal control.
8. *Remunerate fairly and responsibly.* Companies should ensure that the level and composition of remuneration is sufficient and reasonable and that its relationship to performance is clear.

Non-Executive and Independent Directors

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

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

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

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

Committees of the Board of Directors

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

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

Our Audit Committee currently consists of three board members, each of whom satisfies the "independence" requirements of the U.S. Securities and Exchange Commission, NASDAQ Marketplace Rules and ASX Rules. Our Audit Committee is currently composed of Albert Wong, Lucy Turnbull and Pete Meyers. The audit committee meets at least two times per year.

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

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

Corporate Governance Requirements Arising from Our U.S. Listing — the Sarbanes-Oxley Act of 2002, SEC Rules and the Nasdaq Global Market Marketplace Rules.

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

- Nasdaq requirement under Rule 5620(c) that a quorum consist of holders of 33 1/3% of the outstanding ordinary shares — The ASX Listing Rules do not have an express requirement that each issuer listed on ASX have a quorum of any particular number of the outstanding ordinary shares, but instead allow a listed issuer to establish its own quorum requirements. Our quorum is currently two persons who are entitled to vote. We believe this quorum requirement is consistent with the requirements of the ASX and is appropriate and typical of generally accepted business practices in Australia.
- The Nasdaq requirements under Rules 5605(b)(1) and (2) relating to director independence, including the requirements that a majority of the board of directors must be comprised of independent directors and that independent directors must have regularly scheduled meetings at which only independent directors are present — The Nasdaq and ASX definitions of what constitute an independent director are not identical and the requirements relating to the roles and obligations of independent directors are not identical. The ASX, unlike Nasdaq, permits an issuer to establish its own materiality threshold for determining whether a transaction between a director and an issuer affects the director's status as independent and it does not require that a majority of the issuer's board of directors be independent, as long as the issuer publicly discloses this fact. In addition, the ASX does not require that the independent directors have regularly scheduled meeting at which only independent directors are present. We believe that our Board composition is consistent with the requirements of the ASX and that it is appropriate and typical of generally accepted business practices in Australia.
- The Nasdaq requirements under Rule 5605(c)(1) and (2) relating to the composition of the audit committee and the audit committee charter — The Nasdaq and ASX audit committee requirements are not identical. Moreover, differences in the requirements of Nasdaq and ASX also arise because of the differences in the definitions of who constitutes an independent director, as discussed above. We have an audit committee and audit committee charter that are consistent with the requirements of the ASX Listing Rules and which we believe are appropriate and typical of generally accepted business practices in Australia.
- The Nasdaq requirements under Rules 5605(d) that compensation of an issuer's officers must be determined, or recommended to the Board for determination, either by a majority of the independent directors, or a compensation committee comprised solely of independent directors, and that director nominees must either be selected, or recommended for the Board's selection, either by a majority of the independent directors, or a nominations committee comprised solely of independent directors. The Nasdaq compensation committee requirements are not identical to the ASX remuneration and nomination committee requirements. Issuers listed on the ASX are recommended under applicable listing standards to establish a remuneration committee consisting of a majority of independent directors and an independent chairperson, or publicly disclose that it has not done so. We have a Remuneration Committee that is consistent with the requirements of the ASX and which we believe is appropriate and typical of generally accepted business practices in Australia.

Directors' Service Contracts

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

Indemnification of Directors and Officers

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

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

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

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

D. Employees

As of June 30, 2014, we had 31 employees. Of such employees, 21 were employed in research and development, one in intellectual property management and 9 general management and administration. Of these 31 employees, 2 were located in the United States of America, 6 were located in Australia, and 23 in Germany. As of the end of fiscal year 2013 we had 30 employees.

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

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

E. Share Ownership

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

Beneficial Ownership of Senior Management and Directors

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

The following table sets forth certain information as of June 30, 2014 regarding the beneficial ownership of our ordinary shares by each of our directors and senior management and by all of our directors and senior management as a group. The shares are beneficially owned, held directly or via an entity related to the individual. The percentages shown are based on 1,228,709,341 ordinary shares issued and outstanding as of June 30, 2014.

Name	Number of Ordinary Shares Beneficially Owned	Percentage of Ownership
Lucy Turnbull	20,059,576	1.63%
Albert Wong	3,537,500	*
Russell Howard	—	*
Pete Meyers	—	*
Matthew Lehman	1,617,763	*
	32,706**	1.07%

Name	Number of Ordinary Shares Beneficially Owned	Percentage of Ownership
Sharron Gargosky	—	*
Marc Voigt	720,000	*
	150**	
Deanne Miller	—	*
All directors and executive officers as a group (8 persons) – Ordinary shares	25,934,839	2.11%
	32,856**	1.08%

* Less than 1%.
** Shares held in the form of American Depositary Shares (ADSs) listed on the NASDAQ Global Market.

ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

A. Major Shareholders

No shareholder known to us owned beneficially 5% or more of our ordinary shares as of June 30, 2014. As of June 30, 2014, 7.45% of our ordinary shares were held in the United States by 13 holders of record. Some of the trading by our U.S. investors is done by means of ADSs that are held of record by 8 holders who held 3,046,112 ADSs which is 7.44% of our ordinary shares as of June 30, 2014. To our knowledge, we are not directly or indirectly controlled by another corporation, by any foreign government or by any other natural or legal person severally or jointly. There are no agreements known to us, the operation of which may at a subsequent date result in a change in control of Prima BioMed.

B. Related Party Transactions

We operate inter-company loan accounts with fully owned controlled entities. The net amount of such intercompany loans at June 30, 2014 was A$ nil, as all inter-company transactions are eliminated on consolidation.

During fiscal 2014, there were no related party transactions, other than employment matters.

C. Interests of Experts and Counsel

Not applicable.

ITEM 8. FINANCIAL INFORMATION

A. Consolidated Statements and Other Financial Information

Our audited consolidated financial statements for the fiscal years ending June 30, 2012, 2013 and 2014 are included in Item 18 of this Annual Report on Form 20-F, which is found immediately following the text of this Annual Report on For 20-F. The audit report of PricewaterhouseCoopers as of June 30, 2014 and 2013, and for each of the three years in the period ended June 30, 2014, is included therein immediately preceding the financial statements.

Export Sales

The Company had no export sales in its latest financial year ended June 30, 2014 and, as a result, the percentage of export sales for the Company was zero.

Legal Proceedings

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

Dividend Distribution Policy

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

Recent Developments

On August 27, 2014 we released to the market and filed with the Australian Stock Exchange our Appendix 4E for the fiscal year ended June 30, 2014. Our audited financial statements for the fiscal year ended June 30, 2014 are included in Item 18 of this Annual Report on Form 20-F. There have been no other recent developments.

B. Significant Changes

There have been no significant changes since the date of the annual financial statements included herein.

ITEM 9. THE OFFER AND LISTING

A. Offer and Listing Details

Australian Securities Exchange

Our ordinary shares have traded on the ASX since our initial public offering on July 9, 2001. The following table sets forth, for the periods indicated, the high and low market quotations for our ordinary shares as quoted on the ASX.

	Per Ordinary Share (A$)		Per ADS (US$)	
	High	Low	High	Low
	A$	A$	US$	US$
Fiscal Year Ended June 30,				
2010	0.28	0.05	—	—
2011	0.42	0.08	—	—
2012	0.32	0.09	7.65	2.21
2013	0.20	0.06	6.96	1.70
2014	0.11	0.03	3.43	0.82
Fiscal Year Ended June 30, 2013:				
First Quarter	0.20	0.10	6.96	2.21
Second Quarter	0.20	0.10	6.78	3.39
Third Quarter	0.12	0.09	4.00	2.98
Fourth Quarter	0.10	0.06	4.54	1.70
Fiscal Year Ended June 30, 2014:				
First Quarter	0.11	0.04	3.43	1.10
Second Quarter	0.05	0.03	1.90	0.82
Third Quarter	0.07	0.04	1.95	1.02
Fourth Quarter	0.06	0.04	1.56	0.95
Month Ended:				
March 2014	0.04	0.05	1.37	1.08
April 2014	0.04	0.04	1.17	1.00
May 2014	0.06	0.04	1.56	0.95
June 2014	0.06	0.04	1.49	1.11
July 2014	0.05	0.04	1.29	1.06
August 2014	0.04	0.04	1.21	1.05

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

B. Plan of Distribution

Not applicable.

C. Markets

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

D. Selling Shareholders

Not applicable.

E. Dilution

Not applicable.

F. Expenses of the Issue

Not applicable.

ITEM 10. ADDITIONAL INFORMATION

A. Share Capital

Not applicable.

B. Memorandum and Articles of Association

General

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

Purposes and Objects

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

The Powers of the Directors

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

Management of Company

The business is managed by the directors who may exercise all the powers of our company that are not by the Corporations Act or by this constitution required to be exercised by shareholders in general meeting subject nevertheless to any provision of this constitution and to the provisions of the Corporations Act.

Members Approval to Significant Changes

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

Rights Attached to Our Ordinary Shares

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

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

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

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

An ordinary resolution, such as a resolution for the declaration of dividends, requires approval by the holders of a majority of the voting rights represented at the meeting, in person, by proxy, or by written ballot and voting thereon. Under our Constitution, a special resolution, such as amending our Constitution, approving any change in capitalization, winding-up, authorization of a class of shares with special rights, or other changes as specified in our Constitution, requires approval of a special majority, representing the holders of no less than 75% of the voting rights represented at the meeting in person, by proxy or by written ballet, and voting thereon.

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

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

Changing Rights Attached to Shares

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

Annual and Extraordinary Meetings

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

Limitations on the Rights to Own Securities in Our Company

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

Changes in Our Capital

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

C. Material Contracts

Please see "Item 4. Information on the Company – B. Business Overview – Material Contracts Related to Intellectual Property and Commercialization Rights."

D. Exchange Controls

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

The Foreign Acquisitions and Takeovers Act 1975

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

Under the Takeovers Act, as currently in effect, any foreign person, together with associates, or parties acting in concert, is prohibited from acquiring 15% or more of the shares in any company having total assets of A$231 million or more (or A$1,078 million or more in case of U.S. investors). "Associates" is a broadly defined term under the Takeovers Act 1975 and includes:

- spouses, lineal ancestors and descendants, and siblings;
- partners, officers of companies, the company, employers and employees, and corporations;
- their shareholders related through substantial shareholdings or voting power;
- corporations whose directors are controlled by the person, or who control a person; and
- associations between trustees and substantial beneficiaries of trust estates.

In addition, a foreign person may not acquire shares in a company having total assets of A$231 million or more (or A$1,078 million or more in case of U.S. investors) if, as a result of that acquisition, the total holdings of all foreign persons and their associates will exceed 40% in aggregate without the approval of the Australian Treasurer. If the necessary approvals are not obtained, the Treasurer may make an order requiring the acquirer to dispose of the shares it has acquired within a specified period of time. The same rule applies if the total holdings of all foreign persons and their associates already exceeds 40% and a foreign person (or its associate) acquires any further shares, including in the course of trading in the secondary market of the ADSs. At present, we do not have total assets of A$231 million or more. At this time, our total assets do not exceed any of the above thresholds and therefore no approval would be required from the Australian Treasurer. Nonetheless, should our total assets exceed the threshold in the future, we would will be mindful of the number of ADS that can be made available, and monitor the 40% aggregate shareholding threshold for foreign persons (together with the associates) to ensure that it will not be exceeded subject to the Australian Treasurer's approval.

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

If the level of foreign ownership exceeds 40% at any time, we would be considered a foreign person under the Takeovers Act. In such event, we would be required to obtain the approval of the Australian Treasurer for our company, together with our associates, to acquire (i) more than 15% of an Australian company or business with assets totaling over A$231 million; or (ii) any direct or indirect ownership in Australian residential real estate and certain non-residential real estate.

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

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

Australian law requires the transfer of shares in our company to be made in writing. No stamp duty will be payable in Australia on the transfer of ADSs.

E. Taxation

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

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

E.1. AUSTRALIAN TAX CONSEQUENCES

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

Nature of ADSs for Australian Taxation Purposes

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

Taxation of Dividends

Australia operates a dividend imputation system under which dividends may be declared to be "franked" to the extent of tax paid on company profits. Fully franked dividends are not subject to dividend withholding tax. Dividends that are not franked or are partly franked and are paid to non-Australian resident stockholders are subject to dividend withholding tax, but only to the extent the dividends are not franked.

Dividends paid to a non-resident stockholder are subject to withholding tax at 30%, unless the stockholder is a resident of a country with which Australia has a double taxation agreement. In accordance with the provisions of the Double Taxation Convention between Australia and the United States, the maximum rate of Australian tax on unfranked dividends to which a resident of the United States is beneficially entitled is 15%, where the U.S. resident holds less than 10% of the voting rights in our company, or 5% where the U.S. resident holds 10% or more of the voting rights in our company. The Double Taxation Convention between Australia and the United States does not apply to limit the tax rate on dividends where the ADSs are effectively connected to a permanent establishment or a fixed base carried on by the owner of the ADSs in Australia through which the stockholder carries on business or provides independent personal services, respectively.

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

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

Australian capital gains tax applies to net capital gains at a taxpayer's marginal tax rate but for certain stockholders a discount of the capital gain may apply if the shares have been held for 12 months or more. For individuals, this discount is 50%. Net capital gains are calculated after reduction for capital losses, which may only be offset against capital gains.

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

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

Non-Australian resident stockholders assessable under these ordinary income provisions in respect of gains made on shares held on revenue account would be assessed for such gains at the Australian tax rates for non-Australian residents, which start at a marginal rate of 29% for non-Australian resident individuals. Some relief from the Australian income tax may be available to such non-Australian resident stockholders under the Double Taxation Convention between the United States and Australia, for example, because the stockholder does not have a permanent establishment in Australia.

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

Dual Residency

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

Stamp Duty

A transfer of shares of a company listed on the Australian Stock Exchange is not subject to Australian stamp duty except in some circumstances where one person, or associated persons, acquires 90% or more of the shares.

Australian Death Duty

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

Goods and Services Tax

The issue or transfer of shares will not incur Australian goods and services tax and does not require a stockholder to register for Australian goods and services tax purposes.

Research and Development Tax Incentives

The Australian Government tax incentive scheme, introduced on July 1, 2011, replaces the former R&D Tax Concession scheme for research and development activities in income years commencing on or after July 1, 2011. Subject to certain exclusions, the new scheme provides benefits for eligible research and development activities (R&D activities). Such eligible R&D activities include but are not limited to:

Under the R&D Tax incentive scheme, entities will be entitled to either (i) a 45% refundable tax offset for eligible companies with an aggregated turnover of less than $20 million per annum; or (ii) a non-refundable 40% tax offset for all other eligible companies. Our turnover is less than $20 million, and will therefore be entitled to claim a 45% refundable tax offset for costs relating to eligible R&D activities during the year.

- Core activities, which are experimental activities whose outcome cannot be known or determined in advance, but can only be determined by applying a systematic progression of work;
- Core activities conducted for the purpose of generating new knowledge (including new knowledge in the form of new or improved processes and materials); or
- Supporting activities that are directly related and designed to support (a) and (b).

Under the R&D Tax incentive scheme, entities will be entitled to either (i) a 45% refundable tax offset for eligible companies with an aggregated turnover of less than $20 million per annum; or (ii) a non-refundable 40% tax offset for all other eligible companies. Our turnover is less than $20 million, and will therefore be entitled to claim a 45% refundable tax offset for costs relating to eligible R&D activities during the year.

E.2 UNITED STATES FEDERAL INCOME TAX CONSEQUENCES

The following is a summary of material U.S. federal income tax consequences that generally apply to U.S. Holders (as defined below) who hold ADSs as capital assets. This summary is based on the United States Internal Revenue Code of 1986, as amended, or the Code, Treasury regulations promulgated thereunder, judicial and administrative interpretations thereof, and the bilateral taxation convention between Australia and the United States, or the Tax Treaty, all as in effect on the date hereof and all of which are subject to change either prospectively or retroactively. If you are a U.S. Holder and subject to special rules, including broker-dealers, financial institutions, certain insurance companies, investors liable for alternative minimum tax, tax-exempt organizations, regulated investment companies, non-resident aliens of the United States or taxpayers whose functional currency is not the U.S. dollar, persons who hold the ADSs through partnerships or other pass-through entities, persons who acquired their ADSs through the exercise or cancellation of any employee stock options or otherwise as compensation for their services, investors that actually or constructively own 10% or more of our voting shares, and investors holding ADSs as part of a straddle or appreciated financial position or as part of a hedging or conversion transaction you are strongly advised to consult your personal tax advisor. This summary does not address any state, local and foreign tax considerations or any U.S. federal estate, gift or alternative minimum tax considerations relevant to the purchase, ownership and disposition of our ADSs.

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

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

Distributions

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

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

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

Subject to certain limitations, dividends received by a non-corporate U.S. Holder in tax years beginning on or before December 31, 2010 are subject to tax at a reduced maximum tax rate of 15 percent. Distributions taxable as dividends generally qualify for the 15 percent rate provided that: (i) the issuer is entitled to benefits under the Tax Treaty or (ii) the shares are readily

tradable on an established securities market in the United States and certain other requirements are met. We believe that we are entitled to benefits under the Tax Treaty and that the ADSs currently are readily tradable on an established securities market in the United States. However, no assurance can be given that the ADSs will remain readily tradable. However, the reduced rate does not apply to dividends received from PFICs. As noted below, we believe there is a material risk that we are a PFIC.

The U.S. Treasury has expressed concerns that intermediaries in the chain of ownership between the holder of an ADS and the issuer of the security underlying the ADS may be taking actions (including pre-release transactions that may be undertaken by the depositary as described in "Description of American Depositary Shares – Pre-release of ADSs") that are inconsistent with the claiming of foreign tax credits for U.S. holders of ADSs. Such actions would also be inconsistent with the claiming of the reduced rated of tax, described below, applicable to dividends received by certain non-corporate holders. Accordingly, the analysis of the creditability of Australian taxes and the availability of the reduced tax rate for dividends received by certain non-corporate holders, each described below, could be affected by actions taken by intermediaries in the chain of ownership between the holder of an ADS and our Company.

Disposition of ADSs

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

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

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

Passive Foreign Investment Companies

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

For U.S. federal income tax purposes, we will be classified as a PFIC for any taxable year in which (i) 75% or more of our gross income is passive income, or (ii) at least 50% of the average value of all of our assets for the taxable year produce or are held for the production of passive income. For this purpose, cash is considered to be an asset which produces passive income. Passive income generally includes dividends, interest, royalties, rents, annuities and the excess of gains over losses from the disposition of assets which produce passive income. As a result of our substantial cash position, the decline in the value of our stock and the current composition of our gross income, we believe that there is a material risk that we are currently a PFIC and that may be a PFIC in the future.

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

The PFIC provisions discussed above apply to U.S. persons who directly or indirectly hold stock in a PFIC. Both direct and indirect shareholders of PFICs are subject to the rules described above. Generally, a U.S. person is considered an indirect shareholder of a PFIC if it is:

- A direct or indirect owner of a pass-through entity, including a trust or estate, that is a direct or indirect shareholder of a PFIC;
- A shareholder of a PFIC that is a shareholder of another PFIC; or
- A 50%-or-more shareholder of a foreign corporation that is not a PFIC and that directly or indirectly owns stock of a PFIC.

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

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

If the ADSs are considered "marketable stock" and if a U.S. Holder elects to "mark-to-market" its ADSs, the U.S. Holder would not be subject to tax under the excess distribution regime described above. Instead, the U.S. Holder would generally include in income any excess of the fair market value of the ADSs at the close of each tax year over the adjusted tax basis of the ADSs. If the fair market value of the ADSs had depreciated below the adjusted basis at the close of the tax year, the U.S. Holder would be entitled to deduct the excess of the adjusted basis of the ADSs over their fair market value at that time. However, such deductions generally would be limited to the net mark-to-market gains, if any, the U.S. Holder included in income with respect to such ADSs in prior years. Income recognized and deductions allowed under the mark-to-market provisions, as well as any gain or loss on the disposition of ADSs with respect to which the mark-to-market election is made, is treated as ordinary income or loss (except that loss is treated as capital loss to the extent the loss exceeds the net mark-to-market gains, if any, that a U.S. Holder included in income with respect to such ordinary shares in prior years). However, gain or loss from the disposition of ADSs (as to which a "mark-to-market" election was made) in a year in which we are no longer a PFIC, will be capital gain or loss. Our ADSs should be considered "marketable stock" if they traded at least 15 days during each calendar quarter of the relevant calendar year in more than de minimis quantities.

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

Backup Withholding and Information Reporting

Payments in respect of ADSs may be subject to information reporting to the U.S. Internal Revenue Service and to U.S. backup withholding tax at a rate equal to the fourth lowest income tax rate applicable to individuals (which, under current law, is 28%). Backup withholding will not apply, however, if a U.S. Holder (i) is a corporation, (ii) satisfies an applicable exemption, or (iii) furnishes a correct taxpayer identification.

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

F. Dividends and Paying Agents

Not applicable.

G. Statement by Experts

Not applicable.

H. Documents on Display

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

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

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

The documents concerning our company which are referred to in this document may also be inspected at our office located at Level 7, 151 Macquarie St, Sydney New South Wales 2000, Australia.

I. Subsidiary Information

We currently have the following subsidiaries:

- Prima BioMed USA Inc, a 100% owned subsidiary of Prima BioMed Ltd, incorporated in the United States.
- Prima BioMed GmbH, a 100% owned subsidiary of Prima BioMed Ltd, incorporated in Germany.
- Prima BioMed Middle East FZ LLC, a 100% owned subsidiary of Prima BioMed Ltd, incorporated in the United Arab Emirates.
- Prima BioMed Australia Pty Ltd, a 100% owned subsidiary of Prima BioMed Ltd, incorporated in Australia.
- Prima BioMed IP Pty Ltd, a 100% owned subsidiary of Prima BioMed Ltd, incorporated in Australia.

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

ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

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

We conduct our activities predominantly in Australia. However we are exposed to foreign currency risk via an investment in a Canadian unlisted company and trade and other payables we hold. We are required to make certain payments in U.S. dollars, Swiss Franc and other currencies. See "Note 2. Financial Risk Management – (a) Market Risk" to our notes to the financial statements for a further discussion of market risk and sensitivity analysis.

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

	June 30,					
	USD	2014 EUR	Other	USD	2013 EUR	Other
Cash in bank	75,802	5,273,585	—	3,015,975	10,239,231	—
Trade and other payables	(365,450)	(17,489)	—	(772,903)	(824,912)	—
Forward exchange contracts - buy foreign currency	—	—	—	(29,828)	(3,885)	—

ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES

A. Debt Securities

Not applicable.

B. Warrants and Rights

Not applicable.

C. Other Securities

Not applicable.

D. American Depositary Shares

The Bank of New York Mellon, as depositary, will register and deliver American Depositary Shares, also referred to as ADSs. Each ADS represents 30 ordinary shares (or a right to receive 30 ordinary shares) deposited with the principal Melbourne office of National Australia Bank Ltd, as custodian for the depositary. Each ADS will also represent any other securities, cash or other property which may be held by the depositary. The depositary's corporate trust office at which the ADSs will be administered is located at 101 Barclay Street, New York, New York 10286. The Bank of New York Mellon's principal executive office is located at One Wall Street, New York, New York 10286.

You may hold ADSs either (A) directly (i) by having an American Depositary Receipt, also referred to as an ADR, which is a certificate evidencing a specific number of ADSs, registered in your name, or (ii) by having ADSs registered in your name in the Direct Registration System, or (B) indirectly by holding a security entitlement in ADSs through your broker or other financial institution. If you hold ADSs directly, you are a registered ADS holder, also referred to as an ADS holder. This description assumes you are an ADS holder. If you hold the ADSs indirectly, you must rely on the procedures of your broker or other financial institution to assert the rights of ADS holders described in this section. You should consult with your broker or financial institution to find out what those procedures are.

The Direct Registration System, or DRS, is a system administered by The Depository Trust Company, also referred to as DTC, pursuant to which the depositary may register the ownership of uncertificated ADSs, which ownership is confirmed by periodic statements sent by the depositary to the registered holders of uncertificated ADSs.

As an ADS holder, we will not treat you as one of our ordinary shareholders and you will not have ordinary shareholder rights. Australian law governs ordinary shareholder rights. The depositary will be the holder of the ordinary shares underlying your ADSs. As a registered holder of ADSs, you will have ADS holder rights. A deposit agreement among us, the depositary and you, as an ADS holder, and all other persons indirectly holding ADSs sets out ADS holder rights as well as the rights and obligations of the depositary. New York law governs the deposit agreement and the ADSs.

Fees and Expenses

Persons depositing or withdrawing ordinary shares or ADS holders must pay:	***For:***
US$5.00 (or less) per 100 ADSs (or portion of 100 ADSs)	• Issuance of ADSs, including issuances resulting from a distribution of ordinary shares or rights or other property • Cancellation of ADSs for the purpose of withdrawal, including if the deposit agreement terminates

US$0.05 (or less) per ADS	• Any cash distribution to ADS holders
A fee equivalent to the fee that would be payable if securities distributed to you had been ordinary shares and the ordinary shares had been deposited for issuance of ADSs, i.e. US$5.00 or less per 100 ADSs (or portion of 100 ADSs)	• Distribution of securities distributed to holders of deposited securities which are distributed by the depositary to ADS holders
US$0.05 (or less) per ADSs per calendar year	• Depositary services
Registration or transfer fees	• Transfer and registration of ordinary shares on our ordinary share register to or from the name of the depositary or its agent when you deposit or withdraw ordinary shares
Expenses of the depositary	• Cable, telex and facsimile transmissions (when expressly provided in the deposit agreement) • converting foreign currency to U.S. dollars
Taxes and other governmental charges the depositary or the custodian have to pay on any ADS or ordinary share underlying an ADS, for example, stock transfer taxes, stamp duty or withholding taxes	• As necessary
Any charges incurred by the depositary or its agents for servicing the deposited securities	• As necessary

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

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

Payment of Taxes

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

PART II

ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES

Not applicable.

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

Not applicable.

ITEM 15. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our chief executive officer and chief financial officer, has performed an evaluation of the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act) as of June 30, 2014, as required by Rule 13a-15(b) under the Exchange Act. Based on that evaluation, our management has concluded that, as of June 30, 2014, our disclosure controls and procedures were effective.

Management's Annual Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rule 13a-15(f). Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting as of June 30, 2014 based on the criteria set forth in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on our evaluation under the criteria set forth in *Internal Control — Integrated Framework*, our management concluded that our internal control over financial reporting was effective as of June 30, 2014.

Inherent Limitations on Effectiveness of Controls

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

Changes in Internal Control Over Financial Reporting

There has been no change in our internal control over financial reporting (as defined in Rule 13a-15(f) of the Exchange Act) for the fiscal year ended June 30, 2014 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

ITEM 15T. CONTROLS AND PROCEDURES

Not applicable.

ITEM 16. RESERVED

Not applicable.

ITEM 16A. AUDIT COMMITTEE FINANCIAL EXPERT

We have an independent director that meets the definition of an "audit committee financial expert", as defined by rules of the U.S. Securities and Exchange Commission.

ITEM 16B. CODE OF ETHICS

We have adopted a code of conduct that applies to our chief executive officer and all senior financial officers of our company, including the chief financial officer, chief accounting officer or controller, or persons performing similar functions. The code of conduct is publicly available as attachment C to our Board Charter on our website at www.primabiomed.com.au. Written copies are available upon request. If we make any substantive amendment to the code of conduct or grant any waivers, including any implicit waiver, from a provision of the code of conduct, we will disclose the nature of such amendment or waiver on our website.

ITEM 16C. PRINCIPAL ACCOUNTANT FEES AND SERVICES

We retained PricewaterhouseCoopers as our independent registered public accounting firm. Set forth below is a summary of the fees paid to PricewaterhouseCoopers services provided in fiscal 2014 and 2013.

PricewaterhouseCoopers

	Fiscal 2014	Fiscal 2013
	(in A$)	
Audit Fees	$ 209,420	$257,700
Audit-Related Fees	—	—
Tax Fees	—	—
All other fees*	$ 12,500	—
Total	$ 221,920	$257,700

*Relates to assistance with the Form F-3.

Pre-Approval Policies and Procedures

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

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

Not applicable.

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

Certain directors and officers purchased ordinary shares from us in May 2013 in connection with our Share Purchase Plan and Share Purchase Plan Shortfall placement. These shares were issued to the participating directors and officers on May 17, 2013 and at the same price as available to all other eligible shareholders, i.e. A$0.08. The amount of shares subscribed for by each of the participating directors and officers is indicated in the below table.

Name	(a) Total Number of Shares Purchased from Share Purchase Plan and Share Purchase Plan Shortfall Placement	(b) Average Price paid per share in A$	(c)Total Number of Shares Purchased as Part of Publically Announced Plans	(d) Maximum number of Shares that May Yet Be Purchased Under this Plan in A$
Lucy Turnbull	12,687,500	0.08	12,687,500	0
Albert Wong	187,500	0.08	187,500	0
Martin Rogers	187,500	0.08	187,500	0
Richard Hammel	187,500	0.08	187,500	0
Matthew Lehman	412,500	0.08	412,500	0
Marc Voigt	312,500	0.08	312,500	0

ITEM 16F. CHANGE IN REGISTRANT'S CERTIFYING ACCOUNTANT

Our Audit Committee and our Board of Directors met with MDHC Audit Assurance Pty Ltd, or MDHC, on August 30, 2011 to discuss the fact that we were moving the finance and accounting function from Melbourne to Sydney and that we would prefer our independent registered public accounting firm to be based in Sydney. MDHC acknowledged that it would be impractical for them to conduct the audit from their Melbourne location and consequently on September 7, 2011 MDHC submitted an application to the Australian Securities and Investment Commission, or ASIC, for consent to resign as our independent registered public accounting firm, effective at our next Annual General Meeting.

On September 12, 2011 ASIC advised us in writing that they had received the application from MDHC seeking ASIC's consent to resign as our independent registered public accounting firm and that ASIC had consented to the resignation which would take effect from our next Annual General Meeting. On September 30, 2011, the resignation of MDHC was approved by our Audit Committee and our Board of Directors. This date was after completion of MDHC's audit for the year ended June 30, 2011 and issuance of its related report dated September 27, 2011 contained in our Annual Report filed with the Australian Stock Exchange on September 30, 2011. The resignation of MDHC did not result from any dissatisfaction with the quality of professional services rendered by MDHC. On September 30, 2011 our Audit Committee and Board of Directors recommended the appointment of PricewaterhouseCoopers as our new independent registered public accounting firm to our shareholders for consideration at our Annual General Meeting. At the Annual General Meeting, which was held on November 3, 2011, shareholder approval was received for the appointment of PricewaterhouseCoopers as our new independent registered public accounting firm.

MDHC's report on our financial statements for the fiscal year ended June 30, 2011 did not contain an adverse opinion or a disclaimer of opinion and were not qualified or modified as to uncertainty, audit scope, or accounting principles. In connection with the audits of the fiscal year ended June 30, 2011, and during the period from July 1, 2011 to the effective date of their resignation on November 3, 2011, we did not have any disagreements with MDHC on any matter of accounting principles or practices, financial statement disclosure or auditing scope or procedure, which disagreements, if not resolved to MDHC's satisfaction, would have caused them to make reference to the subject matter of the disagreement(s) in connection with their report as described in Item 16F(a)(1)(iv). Except as discussed below there have been no reportable events as provided in Item 16F(a)(1)(v) during the two most recent fiscal years to June 30, 2011 or during the period from July 1, 2011 to the effective date of MDHC's resignation on November 3, 2011.

On November 3, 2011 PricewaterhouseCoopers was appointed as our new independent registered public accounting firm. Neither we, nor anyone on our behalf, consulted PricewaterhouseCoopers during the two most recent fiscal years and any subsequent interim period prior the engagement of PricewaterhouseCoopers regarding any of the matters set forth in Item 16F(a)(2)(i) and (ii).

We furnished MDHC with a copy of this disclosure on September 27, 2012, providing MDHC with the opportunity to furnish us with a letter addressed to the Securities and Exchange Commission stating whether it agrees with the statements made herein in response to Item 16F(a) of this Annual Report on Form 20-F and, if not, stating the respects in which it does not agree. A letter from MDHC, dated September 27, 2012 is incorporated by reference as Exhibit 16.1 to this Annual Report on Form 20-F from our Annual Report on Form 20-F for the fiscal year ended June 30, 2012.

Restatement of Accounts for Fiscal 2010 and Fiscal 2011

In connection with our Registration Statement on Form 20-F, we restated our accounts for fiscal 2010 in connection with (i) an error in the valuation of share based payments to director; (ii) an error in the fair value movement of the available-for-sale financial assets; and (iii) an error in the treatment of the SpringTree loan facility.

In connection with our Annual Report on Form 20-F for the year ended June 30, 2012, we determined that the statement of cash flows for fiscal 2011 contained errors with respect to the calculation of proceeds from the issue from shares, share issue transaction costs, interest received and payments to employees and suppliers resulting in a reclassification of amounts between the financing and operating activities sections of the statement of cash flows.

We furnished PricewaterhouseCoopers with a copy of this disclosure on September 27, 2012, providing PricewaterhouseCoopers with the opportunity to furnish us with a letter addressed to the Securities and Exchange Commission containing any new information, clarification of expression of our views, or the respects in which it does not agree with the statements made herein in response to Item 16F(a) of this Annual Report on Form 20-F. PricewaterhouseCoopers declined to furnish such a letter in connection with our Annual Report on Form 20-F for the fiscal year ended June 30, 2012.

ITEM 16G. CORPORATE GOVERNANCE

Under NASDAQ Stock Market Rule 5615(a)(3), foreign private issuers, such as our company, are permitted to follow certain home country corporate governance practices instead of certain provisions of the NASDAQ Stock Market Rules. A foreign private issuer that elects to follow a home country practice instead of any such NASDAQ rules must submit to NASDAQ, in advance, a written statement from an independent counsel in such issuer's home country certifying that the issuer's practices are not prohibited by the home country's laws. We submitted such a written statement to NASDAQ. See "Item 6. Directors, Senior Management and Employees – C. Board Practices – Corporate Governance Requirements Arising from our U.S. Listing – the Sarbanes-Oxley Act of 2002, SEC Rules and the Nasdaq Global Market Marketplace Rules" for a summary of such differences.

ITEM 16H. MINE SAFETY DISCLOSURE

Not applicable.

PART III

ITEM 17. FINANCIAL STATEMENTS

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

ITEM 18. FINANCIAL STATEMENTS

Prima BioMed Ltd

Index to Consolidated Financial Statements

Report of Independent Registered Public Accounting Firm

To Board of Directors and Shareholders of Prima BioMed Ltd:

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of comprehensive loss, of cash flows and of changes in equity present fairly, in all material respects, the financial position of Prima BioMed Ltd and its subsidiaries at June 30, 2014 and 2013 and the results of their operations and their cash flows for each of the three years in the period ended June 30, 2014 in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with the standards of the Public Company Accounting Oversight Board (United States) and International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement. We believe that our audits provide a reasonable basis for our opinion.

/s/ PricewaterhouseCoopers

PricewaterhouseCoopers
Sydney, Australia
September 24, 2014

PRIMA BIOMED LTD
CONSOLIDATED BALANCE SHEETS
(in Australian dollars, except number of shares)

	Note	June 30, 2014 A$	June 30, 2013 A$
ASSETS			
Current Assets			
Cash and cash equivalents	7	14,200,042	22,023,143
Current receivables	8	196,407	200,477
Held-to-maturity investments	9	9,000,000	8,000,000
Other current assets	10	1,287,359	1,584,679
Total Current Assets		**24,683,808**	**31,808,299**
Non-Current Assets			
Plant and equipment	11	577,264	834,678
Intangibles	12	116,883	171,321
Total Non-Current Assets		**694,147**	**1,005,999**
TOTAL ASSETS		**25,377,955**	**32,814,298**
Current Liabilities			
Trade and other payables	13	2,652,277	3,468,553
Derivative financial instruments	14	—	33,714
Current tax payable		16,990	27,065
Employee benefits	15	101,569	30,800
Total Current Liabilities		**2,770,836**	**3,560,132**
Non-Current Liabilities			
Employee benefits	16	14,799	5,748
Total Non-Current Liabilities		**14,799**	**5,748**
TOTAL LIABILITIES		**2,785,635**	**3,565,880**
NET ASSETS		**22,592,320**	**29,248,418**
EQUITY			
Contributed equity	17	149,014,372	142,326,977
Reserves	18	1,882,674	1,882,786
Accumulated losses		(128,304,726)	(114,961,345)
Equity attributable to the owners of Prima BioMed Ltd		22,592,320	29,248,418
TOTAL EQUITY		**22,592,320**	**29,248,418**

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

PRIMA BIOMED LTD
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(in Australian dollars, except number of shares)

	Note	Years ended June 30, 2014 A$	2013 A$	2012 A$
OTHER INCOME				
License income		15,929	—	—
Medical services income		—	—	25,766
Grant income		2,004,198	1,648,725	1,494,253
Gain on foreign exchange		406,628	1,417,613	—
Interest income		713,311	939,056	2,682,548
Total other income		**3,140,066**	**4,005,394**	**4,202,567**
Expenses				
Research & development and intellectual property	5	(11,930,857)	(14,005,259)	(15,118,816)
Corporate administrative expenses	5	(4,092,623)	(4,851,195)	(5,977,619)
Loss on foreign exchange		—	—	(1,181,049)
Depreciation and amortisation expenses	5	(446,360)	(254,024)	(377,299)
Changes in fair value of derivative financial instruments		—	(33,714)	(1,488,744)
Loss before income tax expense		**(13,329,774)**	**(15,138,798)**	**(19,940,960)**
Income tax expense	6	(13,607)	(86,873)	—
Loss after income tax expense for the year		**(13,343,381)**	**(15,225,671)**	**(19,940,960)**
Other Comprehensive Loss				
Items that may be reclassified to profit or loss				
Exchange differences on the translation of foreign operations		(57,421)	(35,332)	(117,235)
Other comprehensive loss for the year net of tax		(57,421)	(35,332)	(117,235)
Total comprehensive loss for the year		**(13,400,802)**	**(15,261,003)**	**(20,058,195)**
Loss for the year is attributable to:				
Owners of Prima BioMed Ltd		(13,343,381)	(15,225,671)	(19,940,960)
		(13,343,381)	**(15,225,671)**	**(19,940,960)**
Total comprehensive loss for the year is attributable to:				
Owners of Prima BioMed Ltd		(13,400,802)	(15,261,003)	(20,058,195)
		(13,400,802)	**(15,261,003)**	**(20,058,195)**
		Cents	Cents	Cents
Basic earnings per share	28	(1.09)	(1.42)	(1.92)
Diluted earnings per share	28	(1.09)	(1.42)	(1.92)

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

PRIMA BIOMED LTD
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in Australian dollars, except number of shares)

	Note	Years Ended June 30, 2014 A$	2013 A$	2012 A$
Cash flows related to operating activities				
Payments to suppliers and employees (inclusive of GST)		(16,928,382)	(18,921,138)	(23,193,709)
License income		15,929	—	—
Medical services income		—	—	25,766
Interest received		704,778	1,295,095	2,553,321
Tax paid		(23,684)	(59,808)	—
Grant income		2,004,198	1,648,725	1,494,253
Net cash flows used in operating activities		**(14,227,161)**	**(16,037,126)**	**(19,120,369)**
Cash flows related to investing activities				
Payments for held-to-maturity investments		(9,000,000)	(8,000,000)	(21,045,423)
Cash received from held-to-maturity investments		8,000,000	21,045,423	10,000,000
Payments for plant and equipment		(103,675)	(507,924)	(574,568)
Net cash flows provided by (used in) investing activities		**(1,103,675)**	**12,537,499**	**(11,619,991)**
Cash flows related to financing activities				
Proceeds from issue of shares and options		6,845,001	7,714,250	1,820,455
Share issue transaction costs		(157,606)	(552,224)	(6,931)
Net cash flows provided by financing activities		**6,687,395**	**7,162,026**	**1,813,524**
Net (decrease) increase in cash and cash equivalents		(8,643,441)	3,662,399	(28,926,836)
Effect of exchange rate on cash and cash equivalents		820,340	1,369,028	—
Cash and cash equivalents at the beginning of the year		22,023,143	16,991,716	45,918,552
Cash and cash equivalents at the end of the year	7	**14,200,042**	**22,023,143**	**16,991,716**

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

PRIMA BIOMED LTD
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(in Australian dollars, except number of shares)

Consolidated	Contributed Equity A$	Reserves A$	Accumulated Losses A$	Total A$
Balance at July 1, 2011	**134,895,001**	**(1,157)**	**(79,794,714)**	**55,099,130**
Other comprehensive loss for the year, net of tax	—	(117,235)	—	(117,235)
Loss after income tax expense for the year	—	—	(19,940,960)	(19,940,960)
Total comprehensive loss for the year	**—**	**(117,235)**	**(19,940,960)**	**(20,058,195)**
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transactions costs	1,813,524	—	—	1,813,524
Employee options scheme	4,000	299,412	—	303,412
Balance at June 30, 2012	**136,712,525**	**181,020**	**(99,735,674)**	**37,157,871**

Consolidated	Contributed Equity A$	Reserves A$	Accumulated Losses A$	Total A$
Balance at July 1, 2012	**136,712,525**	**181,020**	**(99,735,674)**	**37,157,871**
Other comprehensive loss for the year, net of tax	—	(35,332)	—	(35,332)
Loss after income tax expense for the year	—	—	(15,225,671)	(15,225,671)
Total comprehensive loss for the year	**—**	**(35,332)**	**(15,225,671)**	**(15,261,003)**
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs	5,614,452	—	—	5,614,452
Issue of options	—	1,547,574	—	1,547,574
Employee options scheme	—	189,524	—	189,524
Balance at June 30, 2013	**142,326,977**	**1,882,786**	**(114,961,345)**	**29,248,418**

Consolidated	Contributed Equity A$	Reserves A$	Accumulated Losses A$	Total A$
Balance at July 1, 2013	**142,326,977**	**1,882,786**	**(114,961,345)**	**29,248,418**
Other comprehensive loss for the year, net of tax	—	(57,421)	—	(57,421)
Loss after income tax expense for the year	—	—	(13,343,381)	(13,343,381)
Total comprehensive loss for the year	**—**	**(57,421)**	**(13,343,381)**	**(13,400,802)**
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs	6,687,395	—	—	6,687,395
Employee options scheme	—	57,309	—	57,309
Balance at June 30, 2014	**149,014,372**	**1,882,674**	**(128,304,726)**	**22,592,320**

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001. Prima BioMed Ltd is a for-profit entity for the purpose of preparing the financial statement.

The consolidated financial statements were authorised for issue in accordance with a resolution of the Directors on August 27, 2014.

(i) Compliance with IFRS

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

(ii) New and amended standards adopted by the group

None of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning July 1, 2013 affected any of the amounts recognised in the current period or any prior period and are not likely to affect future periods. However, amendments made to AASB 101 (IAS 1) Presentation of Financial Statements effective July 1, 2012 now require the statement of comprehensive loss to show the items of comprehensive loss grouped into those that are not permitted to be classified to profit or loss in a future period and those that may have to be reclassified if certain conditions are met.

(iii) Early adoption of standards

The group has not elected to apply any pronouncements before their operative date in the annual reporting period beginning July 1, 2013.

(iv) Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of available-for-sale financial assets, financial assets and liabilities (including derivative financial instruments) at fair value through profit or loss.

(v) Critical accounting estimates

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

(b) Principles of consolidation

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

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

(c) Segment reporting

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

(d) Foreign currency translation

(i) Functional and presentation currency

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

(ii) Transactions and balances

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

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

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

(iii) Group companies

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

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

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

(e) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

The group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the group's activities as described below. The group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

(i) Interest Income

Interest income is recognised as interest accrues using the effective interest method. This is a method of calculating the amortized cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

(ii) Medical services

Medical services income is recognised when the amount can be measured reliably and it is probable that the economic benefits associated with the service will flow to the group.

(iii) Grant Income

Grants from the governments, including Australian Research and Development Rebates and Saxony Development Bank ("Sächsische Aufbaubank") from Germany, are recognised at their fair value when there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions. Government grants relating to operating costs are recognised in the Statements of Comprehensive loss as other income.

(f) Income tax

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

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

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

Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only 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 when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

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

Prima BioMed Ltd and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation. As a consequence, these entities are taxed as a single entity and the deferred tax assets and liabilities of these entities are set off in the consolidated financial statements.

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

(g) Impairment of assets

Intangible assets that have a finite useful life are subject to amortisation and tested for impairment if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

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

(h) Cash and cash equivalents

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

(i) Current receivables

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

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

(j) Inventories

Stock on hand is stated at the lower of cost and net realizable value. Cost comprises purchase and delivery costs, net of rebates and discounts received or receivable.

(k) Investments and other financial assets

Classification

The group classifies its financial assets in the following categories: loans and receivables, available for sale investment and held-to-maturity investments. The classification depends on the purpose for which the investments were acquired.

Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at the end of each reporting date.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting period which are classified as non-current assets. Loans and receivables are included in trade and other receivables (note 8) in the balance sheet.

(ii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the group's management has the positive intention and ability to hold to maturity. If the group were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale. Held-to-maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the end of the reporting period, which are classified as current assets.

Accounting policy note in relation to derivative that do not qualified to hedging, refer to note 1(l).

Measurement

At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value are expensed in profit or loss.

Loans and receivables and held-to-maturity investments are subsequently carried at amortized cost using the effective interest method. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in profit or loss within other income or other expenses in the period in which they arise.

Interest income from financial assets at fair value through profit or loss is recognised in profit or loss as part of revenue from continuing operations when the group's right to receive payments is established.

Impairment

The group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator that the assets are impaired.

Assets carried at amortized cost

For loans and receivables, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss.

If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss. Impairment testing of current receivables is described in note 1(g).

(l) Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in profit or loss and are included in other income or other expenses.

(m) Plant and equipment

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

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

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

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

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

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

(n) Intangible assets

(i) Intellectual property

Costs incurred in acquiring intellectual property are capitalized and amortized on a straight line basis over a period of up to 20 years.

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

(ii) Research and development

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

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

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

(o) Trade and other payables

These amounts represent liabilities for goods and services provided to the group prior to the end of financial year which are unpaid.

The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date.

(p) Finance costs

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

(q) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulating annual leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for accumulating annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

(ii) Other long-term employee benefit obligations

The liability for long service leave and annual leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of

the reporting period of government bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Retirement benefit obligations

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

(iv) Share-based payments

Share-based compensation benefits are provided to employees via the Executive Incentive Plan (EIP) and Global Employee Shares Option Plan (GESOP). Information relating to these schemes is set out in note 29.

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

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

(v) Termination benefits

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

(vi) Bonus plan

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

(r) Contributed equity

Ordinary shares are classified as equity.

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

(s) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

(ii) Diluted earnings per share

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

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

(t) Goods and Services Tax and other similar taxes ('GST')

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

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

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

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

New and amended standards adopted by the group

The group has applied the following standards and amendments for first time for their annual reporting period commencing July 1, 2013:

- AASB 10 (IFRS 10) Consolidated Financial Statements, AASB 11(IFRS 11) Joint Arrangements, AASB 12 (IFRS 12) Disclosure of Interests in Other Entities, AASB 128 (IAS 28) Investments in Associates and Joint Ventures, AASB 127 (IAS 27) Separate Financial Statements and AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards
- AASB 2012-10 Amendments to Australian Accounting Standards – Transition Guidance and other Amendments which provides an exemption from the requirement to disclose the impact of the change in accounting policy on the current period
- AASB 13 (IFRS 13) Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13 (IFRS 13)
- AASB 119 Employee Benefits (September 2011) and AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011)
- AASB 2012-5 Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle, and
- AASB 2012-2 Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities

The adoption of the above standards did not result in significant changes in accounting policies or adjustments to the amounts recognised in the financial statements. These standards only affected the disclosures in the notes to the financial statements.

New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for June 30, 2014 reporting periods and have not been early adopted by the group. The group's assessment of the impact of these new standards and interpretations is set out below.

Title of standard	Nature of change	Impact	Mandatory application date/ Date of adoption by group
AASB 9 (IFRS 9) Financial Instruments	AASB 9 (IFRS 9) addresses the classification, measurement and derecognition of financial assets and financial	When adopted, the standard will not have any significant impact as on the financial statements unless the Company acquires financial assets and liabilities.	Must be applied for financial years commencing on or after January 1, 2018.

Title of standard	Nature of change	Impact	Mandatory application date/ Date of adoption by group
	liabilities. Since December 2013, it also sets out new rules for hedge accounting.	There will be no impact on the group's accounting for financial assets, as the new requirements only affect the accounting for available-for-sale financial assets and the group does not have any such assets. There will be no impact on the group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the group does not have any such liabilities. There will be no impact on hedge account or disclosures as the forward contracts do not qualify as hedge accounting.	

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

(v) Parent entity financial information

The financial information for the parent entity, Prima BioMed Ltd, disclosed in note 30 has been prepared on the same basis as the consolidated financial statements, except as set out below.

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

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

(ii) Tax consolidation legislation

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

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

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

(iii) Share-based payments

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

NOTE 2. FINANCIAL RISK MANAGEMENT

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

adverse effects on the financial performance of the group. The group uses derivative financial instruments such as foreign exchange contracts to hedge certain risk exposures. Derivatives are exclusively used for hedging purposes, i.e. not as trading or other speculative instruments. The group hedges its foreign exchange risk exposure arising from future commercial transactions and recognised assets and liabilities using forward contracts. The group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis and cash flow forecasting in the case of foreign exchange and aging analysis for credit risk.

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

(a) Market risk

Foreign exchange risk

The group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar and Euro. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

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

It is the group policy to use forward exchange contracts to cover anticipated cash flow in USD and Euro for the next twelve months and carried as derivatives held for trading and measured through the income statement. This policy is reviewed regularly by directors from time to time.

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

	June 30, 2014			June 30, 2013		
	USD	EUR	Other	USD	EUR	Other
Cash in bank	75,802	5,273,585	—	3,015,975	10,239,231	—
Trade payables	(365,450)	(17,489)	—	(772,903)	(824,912)	—
Forward exchange contracts - buy foreign currency	—	—	—	(29,828)	(3,885)	—

Sensitivity

Based on the financial instruments held at June 30, 2014, had the Australian dollar weakened/ strengthened by 10% against the US dollar with all other variables held constant, the group's post-tax loss for the year would have been $28,965 higher/$28,965 lower (2013 – $618,702 higher/$471,691 lower), mainly as a result of foreign exchange gains/losses on translation of US dollar denominated financial instruments and from foreign forward exchange contracts which are detailed in the above table. Profit is more sensitive to movements in the Australian dollar/US dollar exchange rates in 2014 than was the position in 2013 due to the increased amount of forward foreign exchange contracts. Any impact on the equity will result from changes in retained earnings.

Based on the financial instruments held at June 30, 2014, had the Australian dollar weakened/ strengthened by 10% against the Euro with all other variables held constant, the group's post-tax loss for the year would have been $525,610 higher/$525,610 lower (2013 – $1,330,630 higher/$1,111,729 lower), mainly as a result of foreign exchange gains/losses on translation of Euro denominated financial instruments and from foreign forward exchange.

The group's exposure to other foreign exchange movements is not material.

(b) Credit risk

Credit risk is managed on a group basis. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks. For banks, only independently rated parties with a minimum rating of 'A' are accepted.

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

	June 30, 2014 $	June 30, 2013 $
Cash at bank and short-term bank deposits		
AA-	14,200,042	22,023,143
Held-to-maturity investment		
AA-	9,000,000	8,000,000
Derivative financial instruments		
AA-	—	33,714

Held to maturity investments represent term deposits with a maturity period greater than 3 months and less than 12 months.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash to meet obligations when due. At the end of the reporting period the group held deposits at call of $14,200,042 (2013 – $22,023,143) that are expected to readily generate cash inflows for managing liquidity risk. Management monitors rolling forecasts of the group's liquidity reserve cash and cash equivalents (note 7) on the basis of expected cash flows. In addition, the group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these.

As outlined in Note 3, the company's monitoring of its cash requirements extends to the consideration of potential capital raising strategies and an active involvement with its institutional and retail investor base.

Maturities of financial liabilities

The tables below analyze the group's financial liabilities into relevant maturity groupings based on their contractual maturities for:

(a) all non-derivative financial liabilities, and

(b) net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

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

Contractual maturities of financial liabilities At June 30, 2014	Less than 6 months $	6-12 months $	Total contractual cash flows $	Carrying Amount (assets) / liabilities $
Non-Derivatives				
Trade and other payables	2,652,277	—	2,652,277	2,652,277
	(2,652,277)	—	2,652,277	2,652,277

Contractual maturities of financial liabilities At June 30, 2013	Less than 6 months $	6-12 months $	Total contractual cash flows $	Carrying Amount (assets) / liabilities $
Non-Derivatives				
Trade and other payables	3,468,553	—	3,468,553	3,468,553
Derivatives				
Gross settled (forward foreign exchange contracts – cash flow hedges)				
(Inflow)	(4,715,613)	(13,818,639)	(18,534,252)	(18,534,252)
Outflow	4,706,344	13,861,622	18,567,966	18,567,966
	(9,269)	42,983	33,714	33,714

(d) Fair value measurements

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

AASB 7 (IFRS 7) *Financial Instruments: Disclosures* requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

(a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)

(b) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2), and

(c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The following table presents the group's assets and liabilities measured and recognised at fair value at June 30, 2014:

At June 30, 2013	Level 1 $	Level 2 $	Level 3 $	Total $
Liabilities				
Derivative financial instrument	—	33,714	—	33,714
Total liabilities	—	33,714	—	33,714

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

Specific valuation techniques used to value financial instruments include:

- The use of quoted market prices or dealer quotes for similar instruments.
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date.
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

There were no changes in level 1 and level 3 instruments for year ended June 30, 2014 and June 30, 2013. During the year, the company settled the forward contracts disclosed as level 2 above and recognised this as a loss in the consolidated statement of comprehensive loss.

NOTE 3. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Income taxes

The group has not recognised deferred tax assets relating to carried forward tax losses and taxable temporary differences since the group is currently in a loss making position and unable to generate taxable income to utilize the carried forward tax losses and taxable temporary differences. The utilization of the tax losses also depends on the ability of the entity to satisfy certain tests at the

time the losses are recouped. The group is subject to income taxes in Australia and jurisdictions where it has foreign operations. Significant judgement is required in determining the worldwide provision for income taxes. There are certain transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The group estimates its tax liabilities based on the group's understanding of the tax law. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

Share-based payment transactions

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next Annual Reporting period but may impact profit or loss and equity. Refer to note 29—*share based payment*.

Research and development

The Group has expensed all internal research and development expenditure incurred during the year as the costs relate to the initial expenditure for research and development of biopharmaceutical products and the generation of future economic benefits are not considered certain given the current stage of development. It was considered appropriate to expense the research and development costs as they did not meet the criteria to be capitalized under AASB 138 (IAS 38) *Intangible Assets*.

Going Concern

The Group has experienced significant recurring operating losses and negative cash flows from operating activities since its inception. As at June 30, 2014, the Group holds cash and cash equivalents of $14,200,042 (2013: $22,023,143) and held-to-maturity investments of $9,000,000 (2013: $8,000,000) with maturities ranging from 4 to 6 months. In line with the Company's financial risk management, the directors have carefully assessed the financial and operating implications of the above matters, including the expected cash outflows of ongoing research and development activities of the Company. Based on this consideration, the directors are of the view that the Group will be able to pay its debts as and when they fall due for at least 12 months following the date of issuance of these financial statements and that it is appropriate for the financial statements to be prepared on a going concern basis.

Monitoring and addressing the ongoing cash requirements of the Group is a key focus of the directors. This involves consideration of alternate future capital raising initiatives and an active engagement with potential retail and institutional investors alike.

Impairment of Assets

We assess impairment of non-financial assets at each reporting date by evaluating conditions specific to the consolidated entity and parent entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs to sell or value- in-use calculations, which incorporate a number of key estimates and assumptions.

NOTE 4. SEGMENT REPORTING

Identification of reportable operating segments

The consolidated entity is organized into two operating segments, being Cancer Immunotherapy and Other R&D. The internal reports that are reviewed and used by Management and the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) use this segment reporting in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments. The CODM reviews earnings/loss before tax.

Types of products and services

The principal products and services of each of these operating segments are as follows:

- Cancer Immunotherapy
- Other Research & Development

In the current fiscal year, the Company has focused on cancer immunotherapy research.

Operating segment information

June 30, 2014	Cancer Immunotherapy A$	Other R&D A$	Unallocated A$	Consolidated A$
Other income				
Revenue	—	—	15,929	15,929
Grant income	2,004,198	—	—	2,004,198
Gain on foreign exchange	—	—	406,628	406,628
Interest income	—	—	713,311	713,311
Total other income	**2,004,198**	**—**	**1,135,868**	**3,140,066**
Segment Result				
Depreciation and amortisation	(433,074)	—	(13,286)	(446,360)
Other expenses*	(11,386,363)	—	(1,497,051)	(12,883,414)
Loss before income tax expense	**(11,819,437)**	**—**	**(1,510,337)**	**(13,329,774)**
Income tax expense				(13,607)
Loss after income tax expense				**(13,343,381)**
Total segment assets	**25,377,955**	**—**	**—**	**25,377,955**
Total segment liabilities	**2,785,635**	**—**	**—**	**2,785,635**

* net of other income

June 30, 2013	Cancer Immunotherapy A$	Other R&D A$	Unallocated A$	Consolidated A$
Other income				
Grant income	1,648,725	—	—	1,648,725
Gain on foreign exchange	—	—	1,417,613	1,417,613
Interest income	—	—	939,056	939,056
Total other income	**1,648,725**	**—**	**2,356,669**	**4,005,394**
Segment Result				
Depreciation and amortisation	(241,814)	—	(12,210)	(254,024)
Other expenses*	(13,914,144)	(6,317)	(964,313)	(14,884,774)
Loss before income tax expense	**(14,155,958)**	**(6,317)**	**(976,523)**	**(15,138,798)**
Income tax expense				(86,873)
Loss after income tax expense				**(15,225,671)**
Total segment assets	**32,814,298**	**—**	**—**	**32,814,298**
Total segment liabilities	**3,565,880**	**—**	**—**	**3,565,880**

* net of other income

June 30, 2012	Cancer Immunotherapy A$	Other R&D A$	Unallocated A$	Consolidated A$
Other income				
Medical service income	—	—	25,766	25,766
Grant income	1,494,253	—	—	1,494,253
Interest income	—	—	2,682,548	2,682,548
Total other income	**1,494,253**	**—**	**2,708,314**	**4,202,567**
Segment Result				
Depreciation and amortisation	(167,483)	(177,709)	(32,107)	(377,299)
Other expenses*	(15,066,709)	(655,702)	(3,841,250)	(19,563,661)
Loss before income tax expense	**(15,234,192)**	**(833,411)**	**(3,873,357)**	**(19,940,960)**
Income tax expense				—
Loss after income tax expense				**(19,940,960)**
Total segment assets	**41,612,671**	**—**	**—**	**41,612,671**
Total segment liabilities	**4,454,800**	**—**	**—**	**4,454,800**

* net of other income

NOTE 5. EXPENSES

	Consolidated		
	June 30, 2014 A$	June 30, 2013 A$	June 30, 2012 A$
Loss before income tax includes the following specific expenses:			
Research & Development and Intellectual Property			
Research and development	11,825,668	13,852,477	14,929,005
Intellectual property management	105,189	152,782	189,811
Total Research & Development and Intellectual Property	**11,930,857**	**14,005,259**	**15,118,816**
Corporate administrative expenses			
Loss on disposal of assets	—	—	64,679
Auditor's remuneration	222,720	259,340	214,646
Directors fee and employee expenses	1,969,494	2,095,547	2,947,627
Administrative expenses	1,900,409	2,496,308	2,750,667
Total corporate administrative expenses	**4,092,623**	**4,851,195**	**5,977,619**
Depreciation			
Plant and equipment	370,237	186,940	132,310
Computers	18,987	11,039	7,349
Furniture and fittings	2,698	1,607	5,492
Total depreciation	**391,922**	**199,586**	**145,151**
Amortisation			
Patents	54,438	54,438	232,148
Total depreciation and amortisation	**446,360**	**254,024**	**377,299**

NOTE 6. INCOME TAX EXPENSE

	Consolidated		
	June 30, 2014 A$	June 30, 2013 A$	June 30, 2012 A$
Numerical reconciliation of income tax expense to prima facie tax payable			
Loss before income tax expense	(13,329,774)	(15,138,798)	(19,940,960)
Tax at the Australian tax rate of 30%	(3,998,932)	(4,541,639)	(5,982,288)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:			
Non-deductible expenses	439,652	1,022,310	1,146,596
Non-assessable income	(479,616)	(432,636)	(448,276)
Capital listing fee	(586,143)	—	—
Others	—	83,243	—
Difference in overseas tax rates	569	3,630	—
Section 40-880 deductions	—	—	—
	(4,624,471)	(3,865,092)	(5,283,968)
Net adjustment to deferred tax assets and liabilities for tax losses and temporary differences not recognised	4,638,078	3,951,965	5,283,968
Income tax expense*	**13,607**	**86,873**	**—**

* Income tax expense relates to tax payable in the United States

	Consolidated		
	June 30, 2014 A$	June 30, 2013 A$	June 30, 2012 A$
Deferred tax assets not recognised			
Deferred tax assets not recognised comprises temporary differences attributable to:			
Carried forward tax losses	27,329,078	22,562,084	18,283,488
Temporary differences	(402,644)	147,615	462,913
Total deferred tax assets not recognised	**26,926,434**	**22,709,699**	**18,746,401**

The above potential tax benefit, which excludes tax losses, for deductible temporary differences has not been recognised in the consolidated balance sheet as the recovery of this benefit is uncertain. There is no expiration date for the tax losses carried forward. The estimated amount of cumulative tax losses at 30 June 2014 was $91,096,926 (2013 - $75,206,946, 2012 - $60,944,960).

NOTE 7. CASH AND CASH EQUIVALENTS

	Consolidated	
	June 30, 2014 A$	June 30, 2013 A$
Cash on hand	1,344	1,376
Cash at bank	9,698,698	22,021,767
Cash on deposit	4,500,000	—
	14,200,042	**22,023,143**

The above cash and cash equivalent are held in AUD, USD, and Euro. The interest rate on these deposits range from 0% to 3.54% in 2014 (2013 – 0% to 3.05%).

NOTE 8. CURRENT RECEIVABLES

	Consolidated	
	June 30, 2014 A$	June 30, 2013 A$
GST receivable	196,407	200,477
	196,407	**200,477**

Due to the short term nature of these receivables, the carrying value is assumed to be their fair value and at 30 June 2014. No receivables were impaired or past due.

NOTE 9. HELD-TO-MATURITY INVESTMENT

	Consolidated	
	June 30, 2014 A$	June 30, 2013 A$
Term deposits	**9,000,000**	**8,000,000**

Held to maturity investments represent term deposits with a maturity period greater than 3 months and less than 12 months. These term deposits are denominated in AUD and have interest rates of 3.75% in 2014 (2013 – 4.39% to 4.50%). The group's exposure to interest rate risk is discussed in note 2. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of held to maturity investment mentioned above.

NOTE 10. OTHER CURRENT ASSETS

	Consolidated	
	June 30, 2014 A$	June 30, 2013 A$
Prepayments*	1,090,608	1,410,249
Security deposit	31,252	17,463
Accrued interest	165,499	156,967
	1,287,359	**1,584,679**

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

NOTE 11. PROPERTY, PLANT AND EQUIPMENT

	Plant and Equipment A$	Computer A$	Furniture and fittings A$	Total A$
At July 1, 2012				
Cost or fair value	622,564	23,988	12,678	659,230
Accumulated depreciation	(157,575)	(9,855)	(7,872)	(175,302)
Net book amount	464,989	14,133	4,806	483,928
Year ended June 30, 2013				
Opening net book amount	464,989	14,133	4,806	483,928
Exchange differences	43,523	108	483	44,114
Additions	465,513	36,733	5,678	507,924
Disposals	—	(1,702)	—	(1,702)
Depreciation charge	(186,940)	(11,039)	(1,607)	(199,586)
Closing net book amount	787,085	38,233	9,360	834,678
At June 30, 2013				
Cost or fair value	1,119,560	59,075	12,425	1,191,060
Accumulated depreciation	(332,475)	(20,842)	(3,065)	(356,382)
Net book amount	787,085	38,233	9,360	834,678
Year ended June 30, 2014				
Opening net book amount	787,085	38,233	9,360	834,678
Exchange differences	29,565	833	435	30,833
Additions	100,568	3,107	—	103,675
Disposals	—	—	—	—
Depreciation charge	(370,237)	(18,987)	(2,698)	(391,922)
Closing net book amount	546,981	23,186	7,097	577,264
At June 30, 2014				
Cost or fair value	1,248,948	62,789	12,765	1,324,502
Accumulated depreciation	(701,967)	(39,603)	(5,668)	(747,238)
Net book amount	546,981	23,186	7,097	577,264

NOTE 12. INTANGIBLES

	Patents, A$
At July 1, 2012	
Cost or fair value	1,915,671
Accumulated amortization and impairment	(1,689,912)
Net book amount	225,759
Year ended June 30, 2013	
Opening net book amount	225,759
Amortisation charge	(54,438)
Closing net book amount	171,321
At June 30, 2013	
Cost or fair value	1,915,671
Accumulated amortization and impairment	(1,744,350)
Net book amount	171,321
Year ended June 30, 2014	
Opening net book amount	171,321
Amortisation charge	(54,438)
Closing net book amount	116,883
At June 30, 2014	
Cost or fair value	1,915,671
Accumulated amortization and impairment	(1,798,788)
Net book amount	116,883

NOTE 13. TRADE AND OTHER PAYABLES

	Consolidated	
	June 30, 2014 A$	June 30, 2013 A$
Trade payables	2,216,723	3,087,398
Other payables	435,554	381,155
	2,652,277	**3,468,553**

NOTE 14. DERIVATIVE FINANCIAL INSTRUMENTS

	Consolidated	
	June 30, 2014 A$	June 30, 2013 A$
Derivative financial instruments	—	**33,714**

The group has entered into forward exchange contracts which do not satisfy the requirement for hedged accounting. The group did not enter into any forward exchange contracts at June 30, 2014. The amount above was the fair value of the forward exchange contracts as at June 30, 2013. These contracts were held with National Australia Bank. These contracts were subject to the risk management policies in note 2.

NOTE 15. EMPLOYEE BENEFITS

	Consolidated	
	June 30, 2014 A$	June 30, 2013 A$
Annual leave	**101,568**	**30,800**

The current provision for employee benefits is in relation to accrued annual leave and covers all unconditional entitlements where employees have completed the required period of service. The entire amount of the provision is presented as current, since the group does not have an unconditional right to defer settlement for any of these obligations.

NOTE 16. EMPLOYEE BENEFITS

	Consolidated	
	June 30, 2014 A$	June 30, 2013 A$
Long service leave	**14,799**	**5,748**

NOTE 17. CONTRIBUTED EQUITY

	Note	Consolidated	
		June 30, 2014 A$	June 30, 2013 A$
Fully paid ordinary shares	17(a)	139,352,418	132,665,023
Options over ordinary shares		9,661,954	9,661,954
		149,014,372	**142,326,977**

(a) Ordinary Shares	Note	June 30, 2014		June 30, 2013	
		No.	A$	No.	A$
At the beginning of reporting period		1,143,146,838	132,665,023	1,066,063,388	127,050,571
Shares issued during year	(i)	85,562,500	6,845,000	77,083,450	6,166,676
Exercise of options (Shares issued during the year)	(ii)	3	1	—	—
Transaction costs relating to share issues		—	(157,606)	—	(552,224)
At reporting date		**1,228,709,341**	**139,352,418**	**1,143,146,838**	**132,665,023**

2014 Details	Note	Number	Issue Price A$	Total A$
Share purchase plan	i)	85,562,500	0.080	6,845,000
Exercise of PRRO options	ii)	3	0.20	1
Transaction costs relating to share issues				(157,606)
		85,562,503		**6,687,395**

2013 Details	Note	Number	Issue Price A$	Total A$
Share purchase plan	i)	77,083,450	0.080	6,166,676
Transaction costs relating to share issues				(552,224)
		77,083,450		**5,614,452**

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Options

Information relating to the Company's Global Employee Share Option Plan, including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the reporting period, is set out in note 29.

Unlisted Options

Expiration Date	Exercise Price	Number	Code
November 9, 2014	$ 0.269	1,884,253	PRRAS
December 8, 2014	$ 0.236	1,884,253	PRRAU
January 12, 2015	$ 0.227	1,061,411	PRRAY
February 12, 2015	$ 0.235	1,118,211	PRRAW
March 18, 2015	$ 0.2277	1,075,269	PRRAZ
May 6, 2015	$ 0.2500	500,000	PRRAC
May 19, 2015	$ 0.235	1,055,011	PRRAD
December 6, 2014	$ 0.100	2,000,000	PRRAL
August 26, 2014	$ 0.100	500,000	PRRAL
February 1, 2016	$ 0.339	740,741	PRRAL
November 3, 2014	$ 0.279	100,000	PRRAL
January 3, 2015	$ 0.2329	100,000	PRRAL
August 1, 2015	$ 0.185	2,800,000	PRRAL
February 20, 2016	$ 0.173	200,000	PRRAL
June 30, 2018	$ 0.0774	1,923,292	PRRAE
Total		**16,942,441**	

Share buy-back

There is no current on-market share buy-back.

Capital risk management

The consolidated entity's objectives when managing capital are to safeguard its ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The consolidated entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current parent entity's share price at the time of the investment. The consolidated entity is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximize synergies.

Share purchase plan and shortfall placements

In April 2013 the Company undertook a share purchase plan (SPP). This SPP was open to existing shareholders and allowed them to purchase up to $15,000 worth of fully paid ordinary shares in the company. These shares were offered at $0.08 each. The Company intended to issue up to $15 million worth of new ordinary shares in the Company with any shortfall shares from the SPP being offered to institutional and sophisticated investors at the same terms as the SPP.

We raised a total of $14,559,250 from the SPP and a series subsequent SPP shortfall placements to sophisticated investors who were offered the remaining capacity from the SPP with shares also issued at $0.08. We raised $1,062,988 from SPP shortfall placements prior to June 30, 2013 and $6,845,000 in SPP shortfall placements in this financial year.

NOTE 18. RESERVES AND RETAINED EARNINGS

	Consolidated	
	June 30, 2014 A$	**June 30, 2013 A$**
(a) Reserves		
Options issued reserve	1,547,574	1,547,574
Foreign currency translation reserve	(211,145)	(153,724)
Share-based payment reserve	546,245	488,936
	1,882,674	**1,882,786**
Movement in options issued reserve were as follows:		
Opening balance	1,547,574	—
Options issued during the year	—	1,547,574
Ending balance	**1,547,574**	**1,547,574**
Movement in foreign currency translation reserve were as follows:		
Opening balance	(153,724)	(118,392)
Currency translation differences arising during the year	(57,421)	(35,332)
Ending balance	**(211,145)**	**(153,724)**
Movement in share-based payment reserve were as follows:		
Opening balance	488,936	299,412
Employee options issued during the year	57,309	189,524
Ending balance	**546,245**	**488,936**

	Consolidated	
	June 30, 2014 A$	**June 30, 2013 A$**
(b) Retained Earnings		
Movement in retained earnings were as follows:		
Opening balance	(114,961,345)	(99,735,674)
Net loss for the year	(13,343,381)	(15,225,671)
Balance	**(128,304,726)**	**(114,961,345)**

(c) Nature and purpose of reserves

(i) Options issued reserve

In May 2013 the Company announced an options entitlement issue of one option for every 4 shares held by existing shareholders. 77,378,699 options were issued at $0.02 per option with an exercise price of $0.20. The options expire on June 19, 2017. Each option is exercisable for one ordinary share in capital of the Company. These options are exercisable at any time before its expiry date.

(ii) Foreign currency translation

Exchange differences arising on translation of the foreign controlled entity are recognised in other comprehensive loss as described in note 1(d) and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

(iii) Share-based payments reserve

The options-based payments reserve is used to recognize the grant date fair value of options issued to employees but not exercised. For a reconciliation of movements in the share-based payment reserves refer to note 29.

NOTE 19. DIVIDENDS

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

NOTE 20. KEY MANAGEMENT PERSONNEL DISCLOSURES

(a) Directors and key management personnel compensation

	Consolidated		
	June 30, 2014 A$	**June 30, 2013 A$**	**June 30, 2012 A$**
Short-term employee benefits	1,533,114	1,906,670	2,010,586
Post-employment benefits	40,377	52,348	73,000
Termination benefits	—	149,599	—
Share-based payments	41,919	185,594	299,412
	1,615,410	**2,294,211**	**2,382,998**

(b) Equity instrument disclosures relating to key management personnel

(i) Options provided as remuneration and shares issued on exercise of such options

For details of options provided as remuneration and shares issued on the exercise of such options, together with terms and conditions of the options, please refer to note 29.

(ii) Shareholding

The numbers of shares in the company held during the financial year by each director of and other key management personnel of the group, including their personally related parties, are set out below. There were no shares granted during the reporting period as compensation.

June 30, 2014	**Balance at start of the year**	**Share Purchase Plan (SPP) and shortfall placement**	**Other changes during the year**	**Balance at end of the year**
Ordinary shares				
Ms. Lucy Turnbull, AO	17,759,576	—	2,300,000	20,059,576
Mr. Albert Wong	3,537,500	—	—	3,537,500
Mr. Martin Rogers**	20,542,179	—	—	20,542,179
Dr. Richard Hammel**	10,444,987	—	—	10,444,987
Dr. Russell Howard	—	—	—	—
Mr. Pete Meyers	—	—	—	—
Mr. Matt Lehman	1,617,763	—	—	1,617,763
	4,400*	—	28,306*	32,706*
Dr. Sharron Gargosky	25,000*	—	(25,000)	—
Mr. Marc Voigt	620,000	—	100,000	720,000
	150*	—	—	150*
Total ordinary shares	**54,522,005**		**2,400,000**	**56,922,005**
Total ADS Shares	**29,550**	—	**3,306**	**32,856**

* American Depositary Shares (ADS) traded on the NASDAQ

** As the date of resignation

June 30, 2013	**Balance at start of the year**	**Share Purchase Plan (SPP) and shortfall placement**	**Other changes during the year**	**Balance at end of the year**
Ordinary shares				
Ms. Lucy Turnbull, AO	4,622,076	12,687,500	450,000	17,759,576
Mr. Albert Wong	3,350,000	187,500	—	3,537,500
Mr. Martin Rogers	30,834,179	187,500	[1](10,479,500)	20,542,179
Dr. Richard Hammel	10,257,487	187,500	—	10,444,987
Dr. Russell Howard	—	—	—	—
Mr. Ian Bangs	100,000	—	—	100,000
Mr. Matt Lehman	1,100,000	412,500	105,263	1,617,763
	—	—	4,400*	4,400*
Dr. Neil Frazer	112,000	—	—	112,000
	1,000*			1,000*

June 30, 2013	Balance at start of the year	Share Purchase Plan (SPP) and shortfall placement	Other changes during the year	Balance at end of the year
Dr. Sharron Gargosky	—	—	25,000*	25,000*
Mr. Marc Voigt			307,500	620,000
	—	312,500	150*	150*
Total ordinary shares	**50,375,742**	**13,975,000**	**(9,616,737)**	**54,734,005**
Total ADS	**1,000**	**—**	**29,550**	**30,550**

* American Depositary Shares (ADS) traded on the NASDAQ

[1] related shares sold by the director to the market

June 30, 2012	Balance at start of the year	Received during the year on the exercise of options	Other changes during the year	Balance at end of the year
Ordinary shares				
Ms. Lucy Turnbull, AO	4,347,076	—	275,000	4,622,076
Mr. Albert Wong	3,250,000	—	100,000	3,350,000
Mr. Martin Rogers	20,821,500	12,345,238	(2,332,559)	30,834,179
Dr. Richard Hammel	5,000,000	7,619,047	(2,361,560)	10,257,487
Mr. Matt Lehman	100,000	1,500,000	(500,000)	1,100,000
Mr. Ian Bangs	—	—	100,000	100,000
Dr. Neil Frazer			112,000	112,000
	—	—	1,000*	1,000*
Dr. Sharron Gargosky	—	—	—	—
Mr. Marc Voigt	—	—	—	—
Total ordinary shares	**33,518,576**	**21,464,285**	**(4,607,119)**	**50,375,742**
Total ADS	**—**	**—**	**1,000**	**1,000**

* American Depositary Shares (ADS) traded on the NASDAQ

(iii) Option holdings

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

June 30, 2014	Balance at start of the year	Granted	Entitlement options	Other Changes	Balance at end of the year	Vested and exercisable	Unvested
Options over ordinary shares							
Ms. Lucy Turnbull, AO	14,439,894	—	—	(10,000,000)	4,439,894	4,439,894	—
Mr. Albert Wong	7,500,000	—	—	(7,500,000)	—	—	—
Mr. Martin Rogers	12,500,000	—	—	(10,000,000)	2,500,000	2,500,000	—
Dr. Richard Hammel	5,000,000	—	—	(5,000,000)	—	—	—
Dr. Russell Howard	—	—	—	—	—	—	—
Mr. Pete Meyers	—	—	—	—	—	—	—
Mr. Matt Lehman	2,104,441	—	—	—	2,104,441	2,104,441	—
Ms. Deanne Miller	—	363,636	—	—	363,636	242,424	121,212
Dr. Sharron Gargosky	900,000	637,275	—	—	1,537,275	1,324,850	212,425
Mr. Marc Voigt	528,125	643,629	—	—	1,171,754	957,211	214,543
	42,972,460	**1,644,540**	**—**	**(32,500,000)**	**12,117,000**	**11,568,820**	**548,180**

June 30, 2013	Balance at start of the year	Granted	Entitlement options	Other Changes	Balance at end of the year	Vested and exercisable	Unvested
Options over ordinary shares							
Ms. Lucy Turnbull, AO	10,000,000	—	4,439,894	—	14,439,894	14,439,894	—
Mr. Albert Wong	7,500,000	—	—	—	7,500,000	7,500,000	—
Mr. Martin Rogers	10,000,000	—	2,500,000	—	12,500,000	12,500,000	—
Dr. Richard Hammel	5,000,000	—	—	—	5,000,000	5,000,000	—
Dr. Russell Howard	—	—	—	—	—	—	—
Mr. Matt Lehman	500,000	1,200,000	404,441	—	2,104,441	904,441	1,200,000
Dr. Neil Frazer	2,000,000	—	—	—	2,000,000	2,000,000	—
Mr. Ian Bangs	—	450,000	100,000	—	550,000	550,000	—
Ms. Deanne Miller	—	—	—	—	—	—	—
Dr. Sharron Gargosky	200,000	700,000	—	—	900,000	200,000	700,000
Mr. Marc Voigt	—	450,000	78,125	—	528,125	78,125	450,000
	35,200,000	**2,800,000**	**7,522,460**	**—**	**45,522,460**	**43,172,460**	**2,350,000**

June 30, 2012	Balance at start of the year	Granted	Exercised	Other Changes	Balance at end of the year	Vested and exercisable	Unvested
Options over ordinary shares							
Ms. Lucy Turnbull, AO	10,000,000	—	—	—	10,000,000	10,000,000	—
Mr. Albert Wong	7,500,000	—	—	—	7,500,000	7,500,000	—
Mr. Martin Rogers	22,345,238	—	12,345,238	—	10,000,000	10,000,000	—
Dr. Richard Hammel	12,619,047	—	7,619,047	—	5,000,000	5,000,000	—
Mr. Matt Lehman	—	2,000,000	1,500,000	—	500,000	500,000	—
Dr. Neil Frazer	2,000,000	—	—	—	2,000,000	1,000,000	1,000,000
Mr. Ian Bangs	—	—	—	—	—	—	—
Dr. Sharron Gargosky	—	200,000	—	—	200,000	—	200,000
Mr. Marc Voigt	—	—	—	—	—	—	—
	54,464,285	**2,200,000**	**21,464,285**	**—**	**35,200,000**	**34,000,000**	**1,200,000**

NOTE 21. REMUNERATION OF AUDITORS

The following fees were paid or payable for services provided by PricewaterhouseCoopers (PwC) Australia in relation to the audit for the year-end 2014, 2013, and 2012.

	Consolidated		
	June 30, 2014 A$	June 30, 2013 A$	June 30, 2012 A$
PricewaterhouseCoopers Australia			
Audit or review of the financial report	209,420	257,700	140,000
All other fees*	12,500	—	11,345
	221,920	**257,700**	**151,345**
Non-PwC audit firm			
Audit or review of the financial report	—	—	74,646
Preparation of the tax return and other consulting services	—	9,841	19,739
Total remuneration of non-PwC audit firm	—	**9,841**	**94,385**
	221,920	**267,541**	**245,730**

*Relates to assistance with the Form F-3.

NOTE 22. CONTINGENT LIABILITIES

There were no material contingent liabilities in existence at June 30, 2014 and June 30, 2013.

NOTE 23. COMMITMENTS FOR EXPENDITURE

There were no material capital or leasing commitments at June 30, 2014 and June 30, 2013.

NOTE 24. RELATED PARTY TRANSACTIONS

Parent entity

Prima BioMed Ltd is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 25.

Key management personnel

Disclosures relating to key management personnel are set out in note 20.

Receivable from and payable to related parties

There were no trade receivables from or trade payables due to related parties at the reporting date.

Loans to/from related parties

There were no loans to or from related parties at the reporting date.

NOTE 25. SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1:

		Equity holding	
Name of entity	Country of incorporation	June 30, 2014 %	June 30, 2013 %
Arthron Pty Ltd *	Australia	—	100.00
Cancer Vac Pty Ltd**	Australia	100.00	100.00
Oncomab Pty Ltd *	Australia	—	100.00
Panvax Pty Ltd *	Australia	—	100.00
Prima BioMed USA Inc	United States of America	100.00	100.00
PRR Middle East FZ LLC	United Arab Emirates	100.00	100.00
Prima BioMed GmbH	Germany	100.00	100.00
Prima Biomed AUSTRALIA Pty Ltd	Australia	100.00	100.00
Prima Biomed IP Pty Ltd	Australia	100.00	100.00

* Companies were deregistered on July 31, 2013
** Cancer Vac Pty Ltd was deregistered on September 18, 2014

NOTE 26. EVENTS OCCURRING AFTER THE REPORTING DATE

Marc Voigt was appointed as Chief Executive Officer of Prima BioMed on the July 9, 2014. Mr Voigt, Prima BioMed's Chief Business Officer and Chief Financial Officer as well as Managing Director of the Company's European Operations, replaces US based Matthew Lehman who stepped down from the Board but remains an adviser to the Company to facilitate an orderly transition.

The decision follows the Company's recent shift in its operational focus to Europe, where its clinical trials and manufacturing of CVac have been centralised to generate cost savings and enhance operational efficiencies. The Company's European manufacturing facility is based in Leipzig, Germany where Prima BioMed benefits from a significant funding grant from the Saxony Development Bank to carry out its CVac development program in Europe.

No other matter or circumstance has arisen since June 30, 2014 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations or the consolidated entity's state of affairs in future financial years.

NOTE 27. RECONCILIATION OF LOSS AFTER INCOME TAX TO NET CASH USED IN OPERATING ACTIVITIES

	Consolidated		
	June 30, 2014 A$	June 30, 2013 A$	June 30, 2012 A$
Loss after income tax expense for the year	(13,343,381)	(15,225,671)	(19,940,960)
Adjustments for:			
Depreciation and amortisation	446,360	254,024	377,299
(Decrease)/increase in income tax payable	(10,077)	27,065	—
Add back share based payments	57,309	189,524	303,412
Add back loss on disposal of assets	—	—	64,679
Unrealised gain on exchange through the profit and loss	(908,594)	(1,446,771)	(116,473)
Change in operating assets and liabilities:			
Decrease/(increase) in trade and other receivables	4,071	79,907	(244,485)
Decrease in inventories	—	191,726	22,620
Decrease/(increase) in other operating assets	297,320	809,055	(1,499,729)
(Decrease)/increase in trade and other payables	(816,276)	627,971	369,371
Increase/(decrease) in employee benefits	79,821	(88,926)	55,153
(Decrease)/increase in derivative financial instruments	(33,714)	(1,455,030)	1,488,744
Net cash used in operating activities	**(14,227,161)**	**(16,037,126)**	**(19,120,369)**

NOTE 28. EARNINGS PER SHARE

	Consolidated		
	June 30, 2014 A$	June 30, 2013 A$	June 30, 2012 A$
Loss after income tax	(13,343,381)	(15,225,671)	(19,940,960)
Loss after income tax attributable to the owners of Prima BioMed Ltd	**(13,343,381)**	**(15,225,671)**	**(19,940,960)**
	Number	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	1,220,083,929	1,075,381,168	1,037,618,752
Weighted average number of ordinary shares used in calculating diluted earnings per share	1,220,083,929	1,075,381,168	1,037,618,752
	Cents	Cents	Cents
Basic earnings per share	(1.09)	(1.42)	(1.92)
Diluted earnings per share	(1.09)	(1.42)	(1.92)

Information concerning other notes and options issued:

The following table summarizes the convertible notes, listed options and unlisted options that were not included in the calculation of weighted average number of ordinary shares because they are anti-dilutive for the periods presented.

	Consolidated	
	June 30, 2014 A$	June 30, 2013 A$
Listed options	77,378,696	77,378,699
Unlisted options	16,942,441	47,519,149

NOTE 29. SHARE-BASED PAYMENTS

a) Executive Incentive Plan (EIP)

Equity incentives are granted under the Executive Incentive Plan (EIP) which was approved by shareholders at the 2012 Annual General Meeting. In light of our increasing operations globally the Board reviewed the Company's incentive arrangements to ensure that it continued to retain and motivate key executives in a manner that is aligned with members' interests. As a result of that review, an 'umbrella' EIP was adopted to which eligible executives are invited to apply for the grant of performance rights and/or options. Equity incentives granted in accordance with the EIP Rules are designed to provide meaningful remuneration opportunities and will reflect the importance of retaining a world-class management team. The Company endeavours to achieve simplicity and transparency in remuneration design, whilst also balancing competitive market practices in the United States, Germany, and Australia.

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

2014 Grant date	Expiry date	Exercise price	Balance at start of the year Number	Granted during the year Number	Exercised during the year Number	Forfeited during the year Number	Balance at end of the year Number	Vested and exercisable at end of the year Number
December 23, 2013	30 June 2018	0.0774	—	1,758,176	—	—	1,758,176	1,172,117
January 24, 2014	30 June 2018	0.0774	—	165,116	—	—	165,116	165,116
Total			—	1,923,292	—	—	1,923,292	1,337,233
Weighted average exercised price		0.0774		0.0774			0.0774	

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

The weighted average share price at the date of exercise of options exercised during the year ended June 30, 2014 was $0.077 (2013 – not applicable). The weighted average remaining contractual life of share options outstanding at the end of the period was 4 years. Options vest in three equal tranches, 33.3% vested on December 31, 2013, 33.3% vested on June 30, 2014, and 33.3% to vest on June 30, 2015. Vesting is contingent upon the employee being continuously employed in good standing through the vesting period. The options are subject to accelerated vesting according to agreed terms in each person's employment contract.

Fair value of options granted

The assessed fair value at grant date of options granted during the year ended June 30, 2014 were $0.028 and $0.037 (2013 – not applicable). The fair value at grant date is determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The model inputs for options granted during the year ended June 30, 2014 included:

- Vested options are exercisable for a period of 36 months after vesting
- exercise price: $0.0774
- grant date: December 23, 2013 and January 24, 2014
- expiry date: June 30, 2018
- share price at grant date: $0.04 and $0.05
- expected price volatility of the Company's shares: 112% and 116%

- expected dividend yield: nil%
- risk-free interest rate: 2.92% and 2.81%

The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

(b) Global Employee Share Option Plan (GESOP)

The establishment of the GESOP Plan was approved by shareholders at the 2011 annual general meeting. The GESOP is designed to provide long-term incentives for employees excluding directors to deliver long-term shareholder returns. Under the plan, participants are granted options based on certain performance standards being met. Participation in the plan is at the board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

Options granted under the plan carry no dividend or voting rights. When exercisable, each option is convertible into one ordinary share. The exercise price of options is based on the volume weighted average price at which the company's shares are traded on the Australian Securities Exchange (ASX) during the seven days up to and including the date of the grant.

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

2014 Grant date	Expiry date	Exercise price	Balance at start of the year Number	Granted during the year Number	Exercised during the year Number	Forfeited during the year Number	Balance at end of the year Number	Vested and exercisable at end of the year Number
November 3, 2011	November 3, 2014	0.279	100,000	—	—	—	100,000	100,000
January 3, 2012	January 3, 2015	0.233	100,000	—	—	—	100,000	100,000
August 1, 2012	August 1, 2015	0.185	1,600,000	—	—	—	1,600,000	450,000
November 16, 2012	August 1, 2015	0.185	1,200,000	—	—	—	1,200,000	1,200,000
February 20, 2013	February 20, 2016	0.173	200,000	—	—	—	200,000	200,000
Total			3,200,000	—	—	—	3,200,000	3,200,000
Weighted average exercised price		0.189		—			0.189	

2013 Grant date	Expiry date	Exercise price	Balance at start of the year Number	Granted during the year Number	Exercised during the year Number	Forfeited during the year Number	Balance at end of the year Number	Vested and exercisable at end of the year Number
November 3, 2011	November 3, 2014	0.279	100,000	—	—	—	100,000	100,000
January 3, 2012	January 3, 2015	0.233	100,000	—	—	—	100,000	100,000
August 1, 2012	August 1, 2015	0.185	—	1,600,000	—	—	1,600,000	450,000
November 16, 2012	August 1, 2015	0.185	—	1,200,000	—	—	1,200,000	—
February 20, 2013	February 20, 2016	0.173	—	200,000	—	—	200,000	—
Total			200,000	3,000,000	—	—	3,200,000	650,000
Weighted average exercised price		0.189		0.184			0.189	

2012 Grant date	Expiry date	Exercise price	Balance at start of the year Number	Granted during the year Number	Exercised during the year Number	Forfeited during the year Number	Balance at end of the year Number	Vested and exercisable at end of the year Number
November 3, 2011	November 3, 2014	0.279	—	100,000	—	—	100,000	—
January 3, 2012	January 3, 2015	0.233	—	100,000	—	—	100,000	—
Total			—	200,000	—	—	200,000	—
Weighted average exercised price		0.256		0.256			0.256	

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

There were no share options exercised during the year (2013—not applicable and 2012—$0.256). The weighted average remaining contractual life of share options outstanding at the end of the period was 1 year (2013—2 years). Options vested after a period of twelve months from the grant date.

Fair value of options granted

There were no options granted during the year ended June 30, 2014 (2013 - $0.06 and $0.07 cents and 2012—$0.08 per option). The fair value at grant date is determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The model inputs for options granted during the year ended June 30, 2013 included:

- Vested options are exercisable for a period of 24 months after vesting
- exercise price: $0.185 and $0.173 and $0.233 (2012—$0.279 and $0.233)
- grant date: August 1, 2012, November 16, 2012, and February 20, 2013 (2012—November 3, 2011 and January 3, 2012)
- expiry date: August 1, 2015 and February 20, 2016 (2012—November 3, 2014 and January 3, 2015)
- share price at grant date: $0.12 and $0.13 (2012—$0.17 and $0.16)
- expected price volatility of the company's shares: 91% and 89% (2012—96% and 97%)
- expected dividend yield: nil% (2012 – nil%)
- risk-free interest rate: 2.59%, 2.51%, and 2.88% (2012—3.79% and 3.29%)

The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

(c) Employee Share Option Plan (ESOP)

The establishment of the ESOP Plan was approved by shareholders on April 30, 2010. The company has ceased to issue options under the ESOP. The ESOP was designed to provide long-term incentives for employees excluding directors to deliver long-term shareholder returns. Under the plan, participants were granted options based on certain performance standards being met. Participation in the plan was at the board's discretion and no individual had a contractual right to participate in the plan or to receive any guaranteed benefits. Options under the ESOP vested on grant date.

Options granted under the ESOP carried no dividend or voting rights. Each options granted under the ESOP is convertible into one ordinary share. The exercise price of options granted under the ESOP is $0.10 per option.

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

2014 Grant date	Expiry date	Exercise price	Balance at start of the year Number	Granted during the year Number	Exercised during the year Number	Forfeited during the year Number	Balance at end of the year Number	Vested and exercisable at end of the year Number
August 26, 2011	August 26, 2014	0.10	500,000	—	—	—	500,000	500,000
Total			500,000	—	—	—	500,000	500,000
Weighted average exercised price		0.10					0.10	0.10

2013 Grant date	Expiry date	Exercise price	Balance at start of the year Number	Granted during the year Number	Exercised during the year Number	Forfeited during the year Number	Balance at end of the year Number	Vested and exercisable at end of the year Number
August 26, 2011	August 26, 2014	0.10	500,000	—	—	—	500,000	500,000
Total			500,000	—	—	—	500,000	500,000
Weighted average exercised price		0.10					0.10	0.10

2012 Grant date	Expiry date	Exercise price	Balance at start of the year Number	Granted during the year Number	Exercised during the year Number	Forfeited during the year Number	Balance at end of the year Number	Vested and exercisable at end of the year Number
August 26, 2011	August 26, 2014	0.10	—	2,000,000	1,500,000	—	500,000	500,000
Total			—	2,000,000	1,500,000	—	500,000	500,000
Weighted average exercised price		0.10		0.10	0.10		0.10	0.10

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

The share price at the date of exercise of options exercised during the year ended June 30, 2014 was $nil (2013—$nil and 2012—$0.10). On the remaining contractual life of share options outstanding at the end of the period was 1 year. Options vested immediately on grant date.

Fair value of options granted

There were no options granted during the year ended June 30, 2014 (2013—not applicable and 2012—$0.127 cents). The fair value at grant date is independently determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information, where options are issued to employees of subsidiaries within the group.

d) Options issued to directors with shareholders' approval

At the 2010 annual general meeting, shareholders approved the issue of 34,500,000 options to the directors. Options granted under the plan carry no dividend or voting rights. When exercisable, each option is convertible into one ordinary share. The exercise price of options is $0.20 for 32,500,000 and $0.10 for 2,000,000.

Set out below are summaries of options granted with shareholders approvals:

2014 Grant date	Expiry date	Exercise price	Balance at start of the year Number	Granted during the year Number	Exercised during the year Number	Lapsed during the year Number	Balance at end of the year Number	Vested and exercisable at end of the year Number
December 6, 2010	December 6, 2013	0.20	32,500,000	—	—	(32,500,000)	—	—
December 6, 2010	December 6, 2014	0.10	2,000,000	—	—	—	2,000,000	2,000,000
Total			34,500,000	—	—	(32,500,000)	2,000,000	2,000,000
Weighted average exercised price		0.10	0.194				0.10	0.10

2013 Grant date	Expiry date	Exercise price	Balance at start of the year Number	Granted during the year Number	Exercised during the year Number	Forfeited during the year Number	Balance at end of the year Number	Vested and exercisable at end of the year Number
December 6, 2010	6 December 2013	0.20	32,500,000	—	—	—	32,500,000	32,500,000
December 6, 2010	6 December 2014	0.10	2,000,000	—	—	—	2,000,000	2,000,000
Total			34,500,000	—	—	—	34,500,000	34,500,000
Weighted average exercised price		0.194	0.194				0.194	0.194

32,500,000 options lapsed during the periods.

(e) Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised during the period as part of employee benefit expense were as follows:

	Consolidated	
	June 30, 2014 A$	**June 30, 2013 A$**
Share-based payment expense	**57,309**	**189,524**

NOTE 30. PARENT ENTITY INFORMATION

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

Statement of comprehensive loss

	Parent		
	June 30, 2014 A$	**June 30, 2013 A$**	**June 30, 2012 A$**
Loss after income tax	(15,651,281)	(15,813,154)	(33,498,877)
Total comprehensive loss	**(15,651,281)**	**(15,813,154)**	**(33,498,877)**

Statement of financial position

	Parent	
	June 30, 2014 A$	**June 30, 2013 A$**
Total current assets	20,313,908	29,805,323
Total assets	**20,314,845**	**29,811,104**
Total current liabilities	977,777	1,925,647
Total liabilities	**1,341,709**	**1,931,393**
Equity		
— Contributed equity	149,014,372	142,326,977
— Reserves	2,093,819	2,036,509
— Accumulated losses	(132,135,056)	(116,483,775)
Total equity	**18,973,135**	**27,879,711**

Guarantees of financial support

There are no guarantees entered into by the parent entity.

Contingent liabilities of the parent entity

Refer to note 22 for details in relation to contingent liabilities as at June 30, 2014 and June 30, 2013.

Capital commitments—Property, plant and equipment

The parent entity did not have any capital commitments for property, plant and equipment at as June 30, 2014 and June 30, 2013.

ITEM 19. EXHIBITS

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

EXHIBIT INDEX

		Incorporated by Reference			
Exhibit	**Description**	**Schedule/ Form**	**File Number**	**Exhibit**	**File Date**
1.1	Constitution of Registrant	20-F	001-35428	1.1	2/13/12
2.1	Form of Deposit Agreement between Prima BioMed, The Bank of New York Mellon, as Depositary, and owners and holders from time to time of ADSs issued thereunder, including the Form of American Depositary Shares	20-F	001-35428	2.1	4/2/12
4.3*	Master Services Agreement between Prima BioMed and Cell Therapies Pty Ltd, dated April 1, 2011 (terminated effective October 1, 2013)	20-F	001-35428	4.3	10/3/12
4.4*	Technology License Agreement, among Prima BioMed, Cancer Vac Pty Ltd, Austin Research Institute and Ilexus Pty Ltd, dated May 31, 2001, as amended by Deed of Variation, dated August 24, 2005	20-F	001-35428	4.5	2/13/12
4.4.1	Deed of Novation between The MacFarlane Burnet Institute for Medical Research and Public Health Ltd, Prima BioMed and Cancer Vac Pty Ltd, dated April 18, 2012	20-F	001-35428	4.4.1	10/30/13
4.5*	Cooperation Agreement between Prima BioMed GmbH and Fraunhofer-Gesellschaft zur Förderung der angewandten Forschung e. V., dated July 4, 2012	20-F	001-35428	4.5	12/3/12
4.6*	License and Development Agreement between Cancer Vac Pty Ltd and Biomira, Inc., dated March 9, 2004, as amended by Deed of Variation of License and Development Agreement, dated February 2007	20-F	001-35428	4.7	2/13/12
4.6.1	Termination Agreement between Oncothyreon Inc, Prima BioMed and Cancer Vac Pty Ltd, dated October 2, 2013	20-F	001-35428	4.6.1	10/30/13
4.7*	Collaborative Research Agreement between Prima BioMed and NewSouth Innovations Pty Limited, dated December 17, 2009	20-F	001-35428	4.8	2/13/12
4.8*	Services Agreement between Prima BioMed and Progenitor Cell Therapy LLC, dated May 13, 2009, as amended November 10, 2009 and March 18, 2010	20-F	001-35428	4.11	2/13/12
4.9+	Prima BioMed Employee Share Option Plan	20-F	001-35428	4.12	2/13/12
4.10+	Prima BioMed Global Employee Share Option Plan	20-F	001-35428	4.10	10/3/12
4.11+	Prima Executive Incentive Plan	20-F	001-35428	4.11	10/30/13
4.12+	Amended Employment Agreement between Prima BioMed and Neil Frazer, effective March 31, 2013	20-F	001-35428	4.12	10/30/13
4.13+	Amended Employment Agreement between Prima BioMed and Matthew Bryson Lehman, effective September 1, 2012	20-F	001-35428	4.13	10/30/13
4.13.1+#	Separation Agreement and Release between Prima BioMed and Matthew Bryson Lehman, effective July 9, 2014				
4.14+	Employment Agreement between Prima BioMed and Sharron Gargosky, dated June 1, 2011	20-F	001-35428	4.14	10/3/12
4.15+	Employment Agreement between Prima BioMed and Marc Voigt, effective July 1, 2012	20-F	001-35428	4.15	10/3/12

Exhibit	Description	Incorporated by Reference			
		Schedule/ Form	File Number	Exhibit	File Date
4.15.1+#	Chief Executive Officer Employment Agreement between Prima BioMed and Marc Voigt, effective July 9, 2014				
4.15.2+#	Executive and Business Manager Employment Contract between Prima Biomed GmbH and Marc Voigt, effective July 9, 2014				
4.16+	Employment Agreement between Prima BioMed and Deanne Miller, dated October 13, 2012	20-F	001-35428	4.16	10/30/13
4.16.1+	Variation to Executive Employment Agreement between Prima BioMed and Deanne Miller, effective February 1, 2013	20-F	001-35428	4.16.1	10/30/13
4.16.2+#	Variation to Executive Employment Agreement between Prima BioMed and Deanne Miller, effective August 1, 2014				
4.17+	Deed of Settlement and Release between Prima BioMed and Ian Bangs, dated October 25, 2012	20-F	001-35428	4.17	10/30/13
4.18#**	Transition Services Agreement between Prima BioMed and Cell Therapies Pty Ltd, dated December 1, 2013				
4.19#**	Variation 1 to Transition Services Agreement between Prima BioMed and Cell Therapies Pty Ltd, dated February 26, 2014				
4.20#**	Supply, Distribution and Licensing Agreement between Prima BioMed and Neopharm Ltd., dated February 19, 2014				
12.1#	Certification of the Chief Executive Officer and Chief Financial Officer as required by Rule 13a-14(a) of the Securities Exchange Act of 1934				
13.1#	Certification of the Chief Executive Officer and Chief Financial Officer as required by Rule 13a-14(b) of the Securities Exchange Act of 1934				
16.1	Letter regarding change in certifying accountant	20-F	001-35428	16.1	10/3/12

* Confidential treatment has been granted with respect to certain portions of this exhibit. Omitted portions have been submitted separately with the U.S. Securities and Exchange Commission.

** Confidential treatment has been requested with respect to certain portions of this exhibit. Omitted portions have been submitted separately with the U.S. Securities and Sxchange Commission.

\+ Indicates management contract or compensatory plan.

\# Filed herewith.

In accordance with SEC Release Nos. 33-8238 and 34-47986, Final Rule: Management's Reports on Internal Control Over Financial Reporting and Certification of Disclosure in Exchange Act Periodic Reports, and the instructions to Form 20-F, the certifications furnished in Exhibits 13.1 and 13.2 hereto are deemed to accompany this Annual Report on Form 20-F and will not be deemed "filed" for purpose of Section 18 of the Exchange Act. Such certifications will not be deemed to be incorporated by reference into any filing under the Securities Act or the Exchange Act, except to the extent that we specifically incorporates it by reference.

SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

PRIMA BIOMED LTD

/s/ Marc Voigt

By: Marc Voigt

Title: Chief Executive Officer and Chief Financial Officer

Date: September 24, 2014