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COMPANY NOTE

Immutep Limited (IMM-AU)

Efti MoA strong durable in multiple cancers

OUTPERFORM

Target Price AUD2.740
Current Price AUD0.345

KEY TAKEAWAY

Immutep's Eftilagimod Alpha ("efti") has already generated impressive late-stage data in major cancers, including lung, breast, head, and neck. With a mode of action ("MoA") distinct from PD-1 / L-1 and LAG-3 monoclonal antibodies ("mAb") immune checkpoint inhibitors, efti activates both the innate and adaptive immune systems. Safe, well-tolerated and acting upstream on the immunological cascade, efti is ideally suited to combination therapy. It has demonstrated powerful synergy with PD-1 / L1 ICIs in major cancers. Phase 2b efti-pembrolizumab (TACTI-002) data in 1L NSCLC (non-small cell lung cancer) revealed a dramatic improvement in mean overall survival ("mOS") compared to the pembro-chemo SoC. Efti also generated improvements in ORR (overall response rate) with pembro in a Phase 2 (TACTI-003) in head and neck cancer ("HNSCC"), as well as a significant improvement in OS when added to the chemotherapy SoC in metastatic breast cancer ("mBC"). 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 2 / 3 in metastatic breast cancer ("mBC") underway and FDA Fast Track Designation in 1L head and neck cancer ("HNSCC") in Phase 2b, efti is gaining momentum. Previously under the radar due to its size and Australian main listing, the stock appears to be gathering momentum as investors begin to appreciate the growing body of positive data and opportunites generated through efti's unique MoA. Substantially undervalued at current levels, we reiterate our OUTPERFORM recommendation with our SoTP valuation at a TP A$2.74 per share.

Highly differentiated immune activator: As an immune activator, efti has a distinct upstream MoA very different from that of the more downstream anti-LAG-3 ICI mAb. While LAG-3 mAbs have had isolated set backs, such as with opdualag in colorectal cancer, data to date from efti in a broad range of solid cancers has been almost wholly positive. Rather than releasing the immune brake in T-Cells, efti acts on antigen presenting cells ("APC") initiating a cascade of innate and adaptive anti-tumour immune responses. Safe and well tolerated, efti's upstream activation is ideally suited to combination with other cancer therapies; with synergy already demonstrated with PD-1 / L1 and chemotherapy with clear opportunities in radiotherapy / radiopharma.

Impressive improvements in survival in combination with pembro: With impressive Phase 2 data presented at ESMO 2023, efti-pembro combo demonstrated an mOS benefit of 35.5 months in 1L NSCLC patients with PD-L1 TPS ≥1% (the population for which efti holds FDA Fast Track). With the mOS data for PD-L1 TPS ≥50% group still not yet reached; we can expect it to come in anywhere north of 40 months. Efti-pembro combo far exceeds all SoC treatments in 1L NSCLC which at best have a mOS of c.23 months in the TPS ≥1%.

Safe and effectve at all PD-L1 expression levels: Patients with low and negative PD-L1 who make up c.70% of 1L NSCLC patients are notoriously difficult to treat. Efti + pembro generated robust ORR, PFS and DoR across the PD-L1 spectrum, with high DoR accredited to the chemo-free regimen. With superior 3-year OS rates at 45.6%, 31%, and 63.6% in TPS ≥1%, TPS 1% - 49% and TPS ≥50% respectively.

Synergy with chemotherapy in breast and lung cancer: Efti has also shown itself to be effective in combination with chemotherapy. Now in an optimised Phase 2 / 3 (AIPAC-003), efti has already generated significant improvements in OS when added to the chemo mBC SoC in the previous AIPAC-002 Phase 2. Its safety and tolerability also make efti suitable for triple therapy with ICIs and chemo. The INSIGHT-003 Phase 1 trial in 1L NSCLC with triplet efti-pembro-chemo is already demonstrating encouraging safety and efficacy.

FINANCIAL SUMMARY

Net Cash/Debt (M):	110.00

MARKET DATA

Current Price:	AUD0.345
Target Price:	AUD2.740
52 Week Range:	AUD0.420 - AUD0.220
Total Enterprise Value:	300
Market Cap (M):	410
Shares Out (M):	1,188.8
Float (M):	1,055.0
Average Daily Volume:	1,056

EQUITY RESEARCH

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

GOETZPARTNERS HEALTHCARE RESEARCH TEAM
Research Team
T +44 (0) 203 859 7725
healthcareresearch@goetzpartners.com

PRICE PERFORMANCE

Source: Factset

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Company overview

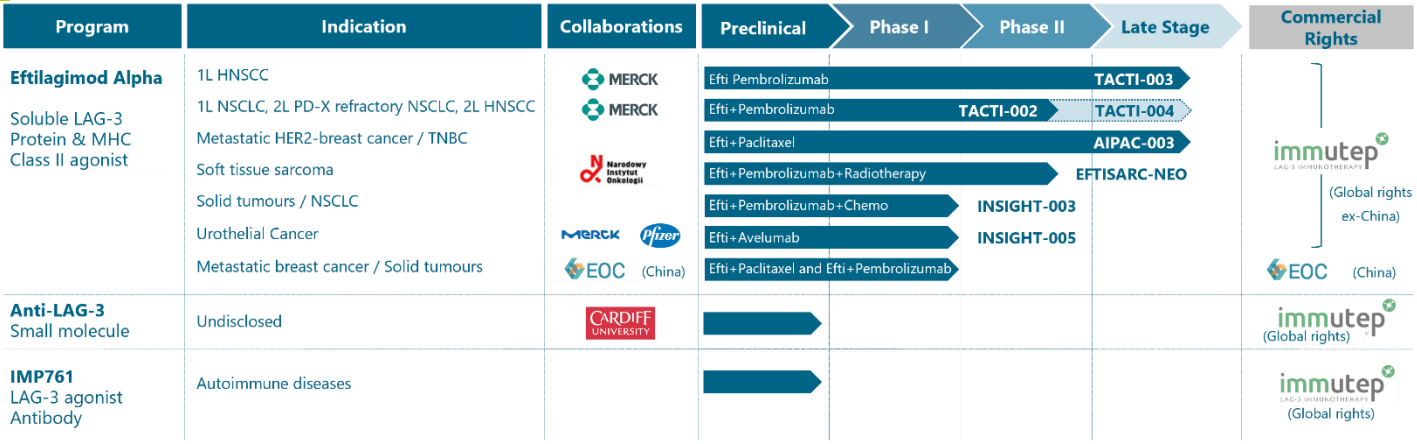
Listed on the ASX ("IMM") and with ADR's traded on NASDAQ ("IMMP"), Immutep is uniquely focused on the development of cancer and immunotherapies utilising LAG-3 ("Lymphocyte Activation Gene-3"). With its HQ in Sydney, Australia and operations in Germany, France and the USA, Immutep has established a 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 Q1/2026E.

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 APC (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 preparing for IND-enabling studies.

Immutep has three core late-stage programs 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 35 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 2 / 3 trial now initiated. Additionally INSIGHT-003 Phase 1, 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 70%, median progreession free survival >10 months ("PFS") in patients with PD-L1 tumour proportion score ("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$104m. Now financed through to Q1/CY2026E, 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 partnerships.

FIGURE 1: Pipeline



Outlicensed assets:

- LAG-525 (anti-LAG3 antibody) NOVARTIS
- GSK'781 (depleting LAG-3) gsk

Source: Immutep

Investment thesis

Efti targets the LAG-3 pathway in a unique way

Immutep's lead candidate, the fusion protein efti, is differentiated from both anti- LAG-3 and PD-1 / L1 monoclonal antibodies ("mAb"). Unlike the mAb, which block immune inhibitory pathways, efti acts as as an immune activator. Efti stimulates antigen presenting cells to activate a cascade of anti-tumour immune responses. By opening the throttle, in contrast to the mAb releasing the brake, efti in combination with immune checkpoint inhibitor ("ICI") therapy and / or chemo has demonstrated impressive data with few, if any, negative signals across a variety of major cancers. Increasing and substantially extending the duration of response of pembrolizumab compared to the current chemo-pembro NSCLC SoC, while significantly boosting overall survival in combination with chemo in metastatic breast cancer.

Best in ICI combo therapy class results in multiple indications

Major oncology players are increasingly seeking combinations to enhance the action of ICI's. combinations include other ICI's, radiotherapy, chemotherapy and cancer vaccines. As highlighted by Merck's recent anti-TIGIT vibostolimab/PD-1 disappointment, developing combinations to boost existing ICIs has been notoriously difficult. LAG-3 mAb have so far been the only ICIs to show synergy with existing ICIs. As a first in class LAG-3 immune activator, efti has delivered positive data across its three core programmes in NSCLC, HNSCC and mBC. Results presented at ESMO 2023 in NSCLC showed pembro and efti increases OS from 17 to 35 months compared to pembro monotherapy, a significant improvement compared to the pembro-chemo SoC. In addition, preliminary data of the triple therapy of pembro, efti and chemo showed a strong ORR of 71.4% and >10 month PFS. With a large number of patients already treated in multiple trials, efti appears exceptionally safe and tolerated.

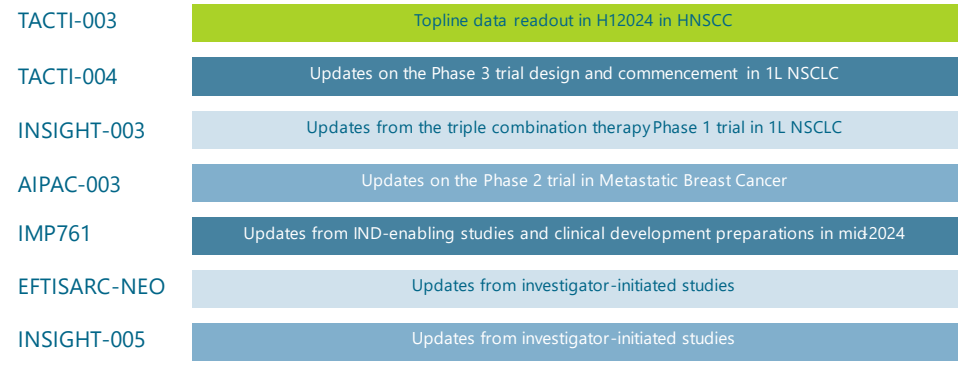
The efti-pembro combination has already been awarded FDA fast track designation in both NSCLC and HNSCC. The NSCLC Phase 3 trial on the verge of registration and data from TACTI-003 in HNSCC and AIPAC-003 in mBC expected during 2024E, we anticipate further positive news flow and substantial upside for Immutep. While our estimates indicate peak revenues of $8bn from the three core indications, mounting evidence for the broad utility of efti across multiple solid cancers should open the door to an opportunity on par with pembrolizumab ($20.9bn sales in 2022).

Due perhaps to its first-in-class and previously unrecognised mechanism of action ("MoA"), small size and Australian main listing, Immutep has been largely underappreciated by investors outside its home market. With A$104m in cash following a recent $80m financing and core clinical programmes funded to the beginning of 2026E, we anticipate increasing recognition of Immutep's potential value particularly in the US. We anticipate the reaching of key inflection points and increasing hunger from big pharma for acquisitions driven by the imminent emergence of PD-1 / L1 biosimilars will drive the Immutep valuation further towards our SoTP ("Sum of the Parts") valuation of A$2.4bn or A$2.7 per share over the next 12 - 24 months.

News flow

We anticipate positive news flow throughout 2024 (FIGURE 2), as the three core late-stage programs progress including the Phase 3 TACTI-004 trial planning for 1L NSCLC, the top-line readout of TACTI-003 Phase 2b and ongoing updates from AIPAC-003 Phase 2 / 3 following the first patient dosed. Additional updates from the triple combination Phase 1 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 Immutep has no control over the investigator-led studies and partnered programs, updates from these programs including EFTISARC-NEO and INSIGHT-005, will continue to strengthen Immutep's position in the LAG-3 and immunotherapy field as a broad combination partner with chemo, radiotherapy and immune checkpoint inhibitors across multiple indications.

FIGURE 2: Expected news flow for Immutep in 2024E



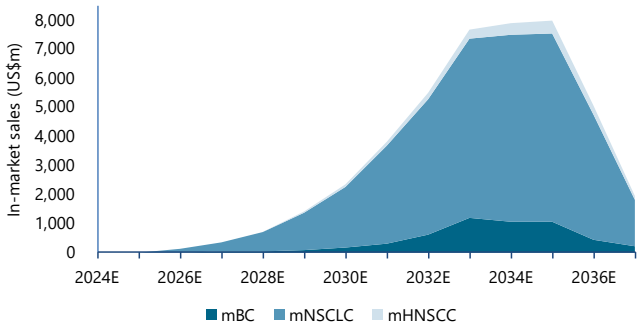
Source: Immutep

Revenue forecasts and valuation

Product sales

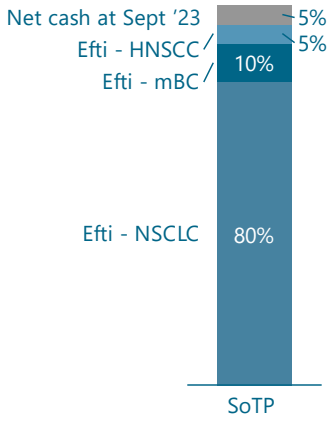
Although Immutep is expected to receive revenue from its other partnered programmes, efti is clearly the most significant revenue driver. We estimated peak efti revenues of around $7.9bn generating royalties of $2.8bn (FIGURE 3).

FIGURE 3: 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 4: Relative product value contribution



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

Sum of the Parts valuation

Our SoTP valuation yields a fair value of A$2.7 / share with NSCLC accounting for 80% of the value (FIGURE 4). This indicates substantial upside from current share price (FIGURE 5) based on risk-adjusted net present values ("rNPVs") for efti in mBC, lung and head & neck cancer (all discounted using a WACC of 14%) and net cash as of September 2023. Now funded until the end of FY2026E and with the expectation of efti starting its registrational Phase 3 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 continued recent positive data, we have maintained the high probability of success for the 3 late stage in-house programs (FIGURE 5).

FIGURE 5: 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 2/3	1,195	2032E	413	60%	248	0.29
Eftilagimod alpha	mNSCLC	Phase 2	6,483	2035E	2,910	65%	1,891	2.18
Eftilagimod alpha	mHNSCC	Phase 2b	443	2035E	187	65%	122	0.14
Net cash at Sept '23					110	100%	110	0.13
Fair value					**3,893**		**2,371**	**2.74**
Current share price (A$)								0.35
Upside								690%

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. Share price as CoB 22nd February 2024.

Our forecasts and valuation do not currently include assets currently out licensed to Novartis and GSK.

Efti: unique, safe and effective immune activator

Immunotherapies have already deeply transformed how cancer is treated today. By shifting the therapeutic target to the immune system, it has allowed for tumour-agnostic strategies with improved and lasting clinical responses in some patients. One of the most common immunotherapy strategies are ICIs, designed to block specific T cell receptors – such as PD-1, CTLA-4 and more recently LAG-3 too – with the goal of maintaining T cell activation and promoting an antitumour response. T cell activity is tightly regulated by immune checkpoint molecules that dial down an excessive immune response, a mechanism widely exploited by cancer cells to evade the immune system altogether. By blocking these regulatory molecules, ICIs essentially release the brakes of T cells so they can continue with their tumour-killing activity.

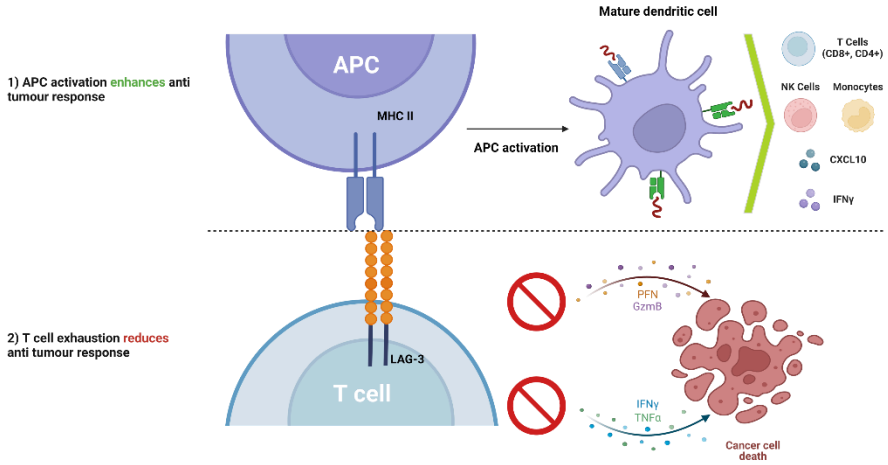
Whilst immune checkpoint inhibitor strategies have set a turning point in several cancers, such as melanoma, the extent of their efficacy is limited by the degree of immune infiltration already present in the tumour. Another approach that holds great promise in cancer treatment are therapies that enhance the immune response by stimulating the recruitment of immune cells to the tumour site; hence, addressing the limitations that ICI therapies have. Immutep's leading asset efti, offers an innovative approach to immunotherapy that has the potential to challenge the SoC and bring on a new era of cancer treatment options that boost the patient's immune response.

LAG-3 is a unique immune regulator with a dual action

LAG-3's dual role, acting as the brake and the accelerator of the immune response

LAG-3 is a powerful mediator of immune regulation that is found on the surface of activated T cells and natural killer cells. Unlike other checkpoint molecules, LAG-3 holds the key to both the enhancement and the attenuation of the immune response (FIGURE 6). One one hand, LAG-3 plays an inhibitory role on T cells. LAG-3 binding to its ligands (i.e. MHC Class II) promotes a negative regulation on T cell activity, leading to a reduction in the T cell's ability to fight cancer. Conversely, LAG-3 can also contribute to the strengthening of the anti-tumour immune response through the activation of specialised APC called dendritic cells. The interaction of MHC Class II on APC with LAG-3, triggers the maturation and activation of APC which in turn co-ordinate a strong and complex immune response that involves the release of pro-inflammatory cytokines, the expansion of tumour-reactive T cells and the recruitment of other immune cell to the tumour site.

FIGURE 6: LAG-3 / MHC Class II axis has dual opposing actions



Source: goetzpartners Research. Created with BioRender.com

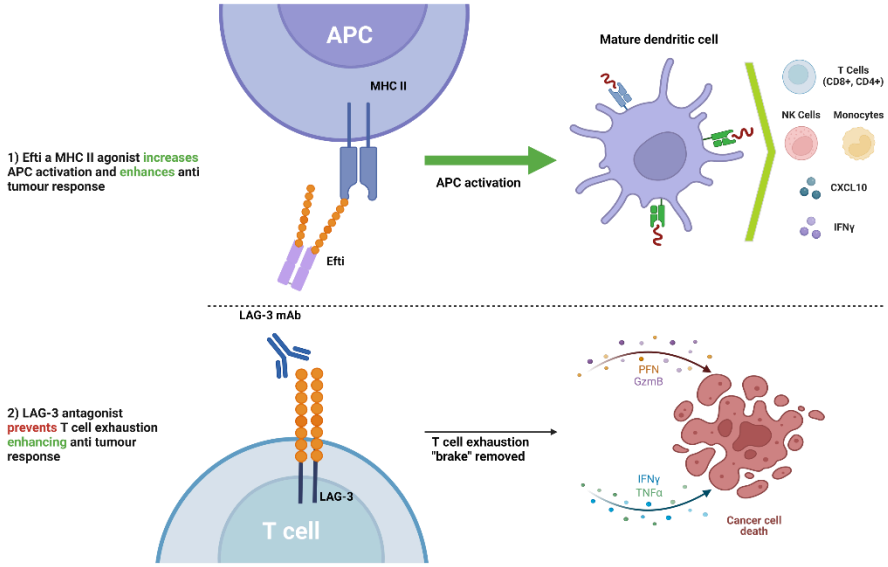
Immunotherapy strategies to exploit LAG-3 in cancer

Efti is a first-in class MHC Class II agonist that enhances the activation of APC, 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. Furthermore, as efti acts on the biology of APC, it is well suited to be used in combination with other therapies that target T cells, such as classical ICIs, to orchestrate a synergistic and robust response.

Efti's unique MoA at the heart of its remarkable efficacy

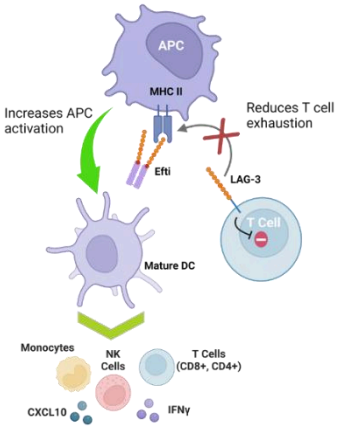
Immutep's deep expertise on the LAG-3 molecule has led to the development of a unique suite of therapeutic products that exploit the biology of LAG-3. Immutep has developed clinical stage assets to harness LAG-3's anti-tumour response with two strategies (FIGURE 7). The classical strategy is focused on the blockade of the LAG-3 receptor with a LAG-3 antagonist, to prevent its inhibitory role on T cells. This approach is used by Immutep's outlicensed asset to Novartis ierapilimab, also known as LAG525. Most drug candidates under development, as well as the LAG-3 approved drug relatlimab, address this T cell inhibitory role of LAG-3.

FIGURE 7: LAG-3 therapeutic approaches



Source: goetzpartners Research. Created with BioRender.com

FIGURE 8: Efti mechanism of action



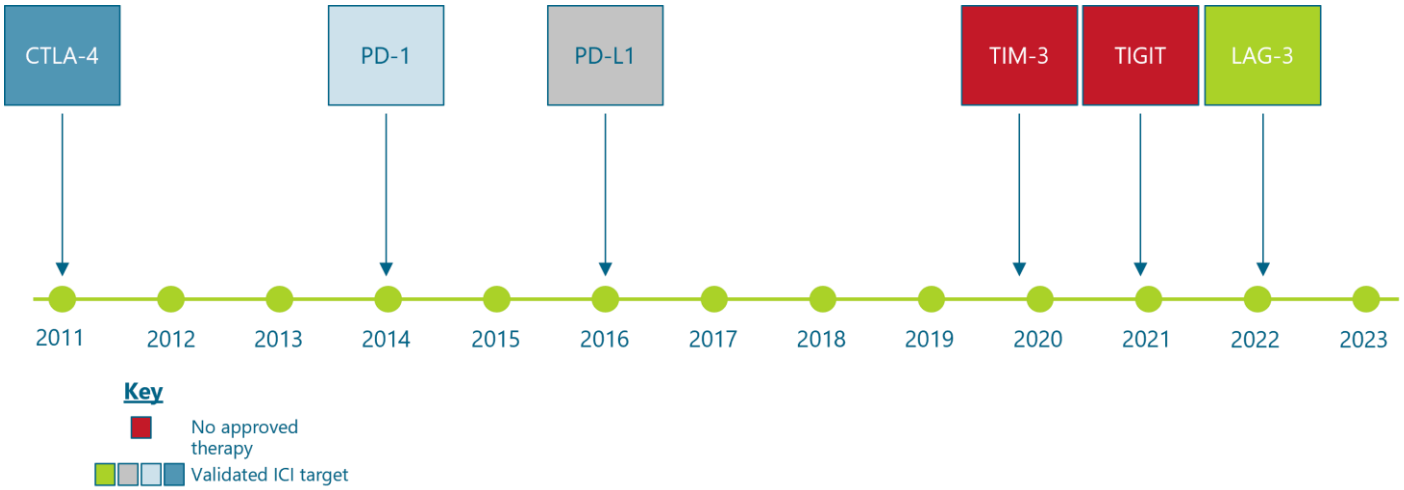
Source: goetzpartners Research. Created with BioRender.com

The second LAG-3 strategy for cancer treatment, acts on the biology of APC. This is the most innovative and promising strategy, as it is key to providing a long-lasting and full on anti-tumour immune response. Unlike the rest of the LAG-3 cancer landscape which aims to block LAG-3 to prevent the inhibitory T cell signalling, 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 that is currently under clinical development. By mimicking LAG-3, efti can therefore interact with MHC Class II on APC as if it were membrane-bound to the T cell, but without the inhibitory T cell effect and initiate a complex anti-tumour response cascade (FIGURE 8).

Combination therapy, key to unlocking cancer therapy potential

Immune checkpoint inhibitors were a significant breakthrough in the treatment of advanced malignancies, with PD-1 inhibitors such as pembrolizumab – one of the last decade's most successful drugs. However, the field has stalled with a lack of successful new targets developed. TIGIT and TIM-3 were once celebrated new targets, but progression has slowed after high profile failures. Despite this, both TIM-3 and TIGIT products are still in development with promising signs for Novartis' sabatolimab (TIM-3 mAb) in haematological malignancies. LAG-3, the focus of Immutep's pipeline, is the latest ICI target to gain FDA approval with BMS' opdualag (drug combination of relatlimab, anti-LAG-3, and nivolumab, anti-PD-1), and is validated as the next ICI avenue to explore.

FIGURE 9: Timeline of first ICI target approvals and failures



Source: goetzpartners Research

While ICI monotherapy has had impressive results in multiple malignancies, there are limitations. Cancer is complex and constantly evolving, leading to the development of resistance in longer courses of ICI therapy. Furthermore, in the case of PD-1 inhibitors, they are largely only successful in patients expressing high levels of PD-L1 as shown in Table 1, reducing the eligible patient pool. Pharma are focusing on strategies to overcome this resistance and expand the efficacy to more patient subroups, using multipronged approaches to defy cancer. There are >1,000 trials currently ongoing combining ICIs with alternative ICI targets, radiotherapy, chemotherapy, cancer vaccines and more. However, these can also have drawbacks. Whilst the addition of chemo to PD-1 therapies improves results in many cancers, it causes serious side effects and complications.

Table 1: Chemo-free ICI regimes in 1st line NSCLC regulatory status

Therapy	PD-L1 TPS ≥50%		PD-L1 TPS 1-49%		PD-L1 TPS<1%	
	US	Europe	US	Europe	US	Europe
Nivolumab + Ipilimumab	✓	✓	✓	×	×	×
Pembro monotherapy	✓	✓	✓*	×	×	×
Atezolizumab monotherapy	✓	✓	×	×	×	×

*CCN Category 2b treatment option in low PD-L1 versus preferred NCCN Category 1 in high PD-L expression in 1L NSCLC

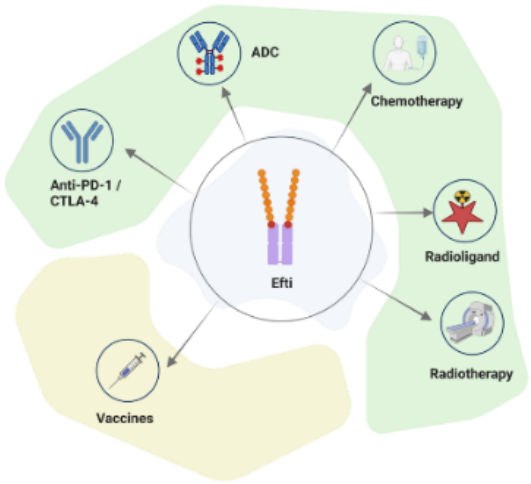
Source: goetzpartners Research, Immutep

Efti, positioned to be the combination agent of choice for big pharma

Efti is a prime candidate for combination therapy

Efti's unique and differentiated approach as a MHC Class II agonist make it an attractive target for combination therapies (FIGURE 10). As a soluble LAG-3 protein, efti acts as a potent immune system booster, unlike other LAG-3 therapies that act as an antagonist to LAG-3 removing the brake on T-cells. Efti triggers the maturation and activation of dendritic cells, driving a powerful immune response. Importantly, efti does not require an epitope to be present on cancer cells nor a high degree immune infiltration, which likely translates to an increased efficacy in low responder groups that lack effective and safe therapeutic options. This unique MoA positions efti well in the ICI and wider oncology combination therapy space, as efti exponentially increases immune system responses and synergises well with other mainstream therapies such as ICI and chemotherapy. Efti continues to demonstrate that is safe and well tolerated, perhaps due to its lack of immune-checkpoint blockade MoA, and keeps on challenging the SoC by offering durable responses. These qualities position efti as an ideal agent to be used in combination with other innovative oncology therapies such as radioligand, vaccines and ADC's; with a significant potential upside in value.

FIGURE 10: Efti's potential in combination therapies



Source: goetzpartners Research. Created with BioRender.com

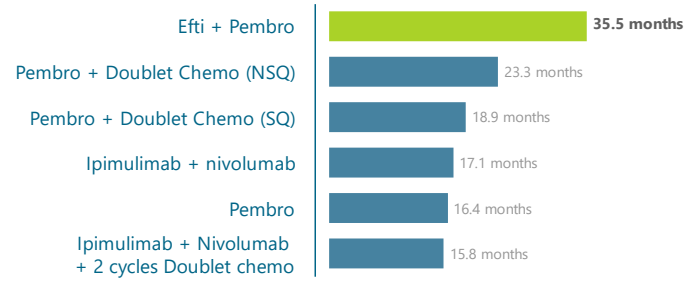
Efti optimally placed for ICI combination therapy

Industry leading data in NSCLC

Efti initiates an anti-cancer response

At ESMO 2023, Immutep released further impressive data across multiple indications and combination therapies. Efti, with its unique mechanism, has been trialled in a large number of patients across many different trials and indications, and this data overwhelmingly suggests efti is a safe, tolerable and effective cancer therapeutic. The headline data at ESMO was that efti generated significant improvements to the SoC in 1L NSCLC with two therapy combination strategies: efti + pembrolizumab + chemotherapy triple combo and with efti + pembrolizumab double combo. The pembro and efti combination therapy provided a significant survival benefit across all TPS subgroups with a durable response and, most importantly, lifting the tail of the survival curve. *FIGURE 11* demonstrates the remarkable improvement in OS against other ICI combinations, efti + pembro exhibits a >50% improvement in median OS compared to any other therapy. These results are still ongoing and will likely continue to increase, as the median OS has not yet been reached in the strong responder group of TPS≥50%. Most importantly, compared to other chemo free therapies the duration of response, OS, ORR and PFS were impressive across all PD-L1 subgroups including TPS<1%.

FIGURE 11: Median OS in different ICI combinations for 1L advanced NSCLC



PD-L1 TPS ≥ 1%; NSQ (non-squamous); SQ (squamous)

Source: goetzpartners Research, Immutep

Efti improves survival without a drop in tolerability and safety

Building upon this encouraging preliminary data, the triple therapy (efti + pembro + chemo) also showed to be well tolerated and similarly effective – with an ORR of 71% and OS data not yet reached. Impressively, this was across all PD-L1 TPS scores including the markedly difficult to treat patient population with no PD-L1 expression (TPS <1%). Negative PD-L1 status is common in NSCLC and is a population lacking effective therapeutic options. Hence, efti offers a promising therapeutic opportunity for this large patient group, significantly expanding the current eligible patient pool for PD-1 therapy.

Table 2: Efti's efficacy in difficult to treat patients NSCLC

Therapy	TPS <50%		TPS <1%	
	ORR (%)	PFS*	ORR (%)	PFS*
Pembrolizumab + chemo	40.8	9.2	N/A	6.2
Pembrolizumab + chemo +efti	70.6	10.9	N/A	10.1

* PFS = median months

Source: goetzpartners Research, Immutep

Biomarker data explains impressive results

Associated biomarker data obtained in TACTI-002 trial, provides an explanation for the impressive efficacy results. Through a substantial immune activating response, efti leads to increased levels of IFN-gamma, CXCL-10 and absolute lymphocyte count – associated with positive overall survival results. In addition, gene expression profiling of patient's blood samples demonstrated increased expression of immune activation and cytotoxicity including $CD8^+$ T cells that aid in the fight against cancer.

Sustained and durable responses in multiple indications

Similarly to NSCLC, efti demonstrated impressive results in 2L HNSCC, with data from the Phase 2 TACTI-002 trial presented at ASCO 2023. Regardless of PD-L1 expression, efti in combination with pembro stimulated deep and durable responses in patients, with a median response duration not reached at 39 months of follow up. Compared to anti-PD-1 monotherapy (7.3% ORR, mOS of 8.7 months, and 12-month OS rate of 40% in PD-L1 CPS ≥1), efti again beat the SoC with 38.5% ORR, mOS of 12.6 months, and 12-month OS rate of 52.0%. This data further adds to the weight of evidence behind efti's success in improving patient outcomes, regardless of PD-L1 status, when used in combination with anti PD-1 across a number of malignancies, and the potential to further challenge the SoC in malignancies beyond the current core programs.

Seamless trial progression, maintaining fast track approval status

Immutep is also progressing their other clinical programs. In metastatic breast cancer the open label safety lead-in of a higher dose of efti with paclitaxel has been completed, without any safety or tolerability issues. This should allow the large population sample to receive the higher dose in the Phase 3 part of the trial. Furthermore, in their last core program of HNSCC, enrollment of the Phase 2b for combination therapy of efti and pembro is completed and includes PD-L1 negative patients. If results follow the example of NSCLC and traditionally difficult to treat patients' efficacy is improved with the addition of efti, this could be a significant catalyst to trial efti in further indications with ICI failures. Outside of the core programs, trials have started for efti in sarcoma and urothelial cell carcinoma with the first patient dosed for the large unmet medical need of bladder cancer. Additionally, Immutep has also expanded its manufacturing capabilities, following the build up of 2,000L commercial scale to manufacture efti that received approval for clinical trial use, securing the supply of efti for future trials.

Best in class results underappreciated by investors

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 and with renewed optimism for pharma in 2024, we expect to see a flurry of dealmaking. Companies are likely to be still relatively risk averse and acquire assets / companies with clinical data in place. Immutep with its best-in-class combination results fits this criteria and as further results come in, could increase its attractiveness to large pharma. Immutep's clinical collaboration with MSD makes it an obvious choice, but Pfizer and Merck KGaA have also indicated interest in efti in their recent investigator-led trials.

LAG-3 therapies beyond efti

Immutep is the only pure-play LAG-3 company

Immutep's LAG-3 based pipeline has been built on the backbone of their expertise. Founded by the discoverer of LAG-3 (Frédéric Triebel, MD, PhD), Immutep has leveraged this expertise to build and develop a unique pipeline of differentiated LAG-3 assets. Their primary candidate, efti, has a unique mechanism of action as explored above, acting on MHC II to induce an APC-driven robust anti-tumour response. Aside from efti, Immutep has also developed 3 antibodies: IMP761, an agonist antibody for autoimmune diseases; ieramilimab or LAG525, an antagonist antibody outlicensed to Novartis; and GSK'781, a depleting antibody also for autoimmune diseases. These myriad of LAG-3 mechanisms provides Immutep with the best opportunities to have efficacious therapies in oncology and beyond. IMP761 is another first-in-class mechanism acting to silence autoimmune memory T cells expressing LAG-3 as an exhaustion marker and is on track for a first-in-human study mid-2024. LAG-525 acts to block LAG-3 while GSK'781 is cytotoxic and destroys LAG-3 expressing T cells in autoimmunity.

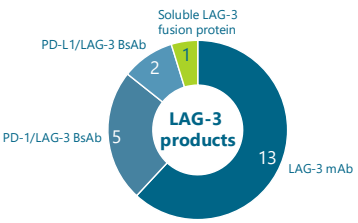
Anti-LAG-3 antibodies gaining momentum despite isolated setbacks

The LAG-3 class future looks promising

Combination therapies stand out as the optimal strategy in cancer treatment. However, while this approach may lead to enhanced responses, it often is in detriment of safety. LAG-3 is a promising immune checkpoint class that is well suited for combination with other treatment regimens, including radio-, chemo- and immuno-therapy. Multiple clinical trial studies have reported a remarkable safety profile with minimal additional toxicity. For instance combinations of anti-LAG-3 and anti-PD-1 drugs, such as pembrolizumab, have demonstrated a safety profile comparable to that of the PD-1 treatment alone. This is in stark contrast to other immune checkpoint combinations such as the addition of CTLA-4 to PD-1 blockade, which considerably increases toxicity. As such, the LAG-3 class remains an attractive immune checkpoint target that is ideal for combination therapies, where synergistic effects can be achieved without sacrificing safety.

Opdualag (PD-1 inhibitor nivolumab + LAG-3 inhibitor relatlimab) is a first-in-class combination immunotherapy for the treatment of melanoma, and the only LAG-3 antagonist drug currently on the market. Since its approval in 2022, it has experienced a rampant growth. With revenues of $437m in the first nine months of 2023, it is the second top grossing new product in Bristol Myers Squibb's portfolio. Following its initial success in melanoma, the nivolumab and relatlimab combo is further being explored in other solid tumours including NSCLC, hepatocellular carcinoma and metastatic colorectal cancer. However, opdualag has recently faced some setback in metastatic colorectal cancer leading to the discontinuation of its Phase 3 study due to modest efficacy, potentially due to its fixed dose of PD-1 and LAG-3 inhibitors, with colorectal cancer requiring further dose fine-tuning.

FIGURE 12: LAG-3 products in clinical development



Source: goetzpartners Research, Biocentury in January 2024

Despite this recent setback in colorectal cancer, there is room for optimism in the wider LAG-3 class. Another combination therapy akin to opdualag, favezelimab + pembrolizumab (anti-LAG-3 and anti-PD-1, respectively), has demonstrated impressive performance in early-stage clinical trials. This combo has reported better response rates in melanoma than opdualag and is making strides in colorectal cancer too. Building on this optimism, Merck is betting heavily on the LAG-3 class; with the favezelimab + pembrolizumab combo being trialled in a total of 8 different cancer indications, and favezelimab as LAG-3 monotherapy being tested in NSCLC too. Merck and Regeneron have the most clinically advanced assets, with their LAG-3 inhibitor candidates favezelimab and fianlimab, respectively.

LAG525: LAG3 mAb hindered by poorly performing partner programmes

Outlicensed assets could benefit from more effective PD-1 therapies

Immutep's outlicensed assets LAG525 and GSK'781 – to Novartis and GSK, respectively – have encountered minor setbacks. Novartis' oncology franchise has recently experienced pronounced reorganisation with roughly 50% of projects being de-prioritised. LAG525 (also known as ieramilimab) was being tested in combination with Novartis' inhouse anti-PD-1 asset spartalizumab. Unfortunately, this combination delivered modest efficacy, which led to its discontinuation in melanoma and breast cancer. Spartalizumab has not performed well across several unrelated clinical programs, which could underlie the missed endpoints with LAG525. The fate of LAG525 with Novartis remains unknown. The asset may receive rekindled interest from Novartis in combination with novel therapies such as radioligand. Alternatively, the asset could be returned to Immutep who could look for partnerships with strong terms, and trial the asset with more potent anti-PD-1 candidates including possibly with one from the wave of incoming PD-1 biosimilars. GSK's licensed LAG-3-depleting asset from Immutep, GSK'781, has mixed results with initial promising results in plaque psoriasis, but GSK's next bet in ulcerative colitis fell short of expectations and is of lower strategic priority, this asset could face similar paths to the Novartis asset. Neither asset is currently included in our Immutep forecasts or model.

LAG-3 targeting continues to have an exciting outlook both in cancer and autoimmune diseases. The remarkable safety features of the LAG-3 class make it an attractive target for synergistic therapies. With Immutep's decades of experience on this drug class, from its discovery to generating the largest portfolio of LAG-3 targeting assets, Immutep is well positioned to leverage its expertise to advance differentiated drug candidates such as efti with demonstrated remarkable efficacy and superior safety. Immutep can leverage this expertise to advance their autoimmune program with IND-enabling studies planned for 2024E.

Financial forecasts

FIGURE 13: 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: Immutep, 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 14: 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: Immutep, 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.

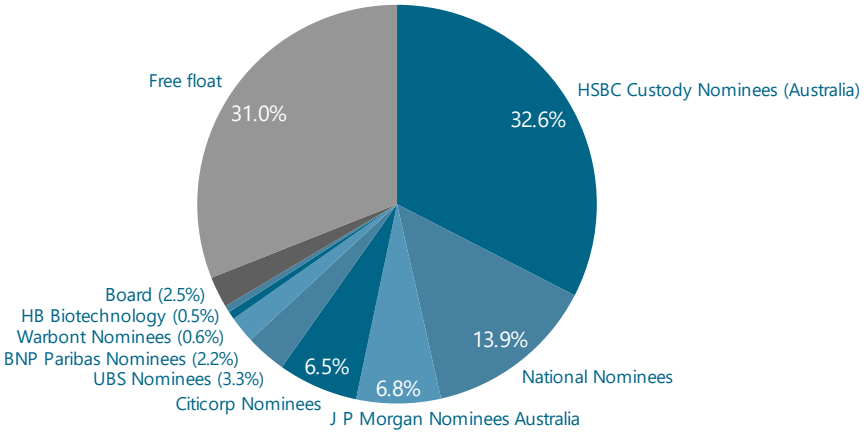
FIGURE 15: Immutep cash flow model

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: Immutep, 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.

Shareholder Structure

FIGURE 16: Shareholder Structure 2023



Source: Immutep

Management and Board

Management Team

Marc Voigt, MBA – Chief Executive Officer & Executive Director

Marc was appointed CEO and Executive Director in July 2014, previously serving as Immutep's Chief Financial Officer and Chief Business Officer since 2012. Marc has a strong track record in the corporate and biotechnology sectors. Prior to joining Immutep, he worked at Allianz Insurance and for the German investment bank net.IPO.AG, and held executive positions as CFO and CBO at Medical Enzymes AG and at Revotar Biopharmaceuticals. He holds an MBA from the Freie Universität of Berlin.

Frédéric Triebel, MD, PhD – Chief Scientific Officer & Executive Director

Frédéric discovered the LAG-3 gene in 1990 and he founded Immutep S.A in 2001, where he served as the Scientific and Medical Director from 2004. Following the acquisition of Immutep S.A, Frédéric was appointed Chief Medical Officer and Chief Scientific Officer in December 2014. He holds a PhD in Immunology from Paris University and has over 153 publications and 31 patents in immunogenetics and immunotherapy.

Florian Vogl, MD, PhD – Chief Medical Officer

Florian has over 10 years of experience in the biopharmaceutical industry. Prior to joining Immutep, he served as CMO at Cellestia Biotech working on delivering therapeutic options in the oncology and autoimmune disorder areas. He holds an MD and PhD in clinical pharmacology from the University of Munich, and held a postdoctoral fellowship at the International Agency for Research on Cancer in Lyon.

Deanne Miller – Chief Operating Officer, General Counsel & Company Secretary

Deanne joined Immutep in 2012 as General Counsel and Company Secretary, and was appointed Chief Operating Officer in November 2016. Deanne is admitted as a solicitor in New South Wales and brings a broad commercial experience to Immutep, having held positions at RBC Investor Services, Westpac Group, Macquarie Group, the Australian Secutities and Investment Commision, and KPMG. She holds a Combined Bachelor of Laws (Honours) and Bachelor of Commerce, Accounting and Finance (double major) from the University of Sydney.

Christian Mueller – SVP Regulatory & Strategy

Christian joined Immutep in 2016, bringing almost two decades of experience developing monoclonal antibodies in the field of immuno-oncology and experience in clinical development in oncology, having held positions at Medical Enzymes AG and Ganymed Pharmaceuticals AG. He holds a Master of Science in Biotechnology from the Technical University Berlin.

Claudia Jacoby, PhD – Director of Manufacturing

Claudia joined Immutep in 2015, bringing over 15 years of experience in the biotech industry spanning protein expression and purification as well as analytical and preclinical development. She held positions at pre-clinical and clinical-stage pharmaceuticals, where she was in charge of developing and supervising the production of GMP-compliant biologics and small molecules for clinical trial supply. She holds a Master degree in Biochemistry and a PhD from the Institute for Biotechnology of the Martin-Luther-University of Halle-Wittenberg, Germany.

James Flinn, PhD – Intellectual Property and Innovation Director

James joined Immutep in 2017, bringing over 20 years of experience in building and managing IP portfolios. James is an Australian Patent Attorney, having held positions at GSK, two US-based pharmaceutical companies, a major Australian retailer, and a Melbourne Pattent Attorney firm. He also holds a PhD in peptide chemistry and structural biology from the University of Melbourne.

David Fang – Finance Director & Assistant Company Secretary

David joined Immutep in 2018, bringing over 12 years of accounting and auditing experience. David previously held positions at Kazia Therapeutics Ltd, ASX and NASDAQ dual-listed biotech company in oncology, as Group Finance Manager, and at PWC as Auditor. He holds a Master of Professional Accounting from Western Sydney University, and a Master of Commerce degree in Information System and Technology from Macquarie University.

Board of Directors

Russell Howard, PhD – Non-Executive Chairman; Chairman of NeuClone Pty Ltd; Former CEO of Maxygen and former Director of Circadian Technologies Ltd.

Marc Voigt, MBA – Chief Executive Officer & Executive Director; Former CFO of Medical Enzymes AG and Revotar Biopharmaceuticals AG, Former investment manager at Deutsche Life Science

Pete Meyers – Non-Executive Director and Deputy Chairman; CFO of Slayback Pharma; Former CFO of Eagle Pharmaceuticals Inc., TetraLogic Pharmaceuticals Corp., and Motif BioSciences Inc.

Frédéric Triebel, MD, PhD – Chief Scientific Officer & Executive Director; Founder of Immutep SA, and pioneer in the LAG-3 field of immuno-oncology.

Lis Boyce – Non-Executive Director; Partner at Piper Alderman, Deputy Chair of AusBiotech's AusMedtech Advisory Group and a member of AUSBiotech's State Committee for New South Wales.

Anne Anderson – Non-Executive Director; Non-Executive director at Australian BT Funds Management Ltd; Former Managing Director with UBS Asset Management.

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COMPANY DESCRIPTION

Immutep 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 / immune therapy / radiotherapy. 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: Positive late stage data for its lead product across a broad range of solid cancers; in combination with ICIs and chemo. Impressive and durable responses in 1L NSCLC increases in OS over SoC in Phase 2 mBC

Weaknesses: Unfamiliar MoA, Australian listing.

Opportunities: Provide a novel class of immunotherapy for use alongside many existing approved therapies across many cancer and auto-immune indications; 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 18-20 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.

Meaning of goetzpartners Research Ratings

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OUTPERFORM - Describes stocks that we expect to provide a relative return (price appreciation plus yield) of 15% or more within a 12-month period.

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Companies Mentioned in this report

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- (MERCK KGAA)
- (NOVARTIS)
- (GSK)
- (BMS)
- (PFIZER)
- (REGENERON)
- Immutep Limited (IMM-AU)

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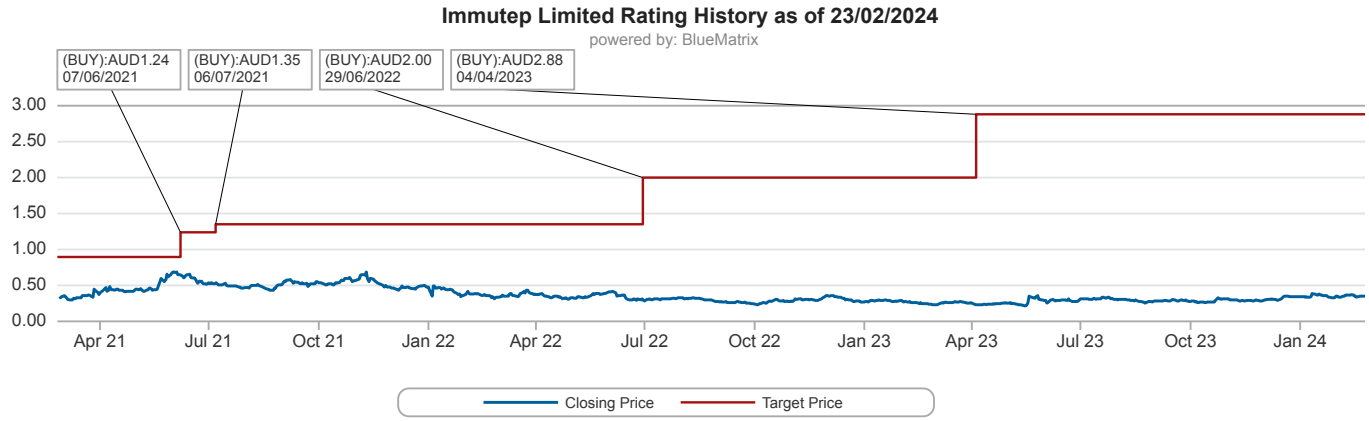

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goetzpartners securities Limited

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

Tel: +44 (0)203 859 7725

www.goetzpartnerssecurities.com