

## Immutep Ltd. ADR

NASDAQ: IMMP

Rating: BUY

Price Target: \$5.00

Last (Jun. 1, 2020): \$1.27

### Responses to Efti + Pembro are Deepening Over Time, as is the Combo's Market Opportunity with ASCO Data Positing Promise in New Indications

Maintaining its brisk pace of data presentation over the last several months, Immutep reported new data from the Phase 2 TACTI-002 and Phase 1 INSIGHT-004 trials of eftilagimod alpha (efti) in combination with checkpoint inhibitors pembrolizumab (pembro) and avelumab at ASCO this weekend and in a webcast after yesterday's close – collectively underscoring the utility of efti in an ever-expanding number of treatment settings. One of the enduring themes of efti + pembro clinical study has continued to play out, with responses in NSCLC and head and neck cancers further deepening and increasing in frequency as time on therapy extends (as has already been observed repeatedly in other indications where efti has been evaluated, see Exhibit 1). Additionally, first interim results from the INSIGHT-004 study of efti + avelumab suggest this checkpoint inhibitor combination may represent a currently unappreciated source of revenue if they prove consistent as dose exploration progresses. Results from TACTI-002 and INSIGHT-004 are still early and more conclusive evaluations will come as data matures, but we believe these latest findings firmly support the notion that efti may prove an effective combination agent in a wide swath of indications in much the same way that other checkpoint-targeted therapeutics have thus far. We maintain our BUY rating and 12-month price target of \$5.00/ADS.

**TACTI-002 updates suggest greater efficacy over time at no increased safety risk.** At top level, response rates in both Part A (frontline NSCLC) and Part C (2<sup>nd</sup>-line head and neck cancers) of TACTI-002 improved marginally from a previously reported ORR of 47% (now 53%, n=17) in the former cohort and 33% (now 39%, n=18) in the latter, driven by one additional response in each cohort – which was a CR in Part C (a snapshot of competitive benchmarks are provided in Exhibit 2). Responding patients saw greater degrees of tumor reduction overall with greater follow-up, and the observation of two responses at 8 and 11 months in Part A further suggests that the efficacy of efti + pembro is not only durable but also improves over time. Also of note, an estimated (though not yet finalized) median PFS of 9+ months was reported in frontline NSCLC patients treated with the combo, which compares favorably to the median PFS of 8.8 months observed for pembro in combination with pemetrexed and platinum chemo in KEYNOTE-189 and median PFS of 6.4 months for pembro in combination with carboplatin and paclitaxel in KEYNOTE-407 (both of which enrolled frontline NSCLC patients regardless of PD-L1 expression status). These competitive outcomes were achieved with no discernible decrease in tolerability since last report and continue to markedly improve upon the AE profile of these aforementioned pembro combos and other IO/chemo combos as a whole (Exhibit 3). Immutep communicated that it expects to provide further interim readouts regularly, with the next look potentially to be presented at the virtual ESMO conference in mid-September. Regardless of precisely when the next update may come, at next presentation we hope to see 1) Confirmation of the finalized median PFS assessment in frontline NSCLC; 2) PD-L1 expression status breakdown for Parts B and C of the trial (as has already been done for Part A) to provide context for responses observed so far in Part C in particular; and 3) Updated enrollment and potentially initial response assessments from Part B given the impact of the COVID pandemic on overall enrollment and a more measured pace of enrollment in Part B relative to other cohorts. (Continued on next page).

#### STOCK DATA (\$ USD)

Market Cap (Mil)	61.9
ADR Shares Outstanding (Mil)	48.8
Float (Mil)	36.4
52-Week Range	\$0.53- \$3.10
3-Month Avg. Daily Vol.	650,708
Short Interest (Mil)	0.15
Short Interest (% of Float)	0.4%
Institutional Holdings	1.5%
Insider Holdings	0.0%

#### BALANCE SHEET DATA (\$ AUD)

Cash & Cash Eq. (Mil)	\$20.5
Securities, Short & Long (Mil)	\$0.0
Total Assets (Mil)	\$43.0
Total Debt (Mil)	\$8.2
Cash/Share	\$0.52
Est. Fiscal 2020 Cash Burn (Mil)	\$19.8
Fiscal Year End	June

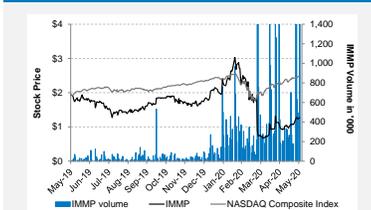
#### REVENUE (\$ AUD, MIL)

	2019	2020	2021
1H	0.00A	7.37A	0.00E
2H	0.14A	0.00E	0.00E
FY	0.14A	7.37E	0.00E

#### EPS (\$ AUD)

	2019	2020	2021
1H	(0.28)A	(0.16)A	(0.32)E
2H	(0.29)A	(0.32)E	(0.40)E
FY	(0.57)A	(0.49)E	(0.71)E

#### STOCK CHART - 1 Year History



Matthew Cross

Research Analyst

646-465-9925

[mcross@jonestrading.com](mailto:mcross@jonestrading.com)

**Too early to declare victory for efti + avelumab in disparate solid tumors, but so far results highlight potential for use of efti alongside numerous IO therapies.** First clinical debut for efti + avelumab in a basket of advanced solid tumors was a reasonably strong one, with a 33% ORR reported for both dose cohorts (800mg avelumab + 6mg or 30mg efti, n=6 per cohort) in a collection of different indications. Each of the four responses among these initial 12 patients occurred in a unique indication, including adenocarcinoma of the right colon, pleural mesothelioma, squamous cell anal carcinoma, and gastroesophageal junction adenocarcinoma. It is relevant to note that the majority of these patients may have been more likely to respond to a PD-L1 combination regimen given their disease characteristics (half had PD-L1 expression status  $\geq 30\%$  and an additional patient was MSI-high) but we believe these early assessments are likely indicative of the combo's activity and could remain consistent or improve as refining of dosing scheme and time on therapy continues. Rates of severe AEs (Grade 3+) appear to be fairly balanced across these two dose levels of efti, but full safety reporting for the high-dose cohort to be presented in future may in part determine whether a dose of efti on the higher end of this range (or still greater) may be carried forward into subsequent testing. As of late April INSIGHT-004 has been fully enrolled, and we anticipate updated results could come at ESMO or SITC in September and November, respectively.

**Exhibit 1: Performance of Efti + PD-1/PD-L1 IO Across Indications**

Trial / Indication	TACTI-002			TACTI-mel metastatic melanoma	INSIGHT-004 Advanced solid tumors
	Part A 1st line NSCLC	Part B 2nd line NSCLC	Part C 2nd line HNSCC		
Details Indication	PD-L1 all comer; PD-X naive; SQ+NSQ	PD-L1 all comer; PD-X refractory	PD-L1 all comer; PD-X naive	PD-L1 all comer; partly with suboptimal response to pembro alone	PD-L1 all comer
No of pts	N=36 (Stage 1: 17/17; Stage 2: 17/19)	N=36 (Stage 1: 19/23; Stage 2: 0/13; not yet opened)	N=37 (Stage 1: 18/18; Stage 2: 6/19)	N=24 (Part A: 18; Part B: 6)	N=12
Highlights <sup>(1)</sup>	PD-L1 all comer; 53% iORR; median PFS 9+ months; responses, excellent safety	Not yet	PD-L1 all comer; 39% iORR incl. 5% iCR	1 CR after PD on pembrolizumab 58% ORR*; 58% progression free at 6 months	4 PRs in partly ICI insensitive indications
Historical comparison <sup>(2)</sup>	Pembro mono: ~20% ORR; 5-6 months median PFS	./.	Pembro mono: 15-18% ORR in > 1% PD-L1	21-33% ORR; 34-46% progression free at 6 months	./.

Notes:  
25 (1) Preliminary data, cut-off May 2020 (TACTI-002); October 2019 (TACTI-mel); Presented at ASCO 2020 Virtual in May 2020 (INSIGHT).  
(2) Keynote 040 results, available from <https://www.asco.org/news-and-public-affairs/KEYNOTE-040-Evaluation-Pembrolizumab-in-Head-and-Neck-Cancer-and-Internal-calculation-based-on-published-data>; Caron et al. N Engl J Med 2015; 372:2018-2026 available from <https://www.nejm.org/doi/full/10.1056/NEJMoa1501824> and other corresponding clinical trials. \*IC11 exploratory analysis.

Source: Company presentation (June 2020).

**Exhibit 2: Results of IO and Chemo in 2<sup>nd</sup>-Line Head and Neck Cancers**

Regimen	ORR <sup>(1,3)</sup>	Median DoR (months)	Median PFS (months) <sup>(1, 3)</sup>	PFS rate at 3 / 6 months <sup>(2)</sup>	Median OS (months) <sup>(1)</sup>	Main downside/limitations <sup>(1,2,3)</sup>
Chemo	10.1%	5.0	2.3	45% / 20%	6.9	Not effective in >> 50% of patients
Pembro	14.6%	18.4	2.1	40% / 25%	8.4	Not effective in >> 50% of patients
Pembro $\geq 1\%$ CPS	17.3%	18.4 (vs 9.6)	2.3	45% / 30%	8.7	Not effective in >> 50% of patients
Nivo	13.3%	9.7	2.0	37% / 21%	7.7	Not effective in >> 50% of patients

Source: Company presentation (June 2020).

**Exhibit 3: Comparative Discontinuation and Grade 5 AE Rates for IO and Chemo Regimens**

Regimen <sup>(2)</sup>	Treatment related adverse events leading to discontinuation	Treatment related adverse events leading to death
Double Chemo	8-22%	1-6%
Ipi + Nivo	20%	< 2%
Chemo + Pembro	23-33%	3-8%
Pembro alone	10-15%	< 2%
Efti plus pembro	4%	0%

Source: Company presentation (June 2020).

**Valuation and risks.** Our 12-month price target of \$5.00/ADS is derived from a standard DCF valuation analysis in which we project cash flows out to fiscal 2028 with an assumed 2% terminal growth rate, discounted back at 39% over 8 years (please refer to our Discounted Cash Flow analysis on page 7 of this report). Risks include: failure to demonstrate positive results in ongoing and future clinical trials, failure to secure regulatory approval for one or more product candidates, and/or failure to secure sufficient funding from partnerships or the capital markets necessary to complete development of product candidates.

FINANCIAL TABLES

IMMP Income Statement, with Projections		Projections are shaded light gray																
(\$ AU, in thousands; FY end June)	2017A	2018A	1H:19A	2H:19A	2019A	1H:20A	2H:20E	2020E	1H:21E	2H:21E	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E
<b>Operating Revenue</b>																		
Product Sales	-	-	-	-	-	-	-	-	-	-	-	-	49,630	237,066	474,702	701,085	910,422	1,095,935
Milestone Revenues	-	2,630	-	140	140	7,366	-	7,366	-	-	-	-	-	-	-	-	-	-
<b>TOTAL Revenue</b>	-	2,630	-	140	140	7,366	-	7,366	-	-	-	-	49,630	237,066	474,702	701,085	910,422	1,095,935
<b>Operating costs and expenses</b>																		
Cost of products sold	-	-	-	-	-	-	-	-	-	-	-	-	7,444	35,560	71,205	98,152	118,355	131,512
Depreciation and amortization	1,702	1,809	943	936	1,879	965	1,373	2,338	1,530	1,695	3,226	4,099	5,369	6,917	8,818	11,166	14,078	17,698
Research and development	7,526	9,990	7,582	9,009	16,591	11,899	8,924	20,823	9,817	13,743	23,560	28,272	24,879	27,367	34,209	47,893	71,840	104,167
Selling, general and administrative	4,347	7,242	3,254	3,112	6,366	3,088	2,625	5,714	2,835	3,402	6,237	6,861	10,292	13,379	16,055	22,477	33,716	50,574
<b>TOTAL Operating Expenses</b>	14,326	20,098	11,544	13,328	24,872	15,905	13,576	29,480	14,860	19,669	34,529	41,082	50,258	86,017	133,721	183,907	243,172	310,322
<b>TOTAL Operating Income (Loss)</b>	(14,326)	(17,467)	(11,544)	(13,188)	(24,732)	(8,538)	(13,576)	(22,114)	(14,860)	(19,669)	(34,529)	(41,082)	(628)	151,049	340,982	517,178	667,250	785,613
<b>Other income (expense):</b>																		
Grant income	3,316	3,214	2,124	2,218	4,342	2,152	-	2,152	-	-	-	-	-	-	-	-	-	-
Interest income	104	177	198	199	397	137	170	307	254	149	403	1,249	422	272	2,714	8,629	18,105	29,798
Interest expense	-	-	-	-	-	(6)	-	(6)	-	-	-	-	-	-	-	-	-	-
Miscellaneous income	800	1,009	157	998	1,155	79	-	79	-	-	-	-	-	-	-	-	-	-
<b>Total Other Income (Expenses)</b>	4,222	4,723	2,871	3,518	6,388	2,159	170	2,329	254	149	403	1,249	422	272	2,714	8,629	18,105	29,798
<b>Profit or Loss Before Taxes</b>	(10,105)	(12,744)	(8,674)	(9,670)	(18,344)	(6,379)	(13,406)	(19,785)	(14,606)	(19,520)	(34,126)	(39,833)	(206)	151,321	343,696	525,807	685,355	815,410
Income tax (expense) / gain	(737)	2	5	(5)	-	0	-	-	-	-	-	-	-	-	65,301	144,597	188,473	224,238
<b>Net Profit or Loss</b>	(9,367)	(12,746)	(8,678)	(9,665)	(18,344)	(6,379)	(13,406)	(19,785)	(14,606)	(19,520)	(34,126)	(39,833)	(206)	151,321	278,395	381,210	496,882	591,172
Basic weighted average common shares	2,072,450	2,608,328	3,099,461	3,351,691	3,225,576	388,798	418,798	403,798	455,530	490,039	483,307	516,962	542,810	569,951	598,448	628,371	659,789	692,779
Diluted weighted average common shares	2,072,450	2,608,328	3,099,461	3,351,691	3,225,576	388,798	418,798	403,798	455,530	490,039	483,307	516,962	542,810	569,951	598,448	628,371	659,789	692,779
<b>Basic net (loss) / income per common share \$</b>	(0.00)	(0.00)	(0.00)	(0.00)	(0.01)	(0.02)	(0.03)	(0.05)	(0.03)	(0.04)	(0.07)	(0.08)	(0.00)	0.27	0.47	0.61	0.75	0.85
<b>Diluted net (loss) / income per common share \$</b>	(0.00)	(0.00)	(0.00)	(0.00)	(0.01)	(0.02)	(0.03)	(0.05)	(0.03)	(0.04)	(0.07)	(0.08)	(0.00)	0.27	0.47	0.61	0.75	0.85
<b>Basic net (loss) / income per ADR \$</b>	(0.45)	(0.49)	(0.28)	(0.29)	(0.57)	(0.16)	(0.32)	(0.49)	(0.32)	(0.40)	(0.71)	(0.77)	(0.00)	2.65	4.65	6.07	7.53	8.53
<b>Diluted net (loss) / income per ADR \$</b>	(0.45)	(0.49)	(0.28)	(0.29)	(0.57)	(0.16)	(0.32)	(0.49)	(0.32)	(0.40)	(0.71)	(0.77)	(0.00)	2.65	4.65	6.07	7.53	8.53

Source: Company reports and JonesTrading projections.

**IMMP Balance Sheet, with Projections**

*Projections are shaded light gray*

(\$ AU, in thousands; FY end June)	2017A	2018A	1H:19A	2019A	1H:20A	2020E	1H:21E	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E
<b>ASSETS</b>															
Cash and cash equivalents	12,237	23,476	26,002	16,568	20,516	30,581	17,971	52,036	17,577	11,343	113,049	359,372	754,031	1,241,014	1,835,593
Short-term investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restricted cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Prepaid and other current assets	1,488	1,736	669	1,780	1,596	2,089	2,423	2,608	3,103	3,796	6,479	10,100	13,891	18,367	23,375
Accounts receivable	2,194	3,432	3,665	5,194	4,745	4,335	5,448	6,561	9,930	16,317	58,295	91,039	96,039	124,715	149,718
Inventories	-	-	-	-	-	-	-	-	-	4,895	17,488	27,312	26,891	32,426	35,932
<b>TOTAL current assets</b>	<b>15,919</b>	<b>28,643</b>	<b>30,336</b>	<b>23,542</b>	<b>26,858</b>	<b>37,005</b>	<b>25,842</b>	<b>61,205</b>	<b>30,610</b>	<b>36,350</b>	<b>195,312</b>	<b>487,823</b>	<b>890,851</b>	<b>1,416,523</b>	<b>2,044,619</b>
Property and equipment, net	24	26	38	53	57	61	69	78	105	137	177	226	286	361	453
Intangibles	19,020	18,329	17,865	16,947	15,782	14,697	13,686	12,745	11,053	9,585	8,312	7,209	6,252	5,421	4,702
Long-term investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restricted cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL long-term assets</b>	<b>19,045</b>	<b>18,356</b>	<b>17,903</b>	<b>17,000</b>	<b>15,838</b>	<b>14,757</b>	<b>13,755</b>	<b>12,823</b>	<b>11,158</b>	<b>9,723</b>	<b>8,490</b>	<b>7,435</b>	<b>6,538</b>	<b>5,782</b>	<b>5,155</b>
<b>TOTAL assets</b>	<b>34,964</b>	<b>46,999</b>	<b>48,239</b>	<b>40,541</b>	<b>42,955</b>	<b>52,022</b>	<b>39,857</b>	<b>74,288</b>	<b>42,028</b>	<b>46,333</b>	<b>204,061</b>	<b>495,517</b>	<b>897,649</b>	<b>1,422,565</b>	<b>2,050,033</b>
<b>LIABILITIES</b>															
Accounts payable	2,589	3,664	3,970	5,060	3,615	3,120	3,378	4,545	5,407	6,615	11,291	17,600	24,206	32,007	40,733
Employee benefits	43	190	161	239	225	242	248	254	267	280	294	309	324	340	357
<b>TOTAL current liabilities</b>	<b>2,632</b>	<b>3,853</b>	<b>4,131</b>	<b>5,299</b>	<b>3,966</b>	<b>3,488</b>	<b>3,752</b>	<b>4,925</b>	<b>5,800</b>	<b>7,021</b>	<b>11,711</b>	<b>18,035</b>	<b>24,656</b>	<b>32,473</b>	<b>41,217</b>
Convertible note liability	5,779	6,646	7,143	7,643	8,214	8,830	9,493	10,205	11,793	9,434	3,774	-	-	-	-
Warrant liability	-	2,945	3,393	3,164	2,545	2,672	2,805	2,946	3,248	2,598	1,559	935	234	-	-
Employee benefits	20	32	42	48	55	55	55	55	55	55	55	55	55	55	55
Other liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL liabilities</b>	<b>8,431</b>	<b>13,477</b>	<b>14,709</b>	<b>16,154</b>	<b>14,924</b>	<b>15,189</b>	<b>16,248</b>	<b>18,274</b>	<b>21,039</b>	<b>19,252</b>	<b>17,242</b>	<b>19,169</b>	<b>25,089</b>	<b>32,672</b>	<b>41,416</b>
<b>TOTAL stockholders' equity (deficit)</b>	<b>26,532</b>	<b>33,522</b>	<b>33,530</b>	<b>24,388</b>	<b>28,032</b>	<b>36,834</b>	<b>23,609</b>	<b>56,014</b>	<b>20,989</b>	<b>27,081</b>	<b>186,819</b>	<b>476,348</b>	<b>872,560</b>	<b>1,389,893</b>	<b>2,008,618</b>
<b>Total liabilities and stockholders' equity</b>	<b>34,964</b>	<b>46,999</b>	<b>48,239</b>	<b>40,541</b>	<b>42,955</b>	<b>52,022</b>	<b>39,857</b>	<b>74,288</b>	<b>42,028</b>	<b>46,333</b>	<b>204,061</b>	<b>495,517</b>	<b>897,649</b>	<b>1,422,565</b>	<b>2,050,033</b>
End of period shares used in computation (thousands)	2,072,450	2,608,328	3,099,461	3,225,576	388,798	448,798	462,262	504,353	529,571	556,049	583,852	613,044	643,697	675,881	709,676
<b>SELECTED METRICS</b>															
Current ratio	6.05x	7.43x	7.34x	4.44x	6.77x	10.61x	6.89x	12.43x	5.28x	5.18x	16.68x	27.05x	36.13x	43.62x	49.61x
Working capital	\$13,287	\$24,790	\$26,205	\$18,243	\$22,892	\$33,518	\$22,091	\$56,281	\$24,810	\$29,329	\$183,601	\$469,788	\$866,195	\$1,384,050	\$2,003,402
Book value per share	\$0.01	\$0.01	\$0.01	\$0.01	\$0.07	\$0.08	\$0.05	\$0.11	\$0.04	\$0.05	\$0.32	\$0.78	\$1.36	\$2.06	\$2.83
Cash, cash equivalents and current investment	\$12,237	\$23,476	\$26,002	\$16,568	\$20,516	\$30,581	\$17,971	\$52,036	\$17,577	\$11,343	\$113,049	\$359,372	\$754,031	\$1,241,014	\$1,835,593
Cash, cash equivalents and all investment	\$12,237	\$23,476	\$26,002	\$16,568	\$20,516	\$30,581	\$17,971	\$52,036	\$17,577	\$11,343	\$113,049	\$359,372	\$754,031	\$1,241,014	\$1,835,593
Cash, cash equivalents/common share	\$0.01	\$0.01	\$0.01	\$0.01	\$0.05	\$0.07	\$0.04	\$0.10	\$0.03	\$0.02	\$0.19	\$0.59	\$1.17	\$1.84	\$2.59
Debt															
Debt to (stockholder's) equity ratio															

Source: Company reports and JonesTrading projections.

<b>IMMP Cash Flow Statement, with Projections</b> <i>Projections are shaded light gray</i>												
(\$ AU, in thousands; FY end June)	2017A	2018A	2019A	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E
<b>OPERATING ACTIVITIES</b>												
Net Profit / (Loss)	(9,367)	(12,746)	(18,344)	(19,785)	(34,126)	(39,833)	(206)	151,321	278,395	381,210	496,882	591,172
<b>Reconciliation of net loss to net cash:</b>												
Depreciation and amortization	1,702	1,809	1,879	2,685	3,226	4,099	5,369	6,917	8,818	11,166	14,078	17,698
Stock-based compensation expense	862	2,264	1,582	1,829	2,053	2,421	2,424	2,808	3,464	4,849	7,274	10,663
Change in fair value of convertible note liability	752	867	997	1,188	1,374	1,588	(2,359)	(5,660)	(3,774)	-	-	-
Change in fair value of warrants	-	190	(961)	(493)	274	302	(650)	(1,039)	(624)	(701)	(234)	-
<b>Changes in operating assets and liabilities:</b>												
Account receivables	(2,026)	(1,238)	(1,762)	859	(2,226)	(3,369)	(6,387)	(41,978)	(32,744)	(5,000)	(28,676)	(25,002)
Inventories	-	-	-	-	-	-	(4,895)	(12,593)	(9,823)	421	(5,535)	(3,506)
Prepaid expenses and other current assets	(865)	(247)	(44)	(309)	(519)	(495)	(693)	(2,683)	(3,621)	(3,791)	(4,476)	(5,008)
Accounts payable	1,377	1,075	1,397	(1,941)	1,425	863	1,208	4,676	6,310	6,606	7,801	8,727
Change in employee benefits	(7)	158	64	10	12	13	13	14	15	15	16	17
<b>NET OPERATING CASH FLOWS</b>	<b>(8,507)</b>	<b>(7,777)</b>	<b>(15,286)</b>	<b>(15,957)</b>	<b>(28,507)</b>	<b>(34,411)</b>	<b>(6,175)</b>	<b>101,781</b>	<b>246,416</b>	<b>394,774</b>	<b>487,129</b>	<b>594,760</b>
<b>INVESTING ACTIVITIES</b>												
Purchase of property and equipment	(7)	(12)	(41)	(30)	(38)	(48)	(59)	(74)	(93)	(116)	(145)	(181)
Purchases of investments	-	-	-	-	-	-	-	-	-	-	-	-
Maturities of investments	-	-	-	-	-	-	-	-	-	-	-	-
<b>NET INVESTING CASH FLOWS</b>	<b>(7)</b>	<b>(12)</b>	<b>(41)</b>	<b>(30)</b>	<b>(38)</b>	<b>(48)</b>	<b>(59)</b>	<b>(74)</b>	<b>(93)</b>	<b>(116)</b>	<b>(145)</b>	<b>(181)</b>
<b>FINANCING ACTIVITIES</b>												
Net proceeds from the issuance of common stock and options	0	16,968	4,871	30,000	50,000	-	-	-	-	-	-	-
Share issue transaction costs	(9)	(1,319)	(773)	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-	-
<b>NET FINANCING CASH FLOWS</b>	<b>(9)</b>	<b>18,405</b>	<b>8,013</b>	<b>30,000</b>	<b>50,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(8,522)</b>	<b>10,616</b>	<b>(7,315)</b>	<b>14,013</b>	<b>21,455</b>	<b>(34,459)</b>	<b>(6,235)</b>	<b>101,707</b>	<b>246,323</b>	<b>394,658</b>	<b>486,984</b>	<b>594,579</b>
Cash and cash equivalents at beginning of year or period	20,880	12,237	23,476	16,568	30,581	52,036	17,577	11,343	113,049	359,372	754,031	1,241,014
<b>CASH AND CASH EQUIVALENTS AT THE END OF PERIOD</b>	<b>12,237</b>	<b>23,476</b>	<b>16,568</b>	<b>30,581</b>	<b>52,036</b>	<b>17,577</b>	<b>11,343</b>	<b>113,049</b>	<b>359,372</b>	<b>754,031</b>	<b>1,241,014</b>	<b>1,835,593</b>

Source: Company reports and JonesTrading projections.

**IMMP Discounted Cash Flow Analysis**

(\$ AU, in thousands; FY end June)	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	Terminal Value
EBIT	(22,114)	(34,529)	(41,082)	(628)	151,049	340,982	517,178	667,250	785,613	
Effective Tax Rate	0%	0%	0%	0%	0%	19%	28%	28%	29%	
Tax	-	-	-	-	-	65,301	144,597	188,473	224,238	
EBIT after tax	(22,114)	(34,529)	(41,082)	(628)	151,049	275,681	372,581	478,777	561,375	
Add: Depreciation and amortization	4,514	5,279	6,520	7,793	9,724	12,281	16,015	21,351	28,361	
Add: Changes in working capital	(1,381)	(1,308)	(2,989)	(10,754)	(52,565)	(39,864)	(1,749)	(30,871)	(24,773)	
Less: Capex	30	38	48	59	74	93	116	145	181	
<b>Free cash flow to the firm (FCFF)</b>	<b>(19,011)</b>	<b>(30,596)</b>	<b>(37,598)</b>	<b>(3,649)</b>	<b>108,134</b>	<b>248,006</b>	<b>386,731</b>	<b>469,113</b>	<b>564,781</b>	<b>1,564,028</b>
Time period (years)	-	1	2	3	4	5	6	7	8	8
PV Factor	1.000	0.720	0.519	0.374	0.269	0.194	0.140	0.101	0.072	0.072
<b>Discounted FCFF</b>	<b>(19,011)</b>	<b>(22,038)</b>	<b>(19,507)</b>	<b>(1,364)</b>	<b>29,107</b>	<b>48,084</b>	<b>54,008</b>	<b>47,188</b>	<b>40,921</b>	<b>113,320</b>

Terminal Value and NPV Worksheet (\$ AU, thousands)	
Discounted FCFF (Fiscal 2021-2028)	176,398
Terminal Value	113,320
<b>Implied Enterprise Value</b>	<b>289,718</b>
Less: Net Debt \ (Cash)	(21,751)
Add: Investments	-
<b>Implied Market Cap (\$ USD)</b>	<b>205,570</b>
<b>NPV per ADR (target price)</b>	<b>\$5.00</b>

Sensitivity Table		Terminal Growth Rate				
		0.0%	1.0%	2.0%	3.0%	4.0%
Discount Rate	29%	\$9.50	\$9.75	\$10.00	\$10.00	\$10.25
	34%	\$6.75	\$6.75	\$7.00	\$7.00	\$7.25
	39%	\$5.00	\$5.00	\$5.00	\$5.25	\$5.25
	44%	\$3.75	\$3.75	\$3.75	\$3.75	\$4.00
	49%	\$2.75	\$3.00	\$3.00	\$3.00	\$3.00

(Rounded to nearest \$0.25)

Current Market Price per ADR (Last Closing Price)	\$1.27
Upside/(Downside)	293.7%
Common shares outstanding (est. at fiscal year-end 2020)	403,797,604
Common share to ADR ratio	10:1
Discount Rate	39%
Terminal Growth Rate	2%

Source: Company reports and JonesTrading projections.

## IMPORTANT DISCLOSURES APPENDIX

### Analyst Certification

I, Matthew Cross, the analyst principally responsible for the preparation of this research report hereby certify that the views expressed in this research report accurately reflect my personal views about the subject security(ies) or issuer(s) and that my compensation was not, is not, or will not be directly or indirectly related to the specific recommendations or views contained in this research report.

The analyst preparing this report is an associated person of JonesTrading Institutional Services LLC ("JonesTrading" or the "Firm"), member FINRA and SIPC.

### Analyst Disclosures:

The analyst or a member of the analyst's household does not have a financial interest in the securities of the subject company (including, without limitation, any option, right, warrant, future, long or short position).

The analyst or a member of the research analyst's household does not serve as an officer, director or an advisory board member of the subject company.

The analyst's compensation is not based upon JonesTrading's investment banking revenues and also not from the subject company in the past 12 months.

### JonesTrading Disclosures:

Company Name	Disclosure(s)
Immutep Ltd.	4, 6

1. JonesTrading or its affiliates beneficially own 1% or more of any class of common equity securities of the subject company.
2. JonesTrading or its affiliates has managed or co-managed a public offering of securities for the subject company in the past 12 months.
3. JonesTrading or its affiliates has received compensation for investment banking services from the subject company in the past 12 months.
4. JonesTrading or its affiliates expects to receive or intends to seek compensation for investment banking services from the subject company in the next 3 months.
5. JonesTrading has received compensation for products or services other than investment banking services from the subject company in the past 12 months.
6. The subject company currently is, or during the 12-month period preceding the date of distribution of this research report was, a client of JonesTrading.
7. JonesTrading makes a market in the subject company's securities at the time this report was published.

All JonesTrading employees and its associate persons, including the analyst(s) responsible for preparing this research report, may be eligible to receive non-product or service specific monetary bonus compensation that is based upon various factors, including total revenues of JonesTrading and its affiliates as well as a portion of the proceeds from a broad pool of investment vehicles consisting of components of the compensation generated by directors, analysts or employees and may affect transactions in and have long or short positions in the securities (options or warrants with respect thereto) mentioned herein.

Although the statements of fact in this report have been obtained from and are based upon recognized statistical services, issuer reports or communications, or other sources that the Firm believes to be reliable, we cannot guarantee their accuracy.

All opinions and estimates included constitute the analyst's judgment as of the date of this report and are subject to change without notice. JonesTrading may affect transactions as agent in the securities mentioned herein.

This research report is prepared for institutional and other qualified investors and is offered for information purposes only; it does not constitute an offer or solicitation to buy or sell any securities discussed herein in any jurisdiction where such would be prohibited.

Additional information available upon request.

The Stock Rating System herein consists of the following ratings: Buy, Hold, and Sell.

The appropriate rating is based off the estimated value of the stock over a forward 12-month period, including both share appreciation and anticipated dividends.

The price target represents the analyst's best estimate of the market price in a 12-month period. JonesTrading cautions that price targets are based on assumptions related to the company, industry and investor climate. As such, price targets remain highly subjective.

The definition of each rating specific for JonesTrading is as follows:

**Buy:** estimated that the subject company's total return will be positive 15% or more in the next 12 months\*

**Hold:** estimated that the subject company's total return will be in a range not more than 15% positive or negative in the next 12 months; JonesTrading does not provide 12-month price targets on stocks with a Hold rating\*

**Sell:** estimated that the subject company's total return will be negative 15% or more in the next 12 months\*

\* *Ratings may be maintained as long as it is deemed appropriate by JonesTrading notwithstanding price fluctuations that cause the total return percentage to fall outside the specific rating definition.*

Rating	JonesTrading Company Coverage		Investment Banking Services Within Past 12 Months	
	Count	Percent	Count	Percent
BUY	41	93%	13	32%
HOLD	3	7%	2	67%
SELL	0	0%	0	0%

Date:	Action:	Target Price:
November 9, 2018	Initiation of Coverage with a BUY rating	\$9.00
September 3, 2019	Lower target price	\$7.00
March 26, 2020	Lower target price	\$5.00

#### Additional Significant Risk Factors and Investment Considerations

The securities or trading strategies discussed in this report may not be suitable for some investors. Investors must independently evaluate each issuer, security, or instrument discussed in this report and consult independent advisors where necessary.

1. Past Performance is not indicative of future results.
2. Market Risk: Securities may decline in value due to factors affecting securities markets generally or particular industries. The value of a security may be worth less than the original investment.
3. Concentration risk: Investing a substantial portion of assets in securities within a single industry or sector of the economy may be subject to greater price volatility or adversely affected by the performance of securities in that particular sector or industry.
4. Leverage Risk: Fluctuations in interest rates on borrowings or the dividend rates on preferred shares as a result of changes in short-term interest rates may reduce the return to common shareholders or result in fluctuations in the dividends paid on the common shares. There is no assurance that a leverage strategy will be successful.
5. Foreign Investment Risk: Investment in foreign securities (both governmental and corporate) may involve a high degree of risk. In regards to debt securities, such risks may impair the timely payment of principal and/or interest.
6. Short selling involves an inordinate amount of risk including the theoretical potential for unlimited losses and losses that can greatly exceed the principal amount invested. In contrast, the potential gain from short selling is generally limited to the principal amount invested. Short sellers can have their stock called away by the lender of the shares shorted, subjecting the short seller to incremental risk. Short sellers by definition must borrow shares, subjecting short sellers to margin risk. The risks cited here with respect to short selling are not all inclusive and investors should consult with their independent advisors prior to engaging in any recommended short selling strategies, including, if applicable, the short sale recommended in this report.

The risks detailed above are not inclusive. Other significant risk factors not identified here may be equally or more important to any particular investor in terms of assessing the overall risks associated with these securities. Further information available upon written request.

The information contained herein is illustrative and is not intended to predict actual results, which may differ substantially from those reflected herein.

**Investors should consider this report as only a single factor in making their investment decision.**

All materials presented in this document, unless specifically indicated otherwise, are under copyright. None of the material, nor its content, nor any copy of it, may be altered in any way, or transmitted to or distributed to any other party, without the prior express written permission of JonesTrading.



