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Immutep Ltd.

Buy

Price Target Change

Volatility: 5

Immutep's Vindication and the Next Chapter in LAG-3 Immunotherapy — PT to $9 from $6

(NASDAQ: IMMP)	
Price	$4.84
52 Week Range	($1.03 - $7.95)
Price Target	**$9.00**
Market Cap (mil)	$349.30
Exchange rate	1US$ = 1.29 AUD
Shares out (mil)	72.17
3-Mo Avg Vol	2,741,174
Cash per share	$0.60
Total Debt (mil)	AUD9.45

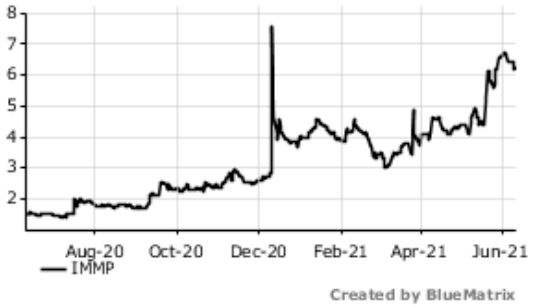
Shares out (mil): 10:1 Common Share to ADS Ratio

Revenues (thousands) AUD

Yr Jun	2020A	2021E		2022E	
	Actual	Curr	Prev	Curr	Prev
Dec	7A	0A	–	0E	–
YEAR	7A	0E	–	0E	–

EPS AUD

Yr Jun	2020A	2021E		2022E	
	Actual	Curr	Prev	Curr	Prev
Dec	(0.16)A	(0.38)A	–	(0.30)E	–
YEAR	(0.34)A	(0.70)E	–	(0.59)E	–



At this year's ASCO (June 4-8) Immutep's development pipeline has landed itself squarely (and in our view favorably) in the midst of several industry hot topics, including: potential use cases for immunotherapy only (IO-IO) combos in place of combinations with chemotherapy (chemo-IO) for various solid tumor indications, the meaningfulness of progression- or disease-free survival (PFS and DFS) as clinical endpoints relative to overall survival (OS), and the rise of LAG-3 as a critical immune checkpoint of note beyond PD-1/PD-L1 and CTLA-4 as Immutep has long foretold (following target validation in the Phase 3 RELATIVITY-047 study of a LAG-3 asset). Between the conference itself and further discussion via a webcast presentation after yesterday's close, Immutep provided updated data from the Phase 2 TACTI-002 study (1st-line NSCLC and 2nd-line HNSCC cohorts) of lead candidate eftilagimod alpha (efti, soluble LAG-3 protein acting as an immune activator) + pembrolizumab (pembro), as well as final results from the Phase 1 INSIGHT-004 study of efti + avelumab in a mix of solid tumor settings. We believe TACTI-002 data were especially impactful, as median PFS findings in both NSCLC and HNSCC was presented for the first time with results that appear very competitive (as detailed below) — something the Street appears to have overlooked in the deluge of ASCO data over the last several days. As a result, we believe there is now sufficient evidence to warrant the inclusion of revenues for efti + pembro as a frontline treatment option for metastatic NSCLC (where we believe benefit is greatest relative to peers) in our model. We maintain our BUY rating and increase our 12-month price target to $9.00/ADS from $6.00/ADS.

- **Frontline, metastatic NSCLC (Part A, Stages 1 and 2).** Comprised of a fairly balanced (squamous vs. non-squamous), better performance status Stage 1 and a squamous-heavy, older Stage 2, Immutep reported updated data from Part A of TACTI-002 as a composite population of 36 patients at ASCO 2021. A 42% ORR was observed by blinded independent review (up from 36% by local investigator read in the same number of patients as of SITC this past November) that ranged from 32% to 54% depending on PD-L1 expression status. Perhaps most importantly, median PFS was 8.2 months among all patients (11.8 months for patients with ≥50% PD-L1 expression, n=13, and 4.1 months for those with <1% expression), which we find rather impressive for a more tolerable IO-IO regimen. For comparison, in a case-based panel on the topic of checkpoint inhibitor combination therapy for frontline, advanced NSCLC at this year's ASCO, polled physicians consistently indicated that they would choose to use chemotherapy + pembro (chemo-IO) over PD-1/PD-L1 therapy alone or the emerging IO-IO combo of nivolumab (nivo) + ipilimumab (ipi), except in cases where PD-L1 expression was quite high (closer to 80 or 90%, rather than 40-60% or lower) or there were express tolerability concerns for a given patient. Pembro + chemo has demonstrated a median PFS of 8.8 months and ORR of 48% in frontline, non-squamous, metastatic NSCLC regardless of PD-L1 expression (pembro + pemetrexed + platinum chemo in KEYNOTE-189), as well as a median PFS of 6.4 months and ORR of 58% in frontline, squamous, metastatic NSCLC regardless of PD-L1 expression (pembro + carboplatin + paclitaxel in KEYNOTE-407). Accordingly, we believe an 8.2 month median PFS for efti + pembro that is on par with the pembro + chemo regimens preferred by practicing physicians is a significant point of differentiation, as the former's high degree of tolerability (safety table and comparison in Exhibits 1 and 2) may persuade more practitioners to consider an IO-IO therapy regardless of PD-L1 expression status. Additionally, should physicians continue to reserve IO-IO therapy for patients with very high PD-L1 expression, the 11.8 months median PFS for efti + pembro may serve as the most relevant benchmark as of this data cut. Finally, while prescriber's may be more reluctant to prescribe nivo + ipi in this setting, updated data for the combination (with and without added chemo) were presented at ASCO as well, stemming from the CheckMate 227 and CheckMate 9LA studies. Overall median PFS was 6.7 months (ranging from 5.8-7.5 months depending on PD-L1 expression status) for nivo + ipi + chemo in CheckMate 9LA, compared to median PFS figures of 5.1-6.7 months for nivo + ipi in CheckMate 227 (again across PD-L1 stratifications, see Exhibit 3).

Valuation:

Our new, 12-month price target of $9.00/ADS (up from $6.00/ADS) is derived from a standard DCF valuation analysis in which we project cash flows out to fiscal 2029 with an assumed 2% terminal growth rate, discounted back at 33% over 8 years (please refer to our Discounted Cash Flow analysis in the Financial Tables section of this report). The driving factor behind our price target revision is the inclusion of estimated revenues for eftilagimod alpha as a frontline treatment for metastatic NSCLC, for which we project peak U.S. annual sales of $342M in fiscal 2029 (accounting for ~34% of our total revenue estimate for Immutep in fiscal 2029), following an anticipated launch in fiscal 2025.

Risks to achievement of target price:

Clinical/regulatory risk: Though Immutep has already presented encouraging initial data in several solid tumor settings, this does not guarantee future clinical outcomes will prove positive. Should Immutep successfully complete all required clinical work sufficient to file for marketing approval of one or more product candidates the FDA, and regulatory agencies in any other pursued geographies, may choose not to approve Immutep's eftilagimod alpha or other product candidates, or may approve them with a label that is not ideal for the company's commercialization strategy. Additionally, any negative outcomes associated with ongoing or future clinical trials for candidates in Immutep's pipeline, including delays to expected clinical timelines or study protocol modifications resulting from the COVID-19 global pandemic, could have a materially detrimental effect on the company's stock price.

Commercial/competitive risk: Assuming that Immutep receives regulatory approval for eftilagimod alpha and/or other product candidates in one or more indications, the company may not be able to achieve the favorable pricing and market penetration needed to meet our revenue estimates. Though we believe eftilagimod alpha may have broad applicability in the treatment of oncology indications if clinical outcomes continue to prove favorable, Immutep still has significant clinical work ahead to confirm the potential benefits of its LAG-3 based therapeutics relative to existing treatment options. If ultimately approved, displacing these existing treatment patterns may also prove more difficult than anticipated by current data and company estimates alone.

Financial risk: Immutep has sufficient cash to carry it through fiscal 2H:22 by our estimates, but future capital demands may exceed our current expectations. The company may require additional sources of capital to fund the clinical development of eftilagimod alpha or other clinical pipeline projects depending on clinical and pre-clinical trial outcomes. Failure to secure needed financing to complete this work through the capital markets, partnerships, or grants may have significant consequences for company revenue estimates and the stock. Should the company choose to raise capital through future public offerings, investors may face dilution of their holdings.

- **2nd-line HNSCC (Part C).** In another first instance of median PFS reporting, 2nd-line HNSCC patients (platinum experienced) in TACTI-002 Part C exhibited 4.1 months for those with PD-L1 expression ≥1% per CPS (n=24) and 2.1 months for the study population as a whole (n=37). The 4.1-month median PFS figure for ≥1% expressors (realistically where efti + pembro would be employed) is nearly double that of pembro monotherapy (at 2.1-2.2 months regardless of PD-L1 classification), chemo, or nivo (all of which fall in a tight band as single agents). ORRs for efti + pembro were 2-3x higher than these same benchmark therapies at 36% overall (n=31 evaluable) and 46% (n=24) for patients with ≥1% PD-L1 expression (compared to ORRs of 10-17% for the aforementioned monotherapies). Likely the most significant finding for patients and physicians was the median OS of 12.6 months for efti + pembro regardless of PD-L1 expression (n=24), vs. an average of 8 months for these same comparators (8.4-8.7 months for pembro monotherapy) – especially in light of continued debate over the meaningfulness of PFS and DFS as measures of clinical benefit and their surrogacy for OS. All of this taken into account, we are not currently ascribing revenues for efti + pembro in HNSCC in our modeling as the positioning of this combo is still to be finalized as Immutep follows the data where they lead. These compelling outcomes in Part C of TACTI-002 likely influenced the FDA's decision to grant efti Fast Track Designation in frontline, recurrent/metastatic HNSCC this April, and Merck's (MRK; not rated) to collaborate on the TACTI-003 study of efti + pembro in the same setting. As such, we believe this indication leaves considerable opportunity for additional upside beyond our present estimates, pending Immutep's commitment to an approval path in this tumor type.
- **INSIGHT-004, INSIGHT-005, and beyond.** A more exploratory but nevertheless meaningful program, the Phase 1 INSIGHT-004 study of efti + avelumab in various solid tumors demonstrated a final ORR of 42% (n=12) at ASCO 2021, and while next steps for this combination have not yet been disclosed, Immutep announced earlier this month that another INSIGHT study cohort (INSIGHT-005) would be initiated in calendar 2H:21. INSIGHT-005 will assess the combination of efti + bintrafusp alfa (M7824), an investigational fusion protein immunotherapy designed to inhibit PD-L1 and TGF-β, again in various solid tumors (beginning with 12 patients). Additionally, Immutep unveiled a collaboration agreement with Cardiff University this week to develop a low-cost, oral, anti-LAG-3 antibody (in the same vein as Bristol-Myers Squibb's [BMY; not rated] IV-administered relatlimab), suggesting Immutep is doubling down on the future of LAG-3 therapy and its dominant positioning therein.
- **RELATIVITY-047 takeaways.** Lastly, while we and Immutep have underscored the mechanistic differences between Bristol-Myers' anti-LAG-3 antibody relatlimab and APC activator efti, the detailed data presentation from RELATIVITY-047 (the first successful Phase 3 trial of a LAG-3 asset in oncology) at this year's ASCO was undoubtedly a windfall for Immutep as well. The combination of relatilimab + nivo in frontline, advanced melanoma displayed a standout median PFS of 12.6 months in patients with ≥1% LAG-3 expression (n=537) vs. 4.8 months for nivo alone (median PFS of 4.8 months and 2.8 months in LAG-3 non-expressors [n=177] for relatlimab + nivo and nivo monotherapy, respectively), thereby demonstrating a highly statistically significant improvement in PFS (though OS data is not yet available) and confirming the relevance of LAG-3 in that equation.

Exhibit 1: Efti + Pembro Safety Tables from Part A of TACTI-002

Table 1: Treatment-emergent adverse events occurring ≥15 %*

Adverse event by PT	Any grade N (%)	Grade 3 N (%)	Grade 4/5 N (%)
Asthenia	18 (34.6)	2 (3.8)	-
Cough	15 (28.8)	1 (1.9)	-
Dyspnoea	15 (28.8)	7 (13.5)	-
Decreased appetite	13 (25.0)	1 (1.9)	-
Fatigue	12 (23.2)	-	-
Diarrhoea	11 (21.2)	1 (1.9)	-
Pruritus	11 (21.2)	-	-
Constipation	10 (19.2)	-	-
Anaemia	10 (19.2)	2 (3.8)	-
Back pain	8 (15.4)	2 (3.8)	-
Nausea	8 (15.4)	-	-

Table 2: General overview adverse events*

Safety parameter	N (%)
Patients with any TEAE	48 (92.3)
Patients with any SAE	18 (34.6)
thereof related to efti/pembro	3 (5.8) / 3 (5.8)
Patients with any grade ≥3 TEAE	27 (51.9)
thereof related to efti/pembro	4 (7.7) / 5 (9.6)
Patients with fatal TEAEs	5 (9.6)
thereof related to efti /pembro	0
Patients with TEAEs leading to discontinuation of any study treatment	6 (11.5)
thereof related to efti /pembro	3 (5.8) / 2 (3.8)

* - Safety is displayed for all patients (n=52) recruited who received ≥1 treatment

Source: Company presentation (ASCO, June 2021).

Exhibit 2: Tolerability Comparison for Efti + Pembro vs. Other Regimens for Advanced NSCLC

Summary TACTI-002
(N=115 in total)

- No (0%) treatment-related death
- 4 (3.5%) subjects with treatment (efti and/or pembro) related adverse events leading to discontinuation
- 57 pts (49.6%) had ≥ 1 adverse events ≥ grade 3
- No new safety signals of this combination identified until cut-off

Selected safety aspects of other treatment regimens

Regimen[2]	Treatment related adverse events leading to discontinuation	Treatment related adverse events leading to death
Double Chemo	8-22%	1-6%
Ipi + Nivo	20%	< 2%
Chemo + Pembro	23-33%	3-8%
Pembro alone	10-15%	< 2%

Source: Company presentation (June 2021).

Exhibit 3: Efficacy Outcomes for Nivo + Ipi, Nivo + Chemo, and Nivo Monotherapy in CheckMate 227

	PD-L1 ≥ 1%			PD-L1 ≥ 50%			PD-L1 < 1%		
	NIVO + IPI (n = 396)	NIVO (n = 396)	Chemo (n = 397)	NIVO + IPI (n = 205)	NIVO (n = 214)	Chemo (n = 192)	NIVO + IPI (n = 187)	NIVO + chemo (n = 177)	Chemo (n = 186)
ORR, %	36.4	27.5	30.0	45.4	36.9	35.4	27.3	37.9	23.1
Median PFS, months (95% CI)	5.1 (4.07-6.31)	4.2 (3.02-5.32)	5.6 (4.63-5.82)	6.7 (4.53-11.1)	5.6 (4.17-8.34)	5.6 (4.57-6.60)	5.1 (3.52-6.37)	5.6 (4.63-6.90)	4.7 (4.21-5.59)
HR vs chemo (95% CI)	0.81 (0.68-0.96)	0.98 (0.83-1.15)	–	0.60 (0.47-0.76)	0.72 (0.57-0.90)	–	0.74 (0.58-0.94)	0.72 (0.57-0.91)	–
4-year PFS rate, %	14	10	4	20	14	1	12	7	NA

NA, not applicable; no patients at risk at 4 years.

Source: Paz-Ares, et al., Nivolumab (NIVO) plus ipilimumab (IPI) versus chemotherapy (chemo) as first-line (1L) treatment for advanced non-small cell lung cancer (NSCLC): 4-year update from CheckMate 227, (ASCO, June 2021).

FINANCIAL TABLES

IMMP Income Statement, with Projections				*Projections are shaded light gray*												
($ AU, in thousands; FY end June)	2018A	2019A	2020A	1H:21A	2H:21E	2021E	1H:22E	2H:22E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E
Operating Revenue																
Product Sales	-	-	-	-	-	-	-	-	-	12,331	124,330	338,491	604,579	894,702	1,116,772	1,293,117
Milestone Revenues	2,630	140	7,486	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL Revenue	**2,630**	**140**	**7,486**	**-**	**-**	**-**	**-**	**-**	**-**	**12,331**	**124,330**	**338,491**	**604,579**	**894,702**	**1,116,772**	**1,293,117**
Operating costs and expenses																
Cost of products sold	-	-	-	-	-	-	-	-	-	1,850	18,649	50,774	84,641	116,311	134,013	142,243
Depreciation and amortization	1,809	1,879	2,080	1,053	934	1,987	1,314	1,216	2,530	3,892	5,867	8,093	10,690	13,798	17,576	22,219
Research and development	9,990	16,591	20,396	8,437	11,812	20,250	10,985	12,633	23,619	20,784	22,863	28,579	40,010	60,015	87,022	104,426
Selling, general and administrative	7,242	6,366	6,336	3,117	3,740	6,856	3,553	3,908	7,461	11,192	14,549	17,459	24,442	36,663	47,662	54,812
TOTAL Operating Expenses	**20,098**	**24,872**	**27,753**	**22,104**	**17,148**	**39,252**	**16,535**	**18,591**	**35,126**	**39,461**	**63,933**	**107,210**	**162,435**	**229,837**	**289,780**	**327,733**
TOTAL Operating Income (Loss)	**(17,467)**	**(24,732)**	**(20,267)**	**(22,104)**	**(17,148)**	**(39,252)**	**(16,535)**	**(18,591)**	**(35,126)**	**(27,130)**	**60,396**	**231,282**	**442,144**	**664,865**	**826,993**	**965,385**
Other income (expense):																
Grant income	3,214	4,342	5,973	2,019	-	2,019	-	-	-	-	-	-	-	-	-	-
Interest income	177	397	200	48	100	147	73	119	192	365	210	432	1,861	4,227	7,653	12,114
Interest expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous income	1,009	1,155	280	194	-	194	-	-	-	-	-	-	-	-	-	-
Total Other Income (Expenses)	**4,723**	**6,388**	**6,799**	**2,260**	**100**	**2,360**	**73**	**119**	**192**	**365**	**210**	**432**	**1,861**	**4,227**	**7,653**	**12,114**
Profit or Loss Before Taxes	**(12,744)**	**(18,344)**	**(13,468)**	**(19,844)**	**(17,048)**	**(36,892)**	**(16,462)**	**(18,472)**	**(34,934)**	**(26,765)**	**60,606**	**231,714**	**444,005**	**669,092**	**834,645**	**977,498**
Income tax (expense) / gain	2	-	0	0	-	-	-	-	-	-	-	4,579	122,101	184,000	229,527	268,812
Net Profit or Loss	**(12,746)**	**(18,344)**	**(13,468)**	**(19,844)**	**(17,048)**	**(36,892)**	**(16,462)**	**(18,472)**	**(34,934)**	**(26,765)**	**60,606**	**227,135**	**321,904**	**485,092**	**605,118**	**708,686**
Basic weighted average common shares	2,608,328	3,225,576	400,980	518,124	525,896	525,896	552,562	587,918	587,918	602,615	632,746	664,384	697,603	732,483	769,107	807,562
Diluted weighted average common shares	2,608,328	3,225,576	400,980	518,124	525,896	525,896	552,562	587,918	587,918	602,615	632,746	664,384	697,603	732,483	769,107	807,562
Basic net (loss) / income per common share $	**(0.00)**	**(0.01)**	**(0.03)**	**(0.04)**	**(0.03)**	**(0.07)**	**(0.03)**	**(0.03)**	**(0.06)**	**(0.04)**	**0.10**	**0.34**	**0.46**	**0.66**	**0.79**	**0.88**
Diluted net (loss) / income per common share $	**(0.00)**	**(0.01)**	**(0.03)**	**(0.04)**	**(0.03)**	**(0.07)**	**(0.03)**	**(0.03)**	**(0.06)**	**(0.04)**	**0.10**	**0.34**	**0.46**	**0.66**	**0.79**	**0.88**
Basic net (loss) / income per ADR $	**(0.49)**	**(0.57)**	**(0.34)**	**(0.38)**	**(0.32)**	**(0.70)**	**(0.30)**	**(0.31)**	**(0.59)**	**(0.44)**	**0.96**	**3.42**	**4.61**	**6.62**	**7.87**	**8.78**
Diluted net (loss) / income per ADR $	**(0.49)**	**(0.57)**	**(0.34)**	**(0.38)**	**(0.32)**	**(0.70)**	**(0.30)**	**(0.31)**	**(0.59)**	**(0.44)**	**0.96**	**3.42**	**4.61**	**6.62**	**7.87**	**8.78**

Source: Company reports and Alliance Global Partners projections.

IMMP Balance Sheet, with Projections				*Projections are shaded light gray*										
($ AU, in thousands; FY end June)	2018A	2019A	2020A	1H:21A	2021E	1H:22E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E
ASSETS														
Cash and cash equivalents	23,476	16,568	26,322	54,880	40,306	65,480	49,133	28,205	58,105	250,403	568,749	1,029,578	1,629,785	2,346,155
Short-term investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restricted cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Prepaid and other current assets	1,736	1,780	1,536	2,082	1,611	1,528	1,746	1,962	3,169	5,329	8,075	11,425	14,366	16,292
Accounts receivable	3,432	5,194	3,294	5,305	4,985	6,265	7,544	4,054	30,573	64,916	82,819	122,562	152,565	177,139
Inventories	-	-	-	-	-	-	-	1,216	9,172	19,475	23,189	31,866	36,615	38,971
TOTAL current assets	**28,643**	**23,542**	**31,152**	**62,267**	**46,902**	**73,272**	**58,424**	**35,437**	**101,020**	**340,123**	**682,832**	**1,195,431**	**1,833,331**	**2,578,556**
Property and equipment, net	26	53	49	42	35	29	83	158	238	328	433	559	712	900
Intangibles	18,329	16,947	15,195	13,875	12,670	11,569	10,565	8,809	7,345	6,125	5,107	4,258	3,551	2,961
Long-term investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restricted cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL long-term assets	**18,356**	**17,000**	**15,244**	**13,917**	**12,705**	**11,598**	**10,648**	**8,967**	**7,583**	**6,452**	**5,540**	**4,817**	**4,262**	**3,860**
TOTAL assets	**46,999**	**40,541**	**46,597**	**76,474**	**59,897**	**85,160**	**69,361**	**44,693**	**108,892**	**346,865**	**688,661**	**1,200,538**	**1,837,883**	**2,582,707**
LIABILITIES														
Accounts payable	3,664	5,060	2,934	4,781	3,770	3,576	4,087	4,592	7,419	12,475	18,901	26,744	33,627	38,136
Employee benefits	190	239	300	222	240	252	260	273	287	301	316	332	348	366
TOTAL current liabilities	**3,853**	**5,299**	**3,364**	**5,215**	**4,222**	**4,040**	**4,560**	**5,077**	**7,918**	**12,988**	**19,430**	**27,288**	**34,188**	**38,714**
Convertible note liability	6,646	7,643	8,789	9,446	10,155	10,916	11,735	9,388	3,755	-	-	-	-	-
Warrant liability	2,945	3,164	950	958	1,006	1,057	1,110	888	533	320	80	-	-	-
Employee benefits	32	48	62	70	62	62	62	62	62	62	62	62	62	62
Other liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL liabilites	**13,477**	**16,154**	**13,298**	**15,783**	**15,538**	**16,168**	**17,559**	**15,508**	**12,361**	**13,463**	**19,664**	**27,443**	**34,343**	**38,869**
TOTAL stockholders' equity (deficit)	**33,522**	**24,388**	**33,299**	**60,691**	**44,358**	**68,992**	**51,802**	**29,185**	**96,531**	**333,403**	**668,997**	**1,173,095**	**1,803,540**	**2,543,838**
Total liabilities and stockholders' equity	**46,999**	**40,541**	**46,597**	**76,474**	**59,897**	**85,160**	**69,361**	**44,693**	**108,892**	**346,865**	**688,661**	**1,200,538**	**1,837,883**	**2,582,707**
End of period shares used in computation (thousands)	2,608,328	3,225,576	400,980	518,124	525,896	579,229	587,918	617,313	648,179	680,588	714,617	750,348	787,866	827,259
SELECTED METRICS														
Current ratio	7.43x	4.44x	9.26x	11.94x	11.11x	18.13x	12.81x	6.98x	12.76x	26.19x	35.14x	43.81x	53.62x	66.61x
Working capital	$24,790	$18,243	$27,788	$57,053	$42,679	$69,232	$53,864	$30,360	$93,101	$327,135	$663,402	$1,168,143	$1,799,143	$2,539,842
Book value per share	$0.01	$0.01	$0.08	$0.12	$0.08	$0.12	$0.09	$0.05	$0.15	$0.49	$0.94	$1.56	$2.29	$3.08
Cash, cash equivalents and current investment	$23,476	$16,568	$26,322	$54,880	$40,306	$65,480	$49,133	$28,205	$58,105	$250,403	$568,749	$1,029,578	$1,629,785	$2,346,155
Cash, cash equivalents and all investment	$23,476	$16,568	$26,322	$54,880	$40,306	$65,480	$49,133	$28,205	$58,105	$250,403	$568,749	$1,029,578	$1,629,785	$2,346,155
Cash, cash equivalents/common share	$0.01	$0.01	$0.07	$0.11	$0.08	$0.11	$0.08	$0.05	$0.09	$0.37	$0.80	$1.37	$2.07	$2.84
Debt														
Debt to (stockholder's) equity ratio														

Source: Company reports and Alliance Global Partners projections.

IMMP Cash Flow Statement, with Projections	*Projections are shaded light gray*											
($ AU, in thousands; FY end June)	2018A	2019A	2020A	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E
OPERATING ACTIVITIES												
Net Profit / (Loss)	(12,746)	(18,344)	(13,468)	(36,892)	(34,934)	(26,765)	60,606	227,135	321,904	485,092	605,118	708,686
Reconciliation of net loss to net cash:												
Depreciation and amortization	1,809	1,879	2,080	1,987	2,530	3,892	5,867	8,093	10,690	13,798	17,576	22,219
Stock-based compensation expense	2,264	1,582	1,724	1,748	2,005	2,063	2,413	2,970	4,157	6,236	8,688	10,271
Change in fair value of convertible note liability	867	997	1,146	1,366	1,580	(2,347)	(5,633)	(3,755)	-	-	-	-
Change in fair value of warrants	190	(961)	(2,215)	57	103	(222)	(355)	(213)	(240)	(80)	-	-
Changes in operating assets and liabilities:												
Account receivables	(1,238)	(1,762)	1,900	(1,691)	(2,559)	3,490	(26,519)	(34,343)	(17,903)	(39,743)	(30,003)	(24,575)
Inventories	-	-	-	-	-	(1,216)	(7,956)	(10,303)	(3,714)	(8,677)	(4,749)	(2,355)
Prepaid expenses and other current assets	(247)	(44)	244	(74)	(136)	(215)	(1,208)	(2,160)	(2,745)	(3,351)	(2,940)	(1,926)
Accounts payable	1,075	1,397	(2,126)	836	317	504	2,827	5,056	6,426	7,843	6,883	4,508
Change in employee benefits	158	64	76	(52)	20	13	14	14	15	16	17	17
NET OPERATING CASH FLOWS	**(7,777)**	**(15,286)**	**(10,839)**	**(32,716)**	**(31,073)**	**(20,803)**	**30,057**	**192,493**	**318,590**	**461,134**	**600,588**	**716,847**
INVESTING ACTIVITIES												
Purchase of property and equipment	(12)	(41)	(19)	(38)	(100)	(125)	(156)	(195)	(244)	(305)	(381)	(477)
Purchases of investments	-	-	-	-	-	-	-	-	-	-	-	-
Maturities of investments	-	-	-	-	-	-	-	-	-	-	-	-
NET INVESTING CASH FLOWS	**(12)**	**(41)**	**(19)**	**(38)**	**(100)**	**(125)**	**(156)**	**(195)**	**(244)**	**(305)**	**(381)**	**(477)**
FINANCING ACTIVITIES												
Net proceeds from the issuance of common stock and options	16,968	4,871	22,031	-	40,000	-	-	-	-	-	-	-
Share issue transaction costs	(1,319)	(773)	(1,475)	-	-	-	-	-	-	-	-	-
Others	-	-	(78)	-	-	-	-	-	-	-	-	-
NET FINANCING CASH FLOWS	**18,405**	**8,013**	**20,478**	**-**	**40,000**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Net increase (decrease) in cash and cash equivalents	**10,616**	**(7,315)**	**9,619**	**(32,754)**	**8,827**	**(20,928)**	**29,901**	**192,297**	**318,346**	**460,829**	**600,207**	**716,370**
Cash and cash equivalents at beginning of year or period	12,237	23,476	16,568	26,322	40,306	49,133	28,205	58,105	250,403	568,749	1,029,578	1,629,785
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	**23,476**	**16,568**	**26,322**	**40,306**	**49,133**	**28,205**	**58,105**	**250,403**	**568,749**	**1,029,578**	**1,629,785**	**2,346,155**

Source: Company reports and Alliance Global Partners projections.

IMMP Discounted Cash Flow Analysis

($ AU, in thousands; FY end June)	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	Terminal Value
EBIT	(39,252)	(35,126)	(27,130)	60,396	231,282	442,144	664,865	826,993	965,385	
Effective Tax Rate	*0%*	*0%*	*0%*	*0%*	*2%*	*28%*	*28%*	*28%*	*28%*	
Tax	-	-	-	-	4,579	122,101	184,000	229,527	268,812	
EBIT after tax	(39,252)	(35,126)	(27,130)	60,396	226,703	320,042	480,865	597,465	696,573	
Add: Depreciation and amortization	3,736	4,535	5,954	8,280	11,062	14,848	20,034	26,264	32,491	
Add: Changes in working capital	(982)	(2,358)	2,576	(32,841)	(41,736)	(17,921)	(43,911)	(30,793)	(24,330)	
Less: Capex	38	100	125	156	195	244	305	381	477	
Free cash flow to the firm (FCFF)	**(36,536)**	**(33,049)**	**(18,725)**	**35,679**	**195,834**	**316,724**	**456,682**	**592,554**	**704,256**	**2,316,924**
Time period (years)	-	1	2	3	4	5	6	7	8	8
PV Factor	1.000	0.752	0.565	0.425	0.320	0.240	0.181	0.136	0.102	0.102
Discounted FCFF	**(36,536)**	**(24,848)**	**(10,585)**	**15,164**	**62,579**	**76,095**	**82,494**	**80,477**	**71,914**	**236,588**

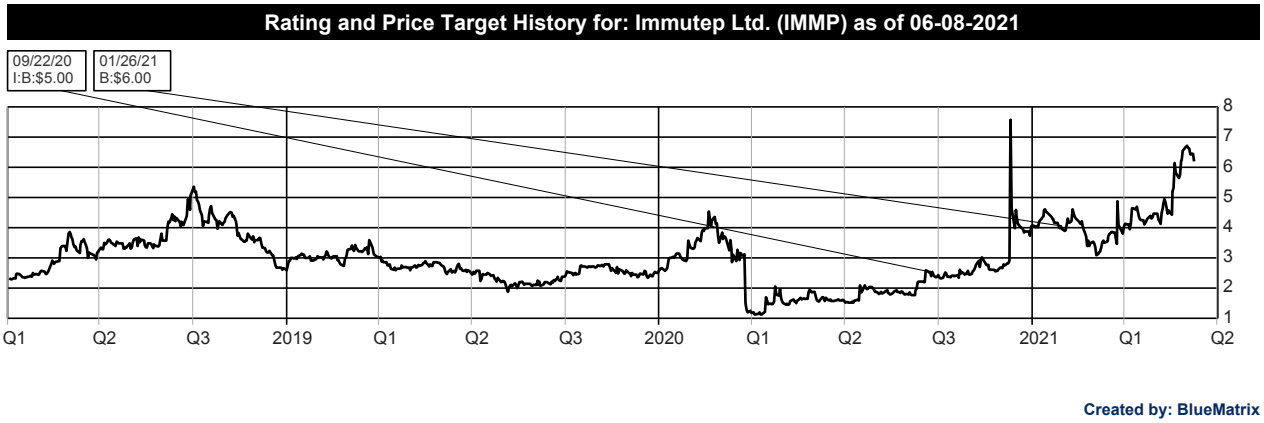
Terminal Value and NPV Worksheet ($ AU, thousands)	
Discounted FCFF (Fiscal 2022-2029)	353,291
Terminal Value	236,588
Implied Enterprise Value	**589,878**
Less: Net Debt \ (Cash)	(30,152)
Add:Investments	-
Implied Market Cap ($ USD)	**471,223**
NPV per ADR (target price)	**$9.00**
Current Market Price per ADR (Last Closing Price)	$4.84
Upside/(Downside)	*86.0%*
Common shares outstanding (est. at fiscal year-end 2021)	525,895,775
Common share to ADR ratio	10:1
Discount Rate	33%
Terminal Growth Rate	2%

Sensitivity Table		Terminal Growth Rate				
		0.0%	***1.0%***	***2.0%***	***3.0%***	***4.0%***
Discount Rate	***23%***	$17.25	$17.75	$18.25	$18.75	$19.50
	28%	$12.00	$12.25	$12.50	$12.75	$13.00
	33%	$8.75	$8.75	**$9.00**	$9.00	$9.25
	38%	$6.50	$6.50	$6.75	$6.75	$6.75
	43%	$5.00	$5.00	$5.00	$5.25	$5.25

(Rounded to nearest $0.25)

Source: Company reports and Alliance Global Partners projections.

Important Research Disclosures



Distribution of Ratings/IB Services

			IB Serv./Past 12 Mos.	
Rating	**Count**	**Percent**	**Count**	**Percent**
BUY [BUY]	103	88.79	36	34.95
HOLD [NEUTRAL]	11	9.48	0	0
SELL [SELL]	0	0.00	0	0
NOT RATED [NR]	2	1.72	0	0
UNDER REVIEW [UR]	0	0.00	0	0

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2 (Low to medium): Modest changes in stock price in a 12 month period

3 (Medium): Average fluctuation in stock price in a 12 month period

4 (Medium to High): Higher than average changes in stock price in a 12 month period

5 (High): Extremely sharp movements in stock price in a 12 month period

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