IMMUTEP LIMITED

Biotechnology

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COMPANY NOTE

Immutep Limited (IMM-AU)

Fully exploiting LAG3 oncology game changer

OUTPERFORM

Target Price AUD2.880
Current Price AUD0.285

KEY TAKEAWAY

With more than a dozen products in clinical development, LAG-3 is a major focus in cancer immunotherapy for both biotech and large pharma. The approval of BMS's Opdualag (anti-PD-1 and anti-LAG-3) in 2022 marked the first significant approval of an immune checkpoint inhibitor ("ICI") beyond the CTLA-4 or the PD-1 / PD-L1 pathways. Immutep is unique in exploiting both the immune inhibitory and activating potential of the LAG-3 pathway. Its own LAG525 LAG-3 ICI is out-licensed to Novartis. Ideally suited and proven for combination therapy, Immutep's lead in-house LAG-3-based antigen presenting cell activator efti is already generating impressive news flow from late-stage trials. These include the read-out of a Phase 2b study and planning of a registrational Phase III study with prembrolizumab ("pembro") in NSCLC, the readout of a Phase 2b with pembro in head and neck cancer ("HNSCC") and the initiation of a Phase 2 / 3 with chemo in metastatic breast cancer. Beyond cancer, IMM's IMP761 is targeting the LAG-3 pathway to combat autoimmune diseases. With positive feedback from the FDA on TACTI-004 registrational trial and Fast Track designation, we believe efti to be on course to reach market for NSCLC by 2026E and reach a peak sales of almost $6.5bn from NSCLC alone. With a Phase II / III in mBC now underway and FDA Fast Track Designation in 1st line HNSCC currently in Phase 2b we reiterate our OUTPERFORM recommendation with our SoTP valuation at a TP A$2.8 per share.

LAG-3 pathway provides potential step change in cancer therapy: In our view, the successful development of drugs targeting the LAG-3 pathway constitutes one of the most significant advances in cancer immune therapy since the first approval of the PD-1 / L1 ICIs more than a decade ago. Immutep is uniquely placed with late stage in-house LAG3 pathway.

Efti-pembro superior to other approved therapies: In NSCLC patients with PD-L1 TPS ≥1% (the population for which efti holds FDA Fast Track), efti-pembro combo achieved median OS of 25 months, compared to just 16 months for pembro monotherapy and 15.8 - 23.3 months for anti-PD1 plus chemo. Coupled with the superior safety and duration of response profile, efti-pembro is poised to be the preferred treatment over the current SoC.

Efti's tolerability allows it to access the most difficult-to-treat population: Patients with low and negative PD-L1 expression are notoriously difficult to target with existing approved therapies, yet they make up c.70% of 1st line NSCLC patients. Efficacy data from TACTI-002 Phase 2 1st line NSCLC shows efti + pembro generated ORRs of 44.7% and 31.3% compared to pembro alone ORRs of 16.8% and 10.7% in low PD-L1 (TPS 1-49%) and PD-L1 negative (TPS <1%) expressing patients respectively. Efti continues to generate robust data in these difficult to treat patient cohorts.

Efti-pembro-chemo triple therapy extends treatable population: Data from INSIGHT-003 Phase 1 trial in 1st line NSCLC shows the triplet efti-pembro-chemo is safe and well tolerated, prompting study expansion to 50 patients. Promising efficacy data demonstrates the triple combo elicited an ORR of 65% in patients with PD-L1 TPS <50% compared to an ORR of 40.8% for the same patient cohort treated with anti-PD-1 + chemo reported from a registrational trial. The triple therapy looks to extend the current pembro-chemo SoC, expanding the treatable patient population by offering both chemo and chemo-free combos.

NSCLC opportunity in excess of $6bn: The bulk of MSD's $20.9bn pembro revenues come from NSCLC and with key patents due to expire on pembro, MSD is under pressure for a new combination product for patent extension after the failure of their anti-TIGIT. With increased penetration from the substitution for chemo and triple therapy, we estimate that global peak revenues for efti in NSCLC could reach $6.5bn.

Immutep is still significantly undervalued by investors: With a Phase III ready candidate and FDA fast track designation in two indications, Immutep looks significantly undervalued at current levels.

FINANCIAL SUMMARY

Net Cash/Debt (M):	20.00

MARKET DATA

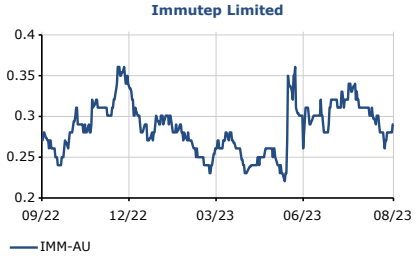
Current Price:	AUD0.285
Target Price:	AUD2.880
52 Week Range:	AUD0.420 - AUD0.225
Total Enterprise Value:	222
Market Cap (M):	344
Shares Out (M):	1,187.3
Float (M):	1,142.3
Average Daily Volume:	903,050

EQUITY RESEARCH

DR. CHRIS REDHEAD
Research Analyst
T +44 (0) 203 859 7725
chris.redhead@goetzpartners.com

ALEXANDRA WALSH
Junior Equity Research Analyst
T +44 (0) 203 859 7725
alexandra.walsh@goetzpartners.com

PRICE PERFORMANCE



Source: Factset

Contents

Company overview

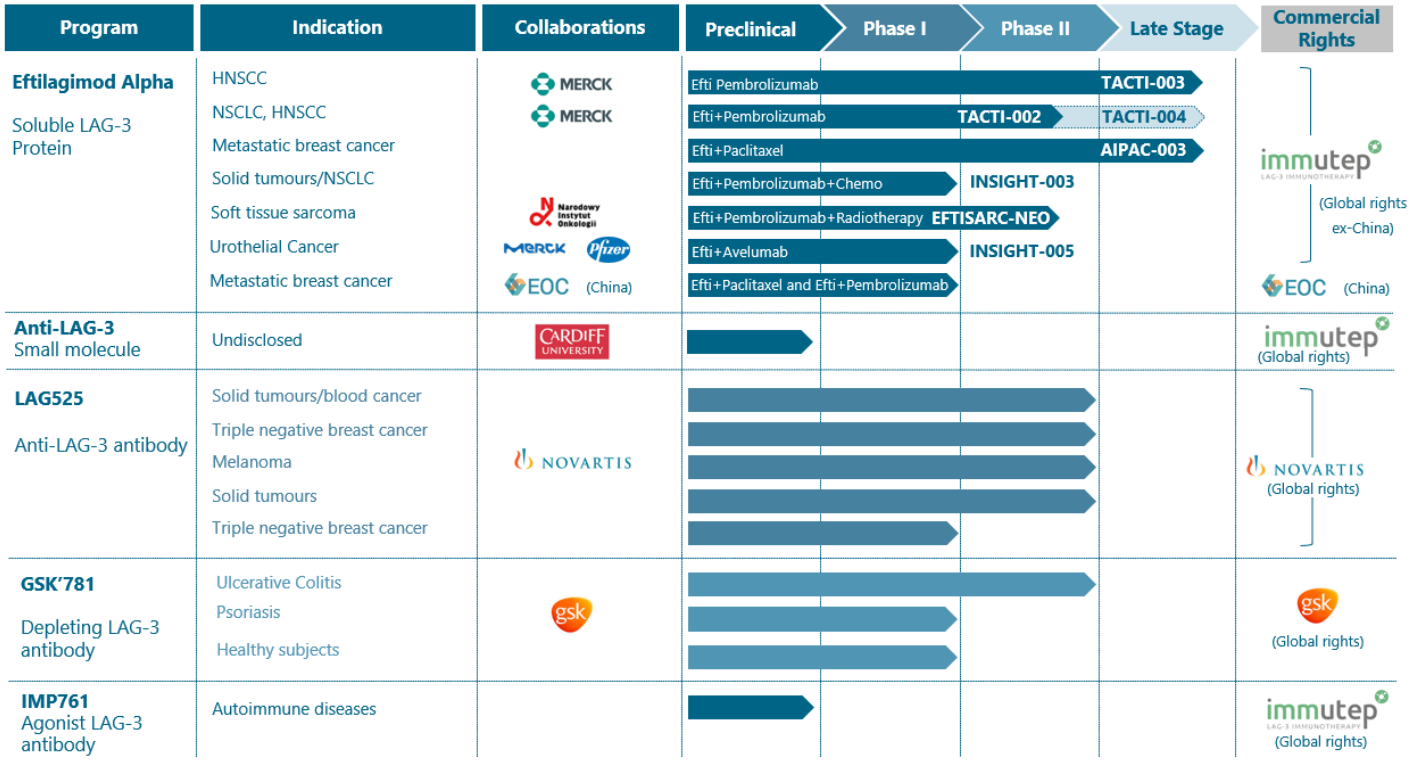
Listed on the ASX ("IMM") and with ADR's traded on NASDAQ ("IMMP"), Immutep is uniquely focused on the development of cancer and immunotherapies utilising Lymphocyte Activation Gene-3 ("LAG-3"). With its HQ in Sydney, Australia and operations in Germany, France and the USA, Immutep has established a pipeline of in-house and large-pharma-out-licensed programmes which utilise LAG-3's dual role as both an activator and inhibitor of the adaptive / innate immune system (FIGURE 1). With a recent capital raise of A$80m, the company is fully funded to carry their late stage programs through to early 2026E.

The lead asset, eftilagimod ("efti"), is a first-in-class soluble LAG-3 protein targeting MHC Class II ligands on antigen-presenting cells ("APC"), and is uniquely positioned to improve clinical outcomes from standard of care ("SoC") therapies. It mediates the activation of APCs (e.g., dendritic cells, monocytes), triggering a broad immune response that includes significant increases in cytotoxic CD8+ T cells and CD4+ helper T cells, along with increased IFN-γ and CXCL10 to recruit and drive an immune response against the cancer. Immutep's other wholly owned asset is IMP761, a LAG-3 agonist to suppress the immune system to treat autoimmune conditions, which is currently undergoing IND-enabling studies.

Immutep has three core late-stage programms with efti in combination with anti-PD-1 or chemotherapy in non-small cell lung cancer ("NSCLC"), head & neck squamous cell carcinoma ("HNSCC") and metastatic breast cancer ("mBC"), showing clinical efficacy and safety across multiple cancers. With recent data in NSCLC showing initial median overall survival ("OS") of 25 months following treatment of efti + pembro in patients with ≥1% PD-L1 expression, planning for a registrational trial is now underway. Promising data of efti + pembro in 2nd line HNSCC showed an overall response rate ("ORR") of 29.7% regardless of PD-L1 expression and in patients with a PD-L1 combined positive score of ≥20 generated a response rate of 60%. Futher, efti has shown synergy in combination with chemotherapy in the AIPAC breast cancer trial, with a Phase II / III trial now initiated. Additionally INSIGHT-003 Phase I, the triple therapy trial with efti + pembro + chemo in 1L NSCLC, seeks to further expand the treatable patient population which is so far reporting an ORR of 65% in patients with PD-L1 TPS <50%.

With two FDA Fast Track Designations for efti in combination with pembro in 1L NSCLC and in 1L HNSCC, Immutep is well placed to accelerate the late stage programs. Led by experienced CEO Marc Voigt, Immutep has a strong cash position of A$123.4m. Now financed through to early 2026E, the company is in a position to progress the late-stage clinical development of efti across multiple cancer indications and engage in discussions with potential partners.

FIGURE 1: Pipeline



Source: Company data

Investment thesis

Big pharma eyeing up LAG-3 as a target

Immutep is the only company currently exploiting the full potential of the LAG- 3 pathway. With more than a dozen products in clinical development, LAG-3 is already a major focus in cancer immunotherapy for both biotech and large pharma. With limited progress from other approaches, the approval of BMS's Opdualag (anti-PD-1 and anti-LAG-3) in 2022 marks the first approval of an ICI target beyond that of CTLA-4 or the PD-1 / PD-L1 pathway. Immutep is unique as it looks to harness both the inhibitory and stimulatory elements of this potent immune pathway. While the majority of LAG-3 products in development, including Immutep's own LAG525 outlicensed to Novartis, focus on taking the brake off T-Cell response, Immutep's lead in-house product efti acts as an upstream stimulator of antigen presenting cells. Beyond cancer IMM's IMP761 is targeting the LAG-3 pathway to combat autoimmune diseases.

Immutep's lead asset efti is unique in the LAG-3 landscape. The soluble LAG-3 fusion protein interacts with MHC class II on antigen presenting cells ("APC"), initiating and driving a potent immune response with an arsenal of anti-cancer cells and soluble mediators to overcome the supressive tumour environment. By focusing not at the T cell level but by activating and driving an anti-cancer immune cascade by interacting with APCs, efti has shown to deliver impressive data across multiple solid cancers when combined with other ICI therapy and / or chemo.

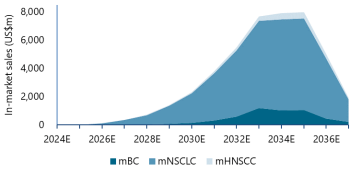
Efti targets the LAG-3 pathway in a completely unique way

LAG-3 candidates have so far been the only drugs to safely show synergy in combination with existing ICIs. As highlighted by Merck's recent anti-TIGIT vibostolimab/PD-1 disappointment, effective combinations to boost existing ICIs has been notoriously difficult. Efti has generated outstanding safety and efficacy data beyond that of the current standard of care, in combination with PD-1 in NSCLC and HNSCC, being awarded FDA fast track designation in both indications. With a registrational Phase III trial now in the works for NSCLC, no approved drug has displayed the synergies shown with efti + ICI in NSCLC bar chemo, meaning an efti combination treatment could offer a chemo-free alternative. Further, efti has also shown robust data in mBC in combination with chemotherapy, which has led to the initiation of a Phase II / III study. Immutep is also generating positive data in a Phase I triple combination trial of efti + chemo + PD-1 in NSCLC, showcasing the safety and combinational power of efti. The broad utility of efti across solid cancer indications looks set to mimic that of pembrolizumab (which generated sales of $20.9bn in 2022) due to its pipeline-in-a-product nature, our peak revenue estimates for efti approach $8bn, taking the three core indications into account.

With increased interest in LAG-3 as a target and the recent cash raise of A$80m, placing Immutep in a cash position of A$123.4m at YE2023A. Immutep is well placed to carry efti over the finish line in three core cancer indications and be in a position to start first-in-human trials for their autoimmune disease candidate if the pre-clinical readout is positive. Given the impending PD-1 / PD-L1 biosimilars launch on the horizon and quest for combination products both from a patient benefit and patent protection standpoint, we believe that Immutep has become a very attractive aquisition target for large pharma in the oncology space.

On the basis of our revenue estimates, our SoTP ("Sum of the Parts") valuation indicates a valuation of A$2.4bn or A$2.8 per share.

FIGURE 2: Efti revenue forecasts

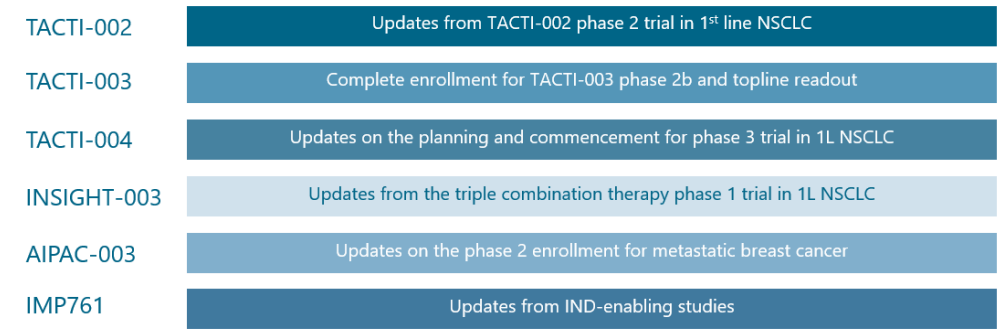


Source: goetzpartners Research estimates
Warning Note: Forecasts are not a reliable indicator of future results or performance. The return may increase or decrease because of currency fluctuations.

News flow

We anticipate positive news flow throughout 2023 / 2024E (FIGURE 3), as the three core late-stage programs progress including the Phase III TACTI-004 trial planning for 1L NSCLC, the top-line readout of TACTI-003 Phase IIb and ongoing updates from AIPAC-003 Phase II / III following the first patient dosed. Additional updates from the Phase II TACTI-002 in 1L NSCLC and from the triple combination Phase I INSIGHT-003 trial are also expected. Progress from IMP761, Immutep's autoimmune candidate, as it undergoes IND-enabling studies will guide the potential for beginning first in human trials. Although IMM has no control over the investigator-led studies and partnered programs, updates from these programs including INSIGHT-005 and EFTISARC-NEO, will continue to strengthen Immutep's position in the LAG-3 field as a broad combination partner with chemo, radiotherapy and immune checkpoint inhibitors across multiple indications.

FIGURE 3: Expected news flow for Immutep in 2023 / 2024E



Source: Company data

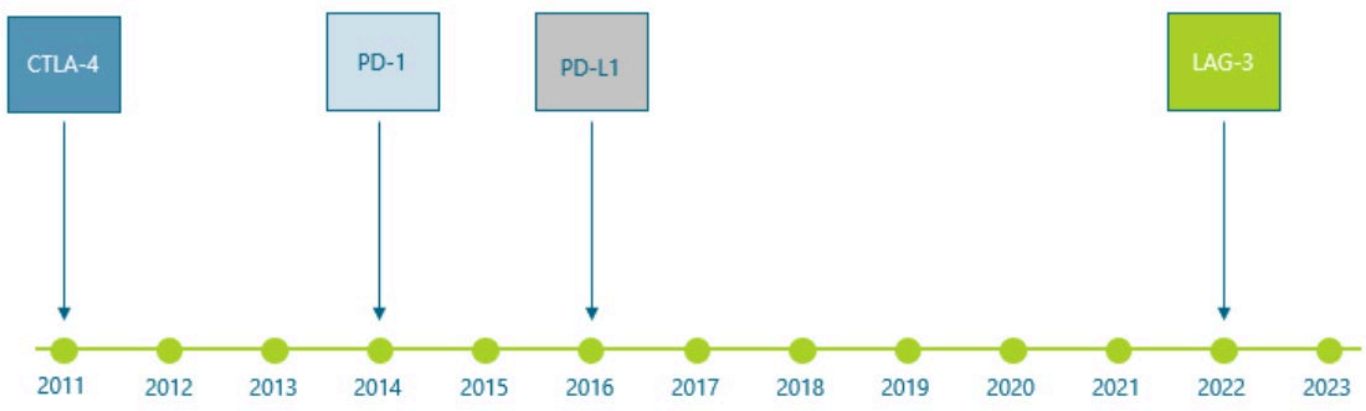
LAG-3 a major new focus in cancer therapy

LAG-3; a validated immune checkpoint target

LAG-3 now a validated ICI target

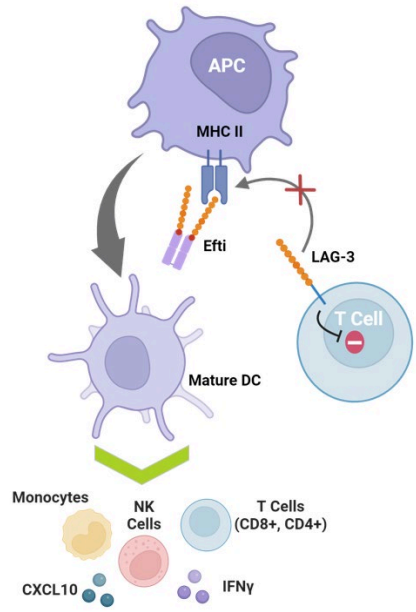
Immune checkpoint inhibitors ("ICI") have transformed the treatment of a number of major cancers yet all recently approved ICIs have been me-too approvals of the first ICIs targeting CTLA-4, PD-1 and PD-L1. The approval of BMS's opdualag which is a fixed dose combination of a LAG-3 inhibitor (relatlimab) and an anti-PD-1 therapy (nivolumab) in 2022, was the first significant progress beyond CTLA-4 and PD-1/L1. Opdualag approval has now validated LAG-3 as an effective target and futher as a target to be used in combination with existing ICI targeting agents. This has ignited renewed interest in the LAG-3 field and notably Immutep, as they are the only pure-play LAG-3 experts.

FIGURE 4: Timeline of first ICI target approvals



Source: goetzpartners Research

FIGURE 5: Efti mechanism of action

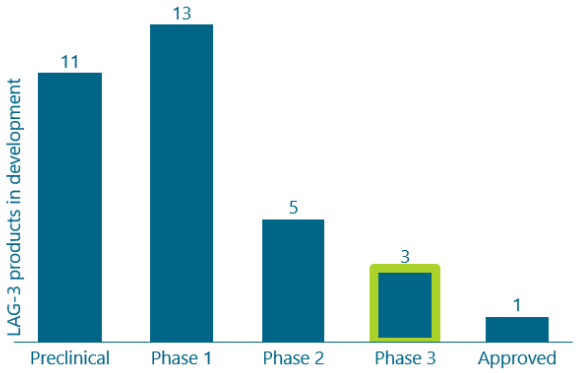


Source: goetzpartners Research, Created with BioRender.com

The LAG-3 clinical landscape

Following on from BMS's opdualag approval in 2022, targeting LAG-3 has gained more attention. Merck and Regeneron are the most advanced with their LAG-3 inhibitor candidates favezlimab and fianlimab, respectively. Combination treatment, by blocking both LAG-3 and PD-1 inhibitory signalling to overcome T cell resistance, is the backbone of the LAG-3 clinical landscape. The LAG-3 landscape can be broken down into two core modalities: antibody inhibitors and LAG-3 bispecifics. With efti as a standalone unique fusion protein immune activator, it doesn't fit into one of the categories. Immutep is the leading contributer to the LAG-3 clinical landscape in terms of products developed, with four different aproaches. With their lead asset efti having a unique MOA to the rest of the products and now entering late stage trials in multiple cancer indications. Immutep are the LAG-3 experts having outlicensed their LAG-3 inhibitor to Novartis (ieramilimab) and also being the originator of the only two LAG-3 autoimmune candidates, one of which they have licensed to GSK, and IMP761 which they are taking through preclinical studies.

FIGURE 6: Number of LAG-3 targeted products in development



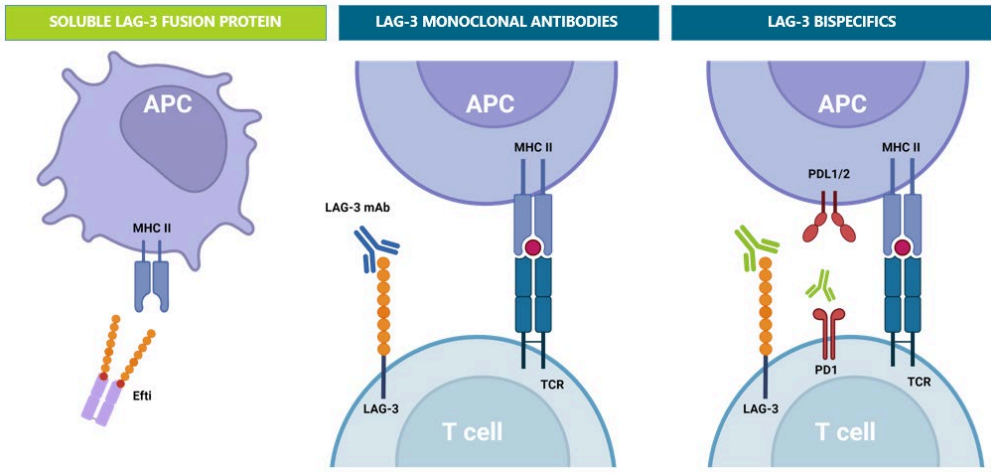
Source: goetzpartners Research, BioCentury Inc.
Note: Immutep's efti is in the Phase 3 category as it is phase 3 ready and trial planning underway

Unique positioning of Immutep's efti

Efti initiates an anti-cancer response

Unlike the rest of the LAG-3 cancer landscape which aims to block LAG-3 to prevent the inhibitory T cell signalling in combination with another immune checkpoint blocking agent, efti is unique in its structure and mechanism of action. It is the only soluble recombinant LAG-3 approach with extracellular LAG-3 domains fused to an IgG1 Fc region. Efti can therefore interact with MHC class II on APCs as if it were membrane bound to the T cells, but without the inhibitory T cell effects. Efti enhances the activation of APCs, engaging the innate immune system and orchestrating an anti-cancer immune response with increased cytotoxic T cells and IFN-γ production. Unlike the other players in the LAG-3 landscape that focus on blocking checkpoints on the T cell, efti is an immune activator and interacts with the immune cells that are responsible for initiating and driving an anti-cancer response.

FIGURE 7: LAG-3 mechanisms



Source: goetzpartners Research, Created with BioRender.com

Immutep looking beyond cancer

Utilising the LAG-3 pathway in autoimmune disease

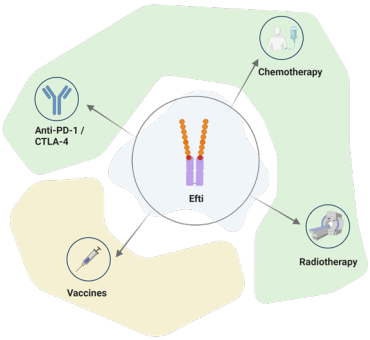
Autoimmune diseases affect around 10% of the population with loss of T cell tolerance being the root cause of most autoimmune diseases. With Immutep being the originator of the only two LAG-3 targeted therapies for autoimmune disease, having outlicenced one to GSK. GSK's asset is a depleting antibody, binding to LAG-3 and inducing cellular clearance of T-cells expressing LAG-3. It was shown in trials to deplete LAG-3+ cells in the blood and reduce the expression of proinflammatory genes. Immutep has developed a proprietary LAG-3 autoimmune candidate; IMP761. A monoclonal antibody agonist targeting LAG-3, increasing the natural LAG-3 mediated T-cell supression. It is currently in preclinical studies for safety and toxicology, with the hopes to enter the clinic later next year. Immutep's recent capital raise of A$80m will power the late stage efti trials for cancer indications, but can also fund the first in human trials for IMP761, should the preclinical readouts remain promising, tapping into the large autoimmune disease market.

Efficacy in multiple cancers and drug combinations

Positive data across multiple cancer indications

Efti is being trialled in multiple cancer indications and with various combination therapies and when viewed in full, the trials all show that efti is a safe and effective cancer therapeutic with broad applicability. The three core late stage programs in NSCLC, HNSCC and mBC are providing key data for efti's combination with pembrolizumab and with chemo. In 1L NSCLC efti + pembro treatement has generated an initial mOS of 25 months in patients with ≥1% PD-L1 expression, outperforming all current approved treatments. Data presented at ASCO 2023 for 2L HNSCC with efti + pembro treatment showed ORR of 29.7% and CR of 13.5% regardless of PD-L1 expression, and in patients with a PD-L1 combined positive score of ≥20 generated a response rate of 60%. In mBC efti is being trialled in combination with chemo in an integrated registrational Phase II / III trial. In the phase IIb trial efti + chemo treatment significantly increased the number of monocytes, CD4 T cells, CD8 T cells in patients which is linked to the improved OS in the treated group versus the chemo alone group. This finding has driven the initiation of a Phase I triple therapy efti + pembro + chemo trial in NSCLC which has so far reported a 67% response rate and 91% DCR. Furthermore, an investigator led Phase II study in soft tissue sarcoma is evaluating the combo of efti + pembro + radiotherapy. Efti continues to generate a robust safety profile as it progresses through the various indications and combination treatments.

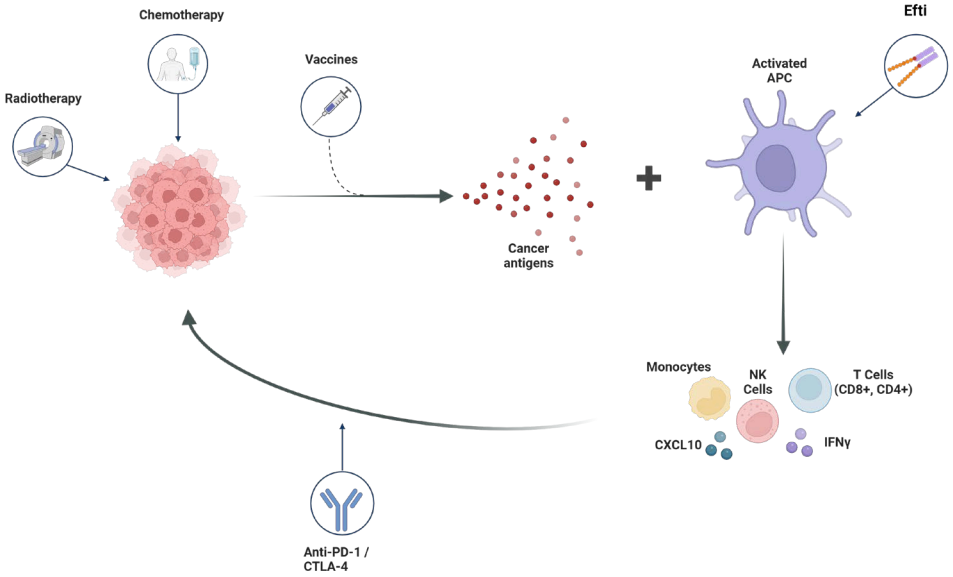
FIGURE 8: Efti combo applications



Source: goetzpartners Research, Created with BioRender.com

Efti already in combo trials with chemo / radiotherapy / ICI's

FIGURE 9: Efti's central role in driving an anti-cancer immune response



Source: goetzpartners Research, Created with BioRender.com

Efti ideally suited for combination therapy

Acting as an upstream activator of antigen presenting cells, efti turns multiple key components of the immune system's response to cancer. These include the expansion and proliferation of various immune cells as well as the release of natural immune regulators that also enhance cancer immunity. These actions, combined with its innate safety and tolerability, make efti an ideal candidate for combination therapy. Efti has already shown synergy with Anti-PD-1 / L-1 antibodies and chemotherapy, an open label Phase II study is planned to investigate potential synergy with radiotherapy. The TACTI-004 Phase III trial is planned for a superiority test against a strong comparator arm of ipilimumab + nivolumab + doublet chemo which will drive patient recruitment and showcase efti's efficacy, durablity and safety.

Efti could provide a solution to mRNA vaccine lack of critical cellular CD8 response

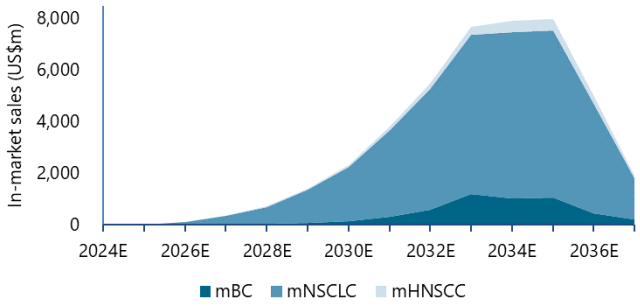
As highlighted in our May 2023 Compass Oncology Industry Research Report, there is also a resurgence in interest in cancer vaccines; particularly those based on the use of mRNA. However, while mRNA vaccines were clearly found to be effective against COVID, their utility may be restricted by a cumbersome synthetic process potentially unsuitable for multi-antigen vaccine production and a poor CD8 response. While work arounds might be found to improve synthesis sufficiently to enable production of multi-antigens, the lack of a cellular CD8 response critical for cancer vaccines may pose a significant barrier. Therefore combination with efti's CD8 stimulatory effect could provide a solution.

Financial forecasts

Product sales

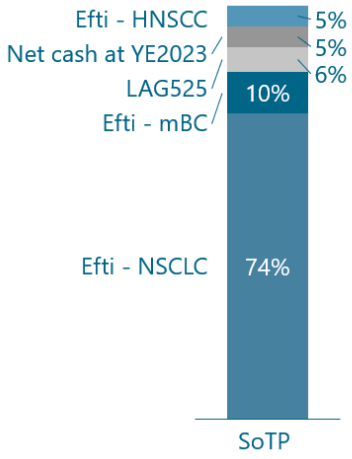
Although Immutep is expected to receive revenue from it's other partnered programmes most immediately from LAG525, in the absence of direct competition efti is clearly the most significant revenue driver. We estimated peak efti revenues of around $7.9bn generating royalties of $2.8bn (FIGURE 10).

FIGURE 10: Efti revenue forecasts



Source: goetzpartners Research estimates
Warning Note: Forecasts are not a reliable indicator of future results or performance. The return may increase or decrease because of currency fluctuations.

FIGURE 11: Relative product value contribution



Source: goetzpartners Research
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Sum of the parts (SoTP) valuation

Our SoTP valuation yields a fair value of A$2.8 / share with NSCLC accounting for 74% of the value (FIGURE 11). This indicates substantial upside from current share price (FIGURE 12) based on risk-adjusted net present values ("rNPVs") for efti in mBC, lung and head & neck cancer, LAG525 in multiple tumours, (all discounted using a WACC of 14%) and net cash at YE2023. Now fully funded until early 2026E and with the expectation of efti starting its registrational Phase III trial in NSCLC in H1/2024E and additional data readouts, we believe that the company has a strong chance of out-licensing efti or being potentially acquired. In the light of the recent data, we have increased our probability of success for the 3 late stage in-house programs (FIGURE 12).

FIGURE 12: Immutep sum-of-the-parts valuation

Product	Indications	Stage	Peak sales ($m)	Year	NPV (A$m)	Prob.	Adj. NPV (A$m)	NPV/sh (A$)
Eftilagimod alpha	mBC	Phase II/III	1,195	2032E	392	60%	235	0.272
Eftilagimod alpha	mNSCLC	Phase II	6,483	2035E	2,762	65%	1,795	2.073
Eftilagimod alpha	mHNSCC	Phase IIb	443	2035E	178	65%	116	0.133
LAG525	Cancer	Phase II	4,000	2033E	245	65%	159	0.184
Net cash at YE2023					123	100%	123	0.142
Fair value					**3,701**		**2,429**	**2.804**
Current share price (A$)								0.280
Upside								902%

Source: goetzpartners Research estimates. Warning Note: Forecasts are not a reliable indicator of future results or performance. The return may increase or decrease because of currency fluctuations.

Immutep is significantly under valued compared to peers

Immutep looks significantly undervalued based on the acquisition values and market caps of its oncology peers. The immune-oncology space is dominated by big pharma players. Small and medium-size companies have been consistently acquired by larger players. We have assumed an out-licensing deal, but a potential acquisition could also be likely. Immutep's clinical collaboration with MSD makes it an obvious choice, but Pfizer and Merck KGaA have also indicated interest in efti in their investigator led trials.

Immutep against sector comparables

FIGURE 13 is a selection of recent oncology transactions and can be taken as a guide for potential Immutep acquisition values. Amgen's 2021 acquisition of Five Prime Therapeutics is a suitable comparable and, like efti, their lead candidate bemarituzumab was Phase III-ready at the time of acquisition, with shares bought out for approximately $1.9bn. The main indication of bemarituzumab is

in gastric cancer, which is now in Phase III with chemotherapy and nivolumab, and there are also Phase I trials in bladder and NSCLC. Comparisons can be drawn between Immutep and Turning Point Therapeutics, acquired by BMS in June 2022 for $4.1bn, given the focus on their NSCLC (albeit targeting oncogenic drivers ROS-1 and NTRK) therapeutics with differentiated DoR from early-stage trial data which efti similarly shows in chemo-free efti+pembro trials in NSCLC. In contrast, Takeda's $525m acquisition of Maverick Therapeutics is less comparable despite its Phase I / II trial, given the limited expansion of the lead candidate (an EGFR-CD-3 T-cell engager) across indications, which is a major advantage of efti. With few big pharma immuno-oncology acquisition targets for phase III-onwards assets, Immutep could be a uniquely high-value target for large pharma suitors to acquire.

Immutep is currently significantly undervalued compared to similar competitors

FIGURE 13: Valuations of comparative M&As

Target company	Location	Acquiring Company	Location	Value (milestones)	Date	Type of deal	Lead asset	Stage at time of deal
FivePrime	US	AMGEN	US	$1.9bn	March 2021	Full company acquisition	bemarituzumab (FGFR2b antibody)	Phase III ready (positive phase II data)
VELOSBIO	US	MERCK	US	$2.75bn	November 2020	Full company acquisition	VLS-101 (ROR1 ADC)	Phase II
ARVINAS	US	Pfizer	US	$1bn (+$1.4bn)	July 2021	Single asset commercial rights	Arv-471 (ER degrader)/Arv-110 (AR degrader)	Phase II
immunogen	US	Lilly	US	$13m ($1.7bn)	February 2022	Multi asset commercial rights	Camptothecin ADCs	-
TRILLIUM	CA	Pfizer	US	$2.26bn	August 2021	Full company acquisition	2x SIRPα-Fc fusion proteins	Phase I/II
Turning Point Therapeutics	US	Bristol Myers Squibb	US	$4.1bn	June 2022	Full company acquisition	Repotrectinib (tyrosine kinase inhibitor)	Phase I/II
MAVERICK THERAPEUTICS	US	Takeda	JP	$525m	March 2021	Full company acquisition	TAK-186 (EGFR-CD-3 T-cell engager)	Phase I/II
FORTY SEVEN	US	GILEAD	US	$4.9bn	March 2020	Full company acquisition	magrolimab (CD-47 antibody)	Phase II ready (positive phase Ib data)

Source: goetzpartners Research

FIGURE 14: Immutep profit and loss model

Profit & Loss Statement	2023A	2024E	2025E	2026E	2027E	2028E	2029E	2030E
Jun YE (A$k except EPS)	30-Jun-23	30-Jun-24	30-Jun-25	30-Jun-26	30-Jun-27	30-Jun-28	30-Jun-29	30-Jun-30
Revenue	**5,200**	**22,412**	**76,824**	**48,981**	**275,133**	**393,786**	**539,243**	**1,066,634**
growth	(23%)	331%	243%	(36%)	462%	43%	37%	98%
License income	-	16,315	70,451	46,382	272,627	383,533	530,822	1,052,159
% sales	0%	73%	92%	95%	99%	97%	98%	99%
growth	(100%)		332%	(34%)	488%	41%	38%	98%
Other income	5,200	6,097	6,373	2,600	2,506	10,253	8,421	14,475
% sales	100%	27%	8%	5%	1%	3%	2%	1%
growth	(21%)	17%	5%	(59%)	(4%)	309%	(18%)	72%
R&D and intellectual property	(36,257)	(32,421)	(8,622)	(7,816)	(56,004)	(44,314)	(81,904)	(161,033)
% sales	697%	145%	11%	16%	20%	11%	15%	15%
growth	16%	(11%)	(73%)	(9%)	617%	(21%)	85%	97%
Corporate administrative expenses	(8,680)	(4,170)	(4,437)	(3,302)	(22,631)	(20,322)	(43,784)	(107,321)
% sales	167%	19%	6%	7%	8%	5%	8%	10%
growth	20%	(52%)	6%	(26%)	585%	(10%)	115%	145%
D&A expenses	(2,062)	(971)	(1,135)	(1,103)	(1,022)	(1,064)	(1,160)	(1,321)
% sales	40%	4%	1%	2%	0%	0%	0%	0%
growth	(0%)	(53%)	17%	(3%)	(7%)	4%	9%	14%
Other external expenses	1,903	835	-	-	-	-	-	-
% sales	(37%)	(4%)	0%	0%	0%	0%	0%	0%
growth	255%	(56%)	(100%)					
Total costs & operating expenses	**(45,096)**	**(36,726)**	**(14,194)**	**(12,221)**	**(79,657)**	**(65,699)**	**(126,848)**	**(269,675)**
EBIT	**(39,896)**	**(14,315)**	**62,630**	**36,760**	**195,475**	**328,087**	**412,394**	**796,959**
Interest expenses	-	-	-	-	-	-	-	-
Profit/Loss before tax	**(39,896)**	**(14,315)**	**62,630**	**36,760**	**195,475**	**328,087**	**412,394**	**796,959**
growth	20%	(64%)	(538%)	(41%)	432%	68%	26%	93%
% sales	(767%)	(64%)	82%	75%	71%	83%	76%	75%
Income tax	-	1,431	(12,526)	(11,028)	(58,643)	(98,426)	(123,718)	(239,088)
Tax rate	0%	10%	20%	30%	30%	30%	30%	30%
Net income/loss	**(39,896)**	**(12,883)**	**50,104**	**25,732**	**136,833**	**229,661**	**288,676**	**557,871**
Earnings per Share (Basic)	**(0.044)**	**(0.014)**	**0.056**	**0.029**	**0.152**	**0.255**	**0.321**	**0.620**
growth	15%	(68%)	(489%)	(49%)	432%	68%	26%	93%
Underlying EPS (Basic)	**(0.051)**	**(0.021)**	**0.050**	**0.027**	**0.150**	**0.245**	**0.312**	**0.605**

Source: Company data, goetzpartners Research estimates. Warning Note: Past performance and forecasts are not a reliable indicator of future results or performance. The return may increase or decrease because of currency fluctuations.

FIGURE 15: Immutep balance sheet model

Balance Sheet	2023A	2024E	2025E	2026E	2027E	2028E	2029E	2030E
Jun YE (A$k)	30-Jun-23	30-Jun-24	30-Jun-25	30-Jun-26	30-Jun-27	30-Jun-28	30-Jun-29	30-Jun-30
ASSETS								
CURRENT ASSETS	**134,965**	**123,534**	**174,146**	**171,877**	**297,369**	**515,134**	**791,279**	**1,334,139**
Cash and cash equivalents	123,418	111,755	162,132	159,622	284,870	502,385	778,275	1,320,874
GST receivable	-	-	-	-	-	-	-	-
Grant and other receivables	7,952	8,111	8,273	8,439	8,608	8,780	8,955	9,134
Other current assets	3,596	3,667	3,741	3,816	3,892	3,970	4,049	4,130
FIXED ASSETS	**12,484**	**11,235**	**10,933**	**10,146**	**10,578**	**11,570**	**13,201**	**17,318**
Tangible assets, net	83	121	162	208	258	313	373	440
Plant & Equipment								
Computer								
Furniture and fittings								
Goodwill	-	-	-	-	-	-	-	-
Intangible assets, net	9,490	11,114	10,771	9,939	10,321	11,257	12,828	16,878
Patents	-	-	-	-	-	-	-	-
Intellectual property	9,490	11,114	10,771	9,939	10,321	11,257	12,828	16,878
Other	2,910							
TOTAL ASSETS	**147,449**	**134,769**	**185,079**	**182,023**	**307,947**	**526,704**	**804,480**	**1,351,456**
LIABILITIES								
CURRENT LIABILITIES	**9,772**	**9,968**	**21,291**	**21,494**	**21,701**	**21,913**	**22,129**	**22,349**
Trade payables	9,025	9,205	9,389	9,577	9,769	9,964	10,163	10,366
Borrowings	-	-	-	-	-	-	-	-
Current tax payable	-	-	-	-	-	-	-	-
Employee benefits	562	574	585	597	609	621	633	646
Other payables	185	189	193	197	200	204	209	213
Deferred revenue	-	-	11,124	11,124	11,124	11,124	11,124	11,124
Warrant liability	-	-	-	-	-	-	-	-
NON-CURRENT LIABILITIES	**1,207**	**379**	**(10,737)**	**(21,853)**	**(32,969)**	**(44,084)**	**(55,200)**	**(66,316)**
Convertible note liability	835	-	-	-	-	-	-	-
Warrant liability	-	-	-	-	-	-	-	-
Other liabilities	372	379	387	395	403	411	419	427
Deferred tax liability and other	-	-	-	-	-	-	-	-
Deferred revenue, less of current portion	-	-	(11,124)	(22,248)	(33,371)	(44,495)	(55,619)	(66,743)
TOTAL LIABILITIES	**10,980**	**10,347**	**10,554**	**(359)**	**(11,267)**	**(22,171)**	**(33,071)**	**(43,967)**
EQUITY								
SHAREHOLDERS EQUITY	**136,469**	**124,422**	**174,525**	**182,382**	**319,214**	**548,876**	**837,552**	**1,395,423**
Contributed equity	446,272	447,108	447,108	429,232	429,232	429,232	429,232	429,232
Reserves	30,128	30,128	30,128	30,128	30,128	30,128	30,128	30,128
Accumulated losses	(339,931)	(352,814)	(302,710)	(276,978)	(140,145)	89,516	378,192	936,064
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	**147,449**	**134,769**	**185,079**	**182,023**	**307,947**	**526,704**	**804,480**	**1,351,456**

Source: Company data, goetzpartners Research estimates. Warning Note: Past performance and forecasts are not a reliable indicator of future results or performance. The return may increase or decrease because of currency fluctuations.

FIGURE 16: Immutep cash flow model

Cash Flow Statement	2023A	2024E	2025E	2026E	2027E	2028E	2029E	2030E
Jun YE (A$k)	30-Jun-23	30-Jun-24	30-Jun-25	30-Jun-26	30-Jun-27	30-Jun-28	30-Jun-29	30-Jun-30
OPERATING CASH FLOW								
Payments to suppliers and employees	(39,991)	(35,784)	(13,088)	(22,271)	(89,788)	(75,790)	(136,843)	(279,509)
Depreciation & amortisation	*1,102*	*971*	*1,135*	*1,103*	*1,022*	*1,064*	*1,160*	*1,321*
License income	-	16,315	70,451	46,382	272,627	383,533	530,822	1,052,159
License fee received	-	-	-	-	-	-	-	-
Interest received	918	958	977	996	1,016	1,037	1,057	1,079
Tax received / paid	-	1,431	(12,526)	(11,028)	(58,643)	(98,426)	(123,718)	(239,088)
Miscellaneous income	62	339	356	374	393	412	433	454
Grant income	3,656	4,800	5,040	1,229	1,097	8,804	6,931	12,942
NET CASH USED IN OPERATING ACTIVITIES	**(35,356)**	**(11,941)**	**51,210**	**15,682**	**126,702**	**219,571**	**278,682**	**548,037**
CASH FLOW FROM INVESTING								
Payments for held-to-maturity investments	-	-	-	-	-	-	-	-
Proceeds from held-to-maturity investments	-	-	-	-	-	-	-	-
Payments for P&E and intangibles	(83)	(507)	(833)	(316)	(1,454)	(2,055)	(2,791)	(5,438)
Proceeds from disposal of P&E	-	-	-	-	-	-	-	-
Acquisitions, net of cash acquired	-	-	-	-	-	-	-	-
Net cash provided by investing activities	**(83)**	**(507)**	**(833)**	**(316)**	**(1,454)**	**(2,055)**	**(2,791)**	**(5,438)**
CASH FLOW FROM FINANCING								
Proceeds from issue of shares / options / warrants	80,083	-	-	-	-	-	-	-
Proceeds from borrowings	-	-	-	-	-	-	-	-
Repayment of borrowings	(212)	786	-	(17,876)	-	-	-	-
Transaction costs	(3,849)	-	-	-	-	-	-	-
Net cash provided by financing activities	**76,022**	**786**	**-**	**(17,876)**	**-**	**-**	**-**	**-**
Net change in cash and cash equivalents	40,584	(11,662)	50,377	(2,510)	125,247	217,515	275,890	542,599
Effect of exchange rate on cash and cash equivalents	2,839	-	-	-	-	-	-	-
Cash and cash equivalents, beginning of period	79,995	123,418	111,755	162,132	159,622	284,870	502,385	778,275
Cash and cash equivalents, end of period	**123,418**	**111,755**	**162,132**	**159,622**	**284,870**	**502,385**	**778,275**	**1,320,874**
Cash generation/(burn)	**(35,439)**	**(12,448)**	**50,377**	**15,366**	**125,247**	**217,515**	**275,890**	**542,599**

Source: Company data, goetzpartners Research estimates. Warning Note: Past performance and forecasts are not a reliable indicator of future results or performance. The return may increase or decrease because of currency fluctuations.

List of Figures

COMPANY DESCRIPTION

Immutep (known as Prima BioMed until November 2017) is an Australian clinical-stage biotechnology company that develops immunotherapies for cancer and autoimmune diseases. Immutep is the global leader in the understanding of and in developing therapeutics that modulate Lymphocyte Activation Gene-3 ("LAG-3"). LAG-3 was discovered in 1990 at the Institut Gustave Roussy by Dr Frédéric Triebel, Immutep's Chief Scientific Officer and Chief Medical Officer. The company has three assets in clinical and one asset in preclinical development. The lead product candidate is eftilagimod alpha ("efti"), a first-in-class antigen presenting cell ("APC") activator being investigated in combination with chemotherapy or immune therapy for advanced breast cancer and melanoma. Immutep is dual-listed on the Australian Stock Exchange ("IMM") and on the NASDAQ Global Market ("IMMP") in the US (American Depository Receipts), and has operations in Europe, Australia, and the US. The company has licensing deals with Novartis, GSK and EOC (China only), and clinical trial collaboration and supply agreements with Merck & Co. and Merck KGaA / Pfizer, the latter for lead asset efti.

SCENARIOS

Base Case - GP Investment Case
Immutep generates further clinical data on efti and secures an outlicensing deal over the next 12 - 18 months.

Bluesky Scenario
N/A

Downside risk
Company is unable to generate further positive data on efti and fails to achieve licensing deal.

Peer Group Analysis

SWOT

Strengths: Global leadership position in LAG-3 with 4 LAG-3 related product candidates; many active clinical trials with readouts expected 2023E; strong performance of efti alongside many FDA-approved therapies; established collaborations with big players (Merck (MSD), Merck KGaA / Pfizer, Novartis and GSK).

Weaknesses: Sales growth in China dependent on EOC Pharma collaboration; single asset (efti) accounts for most of value and does not have strong efficacy data as a monotherapy; expired composition of matter patent means efti is only protected by use and formulation patents.

Opportunities: Provide a novel class of immunotherapy for use alongside many existing approved therapies across many cancer and auto-immune indications; efti may become the first immunotherapy licensed for use in mBC; M&A activity in the immune-oncology space.

Threats: Market entry by competitors and alternative therapies may erode sales; EMA and FDA approval for immune-oncology drugs subject to stringent criteria.

INDUSTRY EXPECTATIONS

Immutep is developing immunotherapies for cancer, with a focus on the immune checkpoint LAG-3. The immune checkpoint inhibitor ("ICI") class has experienced rapid adoption since the launch of BMS's Yervoy (ipilimumab) in 2011, owing to their ability to elicit durable responses in 20 - 50% of patients for up to 10 years. The global ICI market was worth $37bn in 2022 and is expected to be worth nearly $150bn by 2030, driven largely by expanding use of existing therapies both in approved and new indications. The race is on to develop novel compounds with complementary mechanisms of action for combination therapy able to augment response rate without increasing toxicity, which, if successful, are expected to enjoy rapid uptake.

Please see analyst certifications, important disclosure information, and information regarding the status of analysts on pages 14-16 of this research report.

Important Disclosures: Non-Independent Research

Analyst Certification

I, Dr. Chris Redhead, hereby certify that the views regarding the companies and their securities expressed in this research report are accurate and are truly held. I have not received and will not receive direct or indirect compensation in exchange for expressing specific recommendations or views in this research report.

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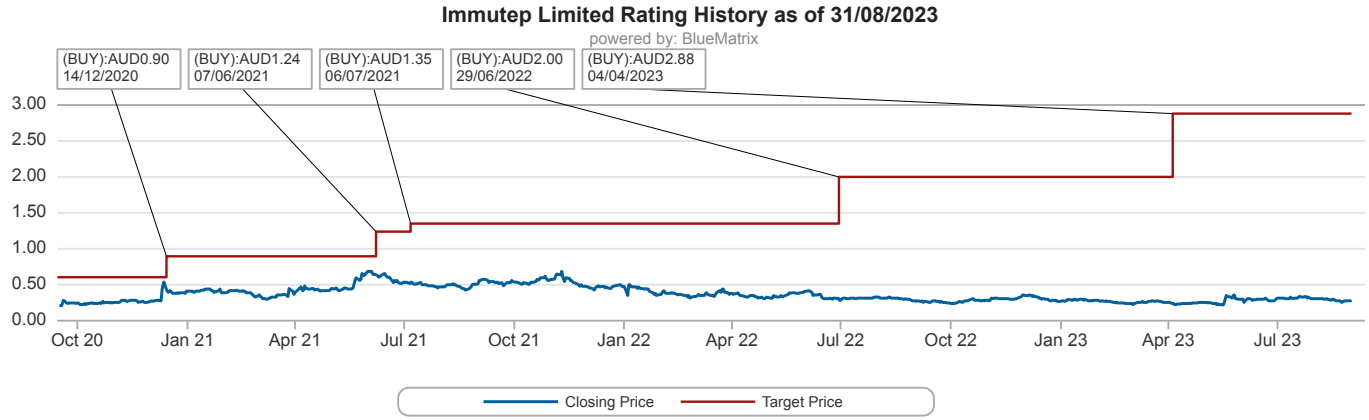

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goetzpartners securities Limited

The Stanley Building, 7 Pancras Square, London, N1C 4AG, England, UK.

Tel: +44 (0)203 859 7725

www.goetzpartnerssecurities.com

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