goetzpartners SECURITIES

COMPANY NOTE

Immutep Limited (IMM-AU)

2019 a decisive year rich in news flow

OUTPERFORM

Target Price AUD0.078
Current Price AUD0.030

KEY TAKEAWAY

In a January investor update, Immutep confirmed that all clinical programs are progressing as expected with final or interim readouts from all studies to come in 2019E. The key catalyst is Phase IIb data from the AIPAC trial for lead asset eftilagimod alpha ("efti") in combination with chemotherapy (paclitaxel) in metastatic breast cancer ("mBC"), for which data is expected in H2/2019E. Efti accounts for >90% of our sum of the parts derived target price ("TP") of A$0.078 per share, with the mBC indication alone contributing 70%. Hence, we see significant upside on the back of positive AIPAC data. We have taken the opportunity to update our models following a recent fundraise which extends the cash runway to at least mid-2020E.

Efti Phase IIb AIPAC trial in mBC on track for PFS read-out in H2/2019E

Efti's most advanced programme is the Phase IIb AIPAC trial in HR-positive, HER2-negative mBC. As of mid-January, 179 patients (80% of the total number of 226) had already been recruited and the PFS read-out, expected in H2/2019E, will be based on 152 events. A positive outcome could form the basis of a conditional approval and an attractive licensing deal with a large pharma partner as reflected in our model. We forecast launch in 2020E and peak sales of c.$820m in mBC alone, of which we would expect Immutep to receive 15% - 21% in royalties in addition to up to $1bn in potential milestones.

TACTI-002 in head & neck and lung cancers to start in H2/2019E

Beyond mBC, efti is undergoing further trials which aim to show the compound's potential in combination with Merck & Co.'s leading PD-1 inhibitor Keytruda (pembrolizumab). Interim data from the ongoing Phase I TACTI-mel study of efti in combination with Keytruda in 24 patients showed a highly promising overall response rate ("ORR") of 61% in patients with unresectable / metastatic melanoma. Importantly, it is the first trial to show proof-of-concept ("PoC") for the combination with Keytruda. Final data is expected later in 2019E. A phase II trial, TACTI-002, in up to 110 patients with advanced lung (1st and 2nd line) or head & neck (2nd line) cancer is expected to begin soon, with first data expected in H2/2019E. The latter two indications account for c.24% of our valuation.

Pipeline assets partnered with GSK and Novartis continue to progress

Key updates on early-stage pipeline assets include: (1) Ongoing preparations for regulatory submission of the Phase I INSIGHT-004 trial, testing efti plus Merck KGaA / Pfizer's anti PD-L1 avelumab (under a clinical trial collaboration and supply agreement), with patient recruitment expected to begin in H1/2019E; (2) following the completion of a Phase I study in psoriasis, GSK will commence PoC studies in ulcerative colitis for GSK2831, a derivative of IMP731, with results expected in 2020E; (3) Novartis expects to start a 5th trial evaluating a IMP701 / chemotherapy / small molecule combo for the treatment of triple negative breast cancer.

AUD	2017A	2018A	2019E
Sales	4	7	8
EBIT	(10)	(13)	(11)
Net Cash/Debt ($M)			
FY Dec	6.5	13.9	75.1

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 as a result of currency fluctuations.

FINANCIAL SUMMARY

Net Cash/Debt (M):	13.88

MARKET DATA

Current Price:	AUD0.030
Target Price:	AUD0.078
52 Week Range:	AUD0.060 - AUD0.020
Total Enterprise Value:	89
Market Cap (M):	98
Shares Out (M):	3,384.0
Float (M):	3,210.0
Average Daily Volume:	2,024,303

**Target Price: AUD 0.078 / USD 5.8 (ADR)*

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PRICE PERFORMANCE

Source: Factset

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2019 a year rich in news flow

We expect 2019 to be a busy year for Immutep with clinical trial data expected across all ongoing clinical programs. Following a recent $5.2m fundraise, Immutep is financed to at least mid-2020E, beyond key value inflection points. The promotion of Jay Campbell to Chief Business Officer (previously VP of Investor Relations & Business Development) suggests an increased focus on partnering activities.

AIPAC Phase II data for efti in mBC the key catalyst

Efti is a lymphocyte activation gene-3 ("LAG-3") Ig fusion protein that kick-starts the immune response by driving the maturation and activation of dendritic cells, the most powerful antigen-presenting cells ("APC") of the human immune system. It is currently being tested in multiple advanced solid tumours. The most advanced programme is the Phase IIb AIPAC trial in HR-positive, HER2-negative mBC which started in December 2015 (CHART 3). Immutep remains on track to report progression free survival ("PFS") data in H2/2019E. As of mid-January 2019, 179 patients (80% of the total number of 226) had been recruited and the PFS read-out, expected in H2/2019E, will be based on 152 events.

Positive outcome would increase our TP by 44%

Efti accounts for > 90% of our TP. Positive PFS data from the AIPAC trial would increase our TP by 44% to A$0.110, based on increasing the probability of success in mBC to 65% (from 40%), and could form the basis of a conditional marketing approval. We forecast approval and launch in Europe in 2020E (one year later in the US) and peak sales of c.$820m in mBC alone. Our model assumes that Immutep signs an attractive licensing deal with a large pharma partner in H2/2019E that includes a $50m upfront, up to $1bn in total milestones payments, and 15% - 21% royalties on sales.

Safety run-in and previous Phase I/II trial showed encouraging efficacy signals

The safety run-in of the AIPAC trial (15 patients) was completed and the data presented at ASCO 2017, showing a partial response rate ("PR") of 47% and disease control rate ("DCR") of 87%. This is consistent with data from a previously conducted 30-patient Phase I/II trial with a similar design and dosing schedule as the AIPAC trial (Brignone *et al.* 2010), where the ORR was 50% and the DCR 90%.

Efti trials in other indications on track

Phase II TACTi-002 trial to begin recruiting in early 2019E

The TACTI-002 trial will test efti in combination with pembrolizumab in up to 110 patients with advanced lung (1st and 2nd line) or head & neck (2nd line) cancer. The site selection process was completed in November 2018, with the first patients expected to be recruited in early 2019E. Together these indications account for c.24% of our TP for Immutep (CHART 2), based on launch in 2025E and combined peak sales of $2.1bn.

Final data for efti TACTI-mel Phase I trial

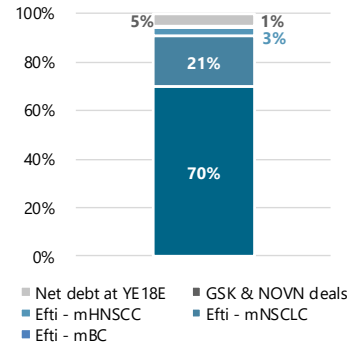
The importance of the Phase I TACTI-mel trial testing efti in combination with pembrolizumab in 24 patients with unresectable / metastatic melanoma is that it is the first trial to provide proof-of-concept ("PoC") for the combination with Keytruda. Mature data presented in November 2018 showed a highly promising overall response rate of 61%, thus confirming the data from the first look in May 2018. The trial is fully recruited (24 patients) and final data is on track for 2019E. We note that we do not include any sales for melanoma in our model and valuation despite the encouraging efficacy seen in the Phase I TACTI-mel trial, as Immutep currently has no plans to develop this indication further.

Phase I INSIGHT-004 trial of efti / avelumab combo to start in H1/2019E

The INSIGHT- 004 clinical trial to evaluate the safety and tolerability and establish the recommended Phase II dose of efti in combination with avelumab for the treatment of solid tumours is expected to begin soon following the necessary regulatory submissions, which are currently being prepared. 12 patients are expected to be recruited in H1/2019E. The study being conducted in collaboration with Merck KGaA and Pfizer. The trial will be carried out both as an extension and in parallel to an investigator sponsored INSIGHT Phase I trial lead by the Institute of Clinical Cancer Research, Krankenhaus Nordwest GmbH, which is ongoing and has already recruited 13 patients.

SOTP valuation largely based on eftilagimod

CHART 1: Immutep SOTP valuation



Source: goetzpartners Research estimates

Lead asset efti accounts for >90% of our SOTP valuation (CHART 2), mainly because it is the most advanced asset with the largest body of data and fully owned by Immutep (excl. Chinese rights). Efti in mBC alone accounts for c.70% of the valuation. Net cash and revenue from the company's assets partnered with Novartis (IMP701) and GSK (IMP731) account for the remaining value. We do not currently include a value for IMP761 due to its early stage of development (preclinical); hence, there is future upside potential as and when Immutep discloses more information and progresses this asset into clinical development. Our valuation reflects limited value for the partnered product candidates, as they are still relatively early stage, clinical data is scarce, and Immutep is entitled to a modest share of value. We use a WACC of 12% to discount free cash flows.

CHART 2: Immutep sum-of-the-parts valuation

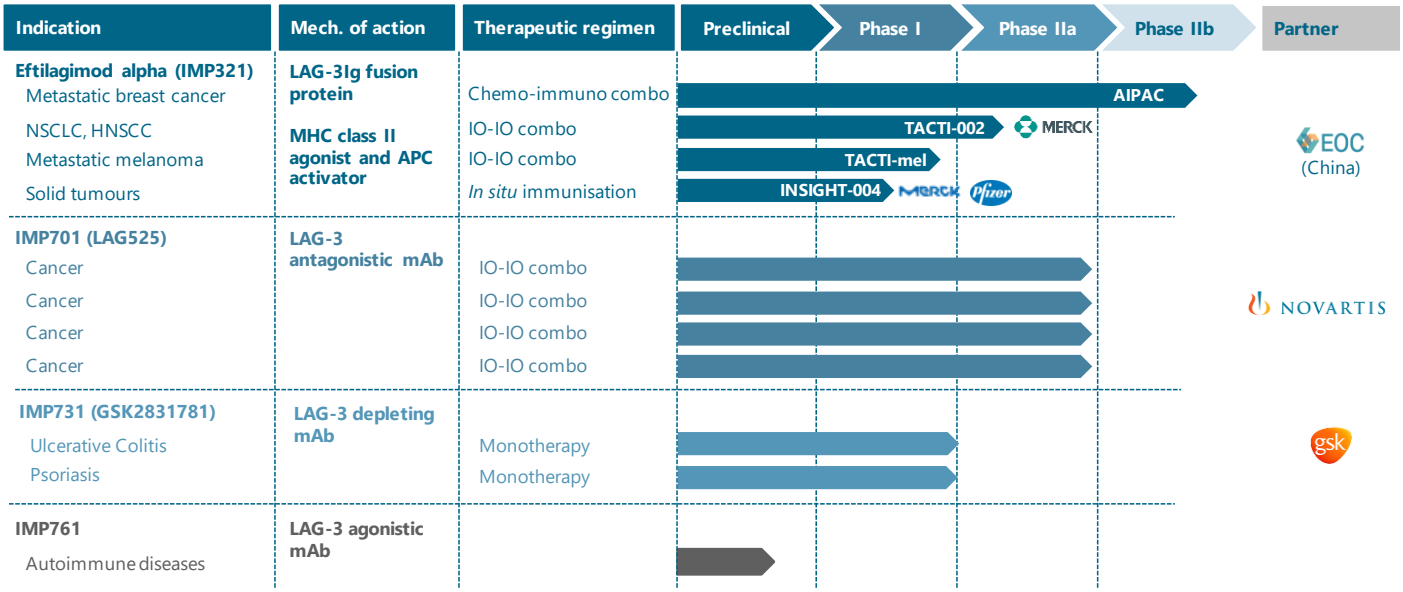
			Peak sales		NPV		Adj. NPV	NPV/sh
Product	**Indications**	**Stage**	**($m)**	**Year**	**(A$m)**	**Prob.**	**(A$m)**	**(A$)**
Eftilagimod alpha	HR +ve, HER -ve mBC	Phase IIb	820	2028E	463	40%	185	0.055
Eftilagimod alpha	mNSCLC	Phase II-ready	1,826	2035E	558	10%	56	0.016
Eftilagimod alpha	mHNSCC	Phase II-ready	326	2035E	86	10%	9	0.003
Novartis & GSK deals	Multiple	Phase I/II	n.a.	n.a.	8	25%	2	0.001
Net cash at YE18E					14	100%	14	0.004
Fair value					**1,129**		**265**	**0.078**
Current Share Price (A$)								0.030
Upside								162%

Source: goetzpartners Research estimates.

Partnered pipeline moving forward

Immutep has collaborations with Novartis and GSK for its two early-stage assets (Chart 2).

CHART 3: Immutep has the broadest LAG-3 focused pipeline in the industry



Source: Company data, goetzpartners Research estimates

Recent updates include the following:

- Following the completion of a Phase I study in psoriasis, GSK will commence PoC studies in ulcerative colitis for GSK2831, a derivative of IMP731, with first data expected in 2020E;
- Novartis expects to start a fifth trial evaluating IMP701 / chemotherapy / small molecule combination therapy for the treatment of triple negative breast cancer;
- In early January, Immutep signed a new partnership with CYTLIMIC, a Japanese immuno-oncology biotech. The partnership includes collaboration, supply and services agreements to develop efti as part of a cancer vaccine, CYT001. Under the deal with CYTLIMIC, Immutep received a small upfront payment of $500,000, is eligible for up to $4.5m in milestone payments, and will not bear any clinical development costs. Importantly, Immutep also retains complete exclusivity over its core patent rights specifically covering its own clinical development programs and those conducted in conjunction with other collaborations partners.

Data from all clinical programs expected in 2019E

We look forward to multiple data points in the next 12 months (CHART 4), particularly (1) PFS data from the Phase IIb AIPAC study and (2) first data from the Phase II TACTI-002 study.

CHART 4: Immutep news flow for eftilagimod alpha

Event	Timing
Final data from ongoing TACTI-mel trial in melanoma	2019E
Start of patient recruitment for TACTI-002 Phase II trial HNSCC	H1/2019E
Start of patient recruitment for INSIGHT-004 Phase I trial in solid tumours	H1/2019E
AIPAC Phase IIb PFS data	H2/2019E
TACTI-002 Phase II interim data	H2/2019E

Abbreviations: HNSCC, head and neck squamous-cell carcinoma; PFS, progression free survival
Source: Company data, goetzpartners Research estimates

Cash runway extended to mid-2020E

In December 2018, Immutep raised $5.2m in a private placement led by US specialist healthcare investor Altium Capital. Proceeds will be used to fund ongoing LAG-3 clinical development programmes including the AIPAC, TACTI-mel, TACTI-002 and INSIGHT studies as well as the preclinical development of IMP761, a LAG-3 autoimmune disease product candidate. Meaningful clinical data is expected between now and mid-2020E by which time we expect Immutep to have partnered efti with a large pharma company.

Updated includes $5.2m fundraise

We have updated our model to include the $5.2m fundraise led by Altium Capital completed in December 2018. The private placement round has extended the cash runway to at least mid-2020E. Our estimates include a projected $50m upfront payment in 2H/019E related to a licensing deal for efti, which would extend the cash runway through to sustained profitability in 2022E. Our TP remains unchanged at A$0.078 which would increase substantially if upcoming data points are positive.

Financial models

CHART 5: Immutep profit and loss model

Profit & Loss Statement	2016A	2017A	2018A	2019E	2020E	2021E	2022E	2023E	2024E	2025E	2026E
Jun YE (A$k except EPS)	30-Jun-16	30-Jun-17	30-Jun-18	30-Jun-19	30-Jun-20	30-Jun-21	30-Jun-22	30-Jun-23	30-Jun-24	30-Jun-25	30-Jun-26
Revenue	**2,029**	**4,222**	**7,353**	**8,055**	**48,163**	**19,080**	**26,066**	**37,926**	**57,551**	**225,013**	**245,914**
growth	(3%)	108%	74%	10%	498%	(60%)	37%	46%	52%	291%	9%
License income	175	-	2,630	3,675	43,711	14,552	21,413	33,078	52,467	219,362	236,341
% sales	9%	0%	36%	46%	91%	76%	82%	87%	91%	97%	96%
growth	4%	(100%)		40%	1090%	(67%)	47%	54%	59%	318%	8%
Other income	1,854	4,222	4,723	4,380	4,452	4,527	4,653	4,848	5,084	5,651	9,573
% sales	91%	100%	64%	54%	9%	24%	18%	13%	9%	3%	4%
growth	(4%)	128%	12%	(7%)	2%	2%	3%	4%	5%	11%	69%
R&D and intellectual property	(7,060)	(7,526)	(9,990)	(9,793)	(9,854)	(10,051)	(10,437)	(10,934)	(12,367)	(23,375)	(35,319)
% sales	348%	178%	136%	122%	20%	53%	40%	29%	21%	10%	14%
growth	(21%)	7%	33%	(2%)	1%	2%	4%	5%	13%	89%	51%
Corporate administrative expenses	(6,983)	(4,347)	(7,242)	(6,804)	(6,940)	(7,079)	(7,221)	(7,434)	(9,499)	(11,548)	(13,828)
% sales	344%	103%	98%	84%	14%	37%	28%	20%	17%	5%	6%
growth	22%	(38%)	67%	(6%)	2%	2%	2%	3%	28%	22%	20%
D&A expenses	(1,993)	(1,702)	(1,809)	(1,833)	(1,667)	(1,525)	(1,414)	(1,330)	(1,278)	(1,273)	(1,603)
% sales	98%	40%	25%	23%	3%	8%	5%	4%	2%	1%	1%
growth	49%	(15%)	6%	1%	(9%)	(8%)	(7%)	(6%)	(4%)	(0%)	26%
Other external expenses	(49,182)	(752)	(1,057)	(997)	(1,146)	(1,318)	(1,516)	(4,689)	(2,005)	(2,306)	17,678
% sales	2424%	18%	14%	12%	2%	7%	6%	12%	3%	1%	(7%)
growth	168%	(98%)	41%	(6%)	15%	15%	15%	209%	(57%)	15%	(867%)
Total costs & operating expenses	**(65,217)**	**(14,326)**	**(20,098)**	**(19,427)**	**(19,607)**	**(19,974)**	**(20,588)**	**(24,387)**	**(25,150)**	**(38,502)**	**(33,073)**
EBIT	**(63,188)**	**(10,105)**	**(12,744)**	**(11,372)**	**28,556**	**(894)**	**5,478**	**13,539**	**32,401**	**186,512**	**212,841**
Interest expenses	(8)	-	-	-	-	-	-	-	-	-	-
Profit/Loss before tax	**(63,196)**	**(10,105)**	**(12,744)**	**(11,372)**	**28,556**	**(894)**	**5,478**	**13,539**	**32,401**	**186,512**	**212,841**
growth	96%	(84%)	26%	(11%)	(351%)	(103%)	(713%)	147%	139%	476%	14%
% sales	(3115%)	(239%)	(173%)	(141%)	59%	(5%)	21%	36%	56%	83%	87%
Income tax	1,181	737	(2)	-	-	-	-	(1,354)	(6,480)	(55,954)	(63,852)
Tax rate	(2%)	(7%)	0%	0%	0%	0%	0%	10%	20%	30%	30%
Net income/loss	**(62,015)**	**(9,367)**	**(12,746)**	**(11,372)**	**28,556**	**(894)**	**5,478**	**12,185**	**25,921**	**130,558**	**148,989**
EPS calculation											
Earnings per Share (Basic)	**(0.031)**	**(0.004)**	**(0.005)**	**(0.003)**	**0.008**	**(0.000)**	**0.002**	**0.004**	**0.008**	**0.039**	**0.044**
growth	52%	(87%)	19%	(31%)	(351%)	(103%)	(713%)	122%	113%	404%	14%
Underlying EPS (Basic)	**(0.007)**	**(0.006)**	**(0.006)**	**(0.004)**	**0.008**	**(0.001)**	**0.001**	**0.004**	**0.007**	**0.038**	**0.036**
Earnings per Share (Diluted)	**(0.031)**	**(0.004)**	**(0.005)**	**(0.003)**	**0.008**	**(0.000)**	**0.002**	**0.004**	**0.008**	**0.039**	**0.044**
growth	52%	(87%)	19%	(31%)	(351%)	(103%)	(713%)	122%	113%	404%	14%
Underlying EPS (Diluted)	**(0.007)**	**(0.006)**	**(0.006)**	**(0.004)**	**0.008**	**(0.001)**	**0.001**	**0.004**	**0.007**	**0.038**	**0.036**
Number of Shares (basic)	2,016,566	2,284,361	2,608,328	3,383,598	3,383,598	3,383,598	3,383,598	3,383,598	3,383,598	3,383,598	3,383,598
Number of Shares (diluted)	2,016,566	2,284,361	2,608,328	3,383,598	3,383,598	3,383,598	3,383,598	3,383,598	3,383,598	3,383,598	3,383,598

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 as a result of currency fluctuations.

CHART 6: Immutep balance sheet model

Balance Sheet	2016A	2017A	2018E	2019E	2020E	2021E	2022E	2023E	2024E	2025E	2026E
Jun YE (A$k)	30-Jun-16	30-Jun-17	30-Jun-18	30-Jun-19	30-Jun-20	30-Jun-21	30-Jun-22	30-Jun-23	30-Jun-24	30-Jun-25	30-Jun-26
ASSETS											
CURRENT ASSETS	**21,671**	**15,919**	**28,643**	**91,332**	**114,787**	**108,406**	**108,141**	**111,305**	**130,690**	**251,191**	**372,140**
Cash and cash equivalents	20,880	12,237	23,476	85,661	108,838	102,338	101,951	104,992	124,250	244,622	365,440
GST receivable	74	187	171	174	178	181	185	189	192	196	200
Grant and other receivables	95	2,007	3,261	3,587	3,767	3,842	3,919	3,997	4,077	4,159	4,242
Other current assets	623	1,488	1,736	1,909	2,005	2,045	2,086	2,127	2,170	2,213	2,258
FIXED ASSETS	**20,883**	**19,045**	**18,356**	**16,696**	**15,282**	**14,157**	**13,290**	**12,757**	**12,688**	**16,140**	**19,701**
Tangible assets, net	32	24	26	27	29	37	50	71	108	307	522
Plant & Equipment	15	11	11	14	15	23	36	56	93	292	507
Computer	14	12	15	13	13	14	14	14	15	15	15
Furniture and fittings	3	1	0	0	-	-	-	-	-	-	-
Goodwill	110	110	110	110	110	110	110	110	110	110	110
Intangible assets, net	20,742	18,910	18,219	16,558	15,143	14,011	13,131	12,576	12,470	15,723	19,069
Patents	-	-	-	-	-	-	-	-	-	-	-
Intellectual property	20,742	18,910	18,219	16,558	15,143	14,011	13,131	12,576	12,470	15,723	19,069
TOTAL ASSETS	**42,554**	**34,964**	**46,999**	**108,028**	**130,069**	**122,563**	**121,431**	**124,062**	**143,377**	**267,331**	**391,841**
LIABILITIES											
CURRENT LIABILITIES	**1,472**	**2,632**	**3,853**	**10,825**	**11,008**	**11,095**	**11,182**	**11,272**	**11,364**	**11,457**	**11,552**
Trade payables	561	1,139	1,615	1,777	1,866	1,903	1,941	1,980	2,020	2,060	2,101
Borrowings	-	-	-	-	-	-	-	-	-	-	-
Current tax payable	22	-	-	-	-	-	-	-	-	-	-
Employee benefits	28	43	190	199	207	211	215	220	224	228	233
Other payables	862	1,450	2,048	2,151	2,237	2,282	2,327	2,374	2,421	2,470	2,519
Deferred revenue	-	-	-	6,699	6,699	6,699	6,699	6,699	6,699	6,699	6,699
NON-CURRENT LIABILITIES	**5,765**	**5,799**	**9,623**	**69,234**	**63,683**	**58,303**	**53,121**	**45,222**	**40,529**	**36,137**	**11,761**
Convertible note liability	5,027	5,779	6,646	7,643	8,789	10,107	11,624	13,367	15,372	17,678	-
Warrant liability	-	-	2,945	2,945	2,945	2,945	2,945	-	-	-	-
Employee benefits	43	20	32	33	34	34	35	36	36	37	38
Deferred tax liability	694	-	-	-	-	-	-	-	-	-	-
Deferred revenue, less of current portion	-	-	-	58,613	51,915	45,216	38,517	31,819	25,120	18,421	11,723
TOTAL LIABILITIES	**7,237**	**8,431**	**13,477**	**80,060**	**74,691**	**69,398**	**64,304**	**56,494**	**51,892**	**47,593**	**23,313**
EQUITY											
SHAREHOLDERS EQUITY	**35,318**	**26,532**	**33,522**	**27,968**	**55,378**	**53,166**	**57,127**	**67,569**	**91,485**	**219,737**	**368,528**
Contributed equity	194,531	195,353	213,233	219,051	217,905	216,586	215,070	213,327	211,322	209,016	208,818
Reserves	63,258	63,019	64,874	64,874	64,874	64,874	64,874	64,874	64,874	64,874	64,874
Accumulated losses	(222,472)	(231,839)	(244,585)	(255,957)	(227,401)	(228,295)	(222,817)	(210,632)	(184,711)	(54,153)	94,836
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	**42,554**	**34,964**	**46,999**	**108,028**	**130,069**	**122,563**	**121,431**	**124,062**	**143,377**	**267,331**	**391,841**
GEARING											
Gross debt	**5,027**	**5,779**	**9,591**	**10,588**	**11,734**	**13,053**	**14,569**	**13,367**	**15,372**	**17,678**	**-**
Total ST debt	-	-	-	-	-	-	-	-	-	-	-
Total LT debt	5,027	5,779	9,591	10,588	11,734	13,053	14,569	13,367	15,372	17,678	-
Cash and cash equivalents plus investments	**20,880**	**12,237**	**23,476**	**85,661**	**108,838**	**102,338**	**101,951**	**104,992**	**124,250**	**244,622**	**365,440**
Net debt/(cash)	**(15,852)**	**(6,458)**	**(13,884)**	**(75,073)**	**(97,103)**	**(89,285)**	**(87,382)**	**(91,625)**	**(108,878)**	**(226,944)**	**(365,440)**

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 as a result of currency fluctuations.

CHART 7: Immutep cash flow model

Cash Flow Statement	2016A	2017A	2018A	2019E	2020E	2021E	2022E	2023E	2024E	2025E	2026E
Jun YE (A$k)	30-Jun-16	30-Jun-17	30-Jun-18	30-Jun-19	30-Jun-20	30-Jun-21	30-Jun-22	30-Jun-23	30-Jun-24	30-Jun-25	30-Jun-26
OPERATING CASH FLOW											
Payments to suppliers and employees	(13,336)	(10,819)	(13,572)	47,489	(24,734)	(25,179)	(25,905)	(29,789)	(30,604)	(43,962)	(38,204)
License income	175	-	2,630	3,675	43,711	14,552	21,413	33,078	52,467	219,362	236,341
License fee received	-	-	-	-	-	-	-	-	-	-	-
Interest received	264	104	127	181	184	188	192	196	200	204	208
Tax received / paid	(2)	22	(2)	-	-	-	-	(1,354)	(6,480)	(55,954)	(63,852)
Miscellaneous income	703	800	1,004	1,059	1,112	1,168	1,226	1,287	1,352	1,419	1,490
Grant income	887	1,385	2,036	3,140	3,156	3,172	3,235	3,365	3,533	4,029	7,875
NET CASH USED IN OPERATING ACTIVITIES	**(11,310)**	**(8,507)**	**(7,777)**	**55,544**	**23,429**	**(6,099)**	**161**	**6,783**	**20,466**	**125,097**	**143,858**
CASH FLOW FROM INVESTING											
Payments for held-to-maturity investments	-	-	-	-	-	-	-	-	-	-	-
Proceeds from held-to-maturity investments	-	-	-	-	-	-	-	-	-	-	-
Payments for P&E and intangibles	(27)	(7)	(12)	(173)	(253)	(401)	(547)	(796)	(1,209)	(4,725)	(5,164)
Proceeds from disposal of P&E	130	-	-	-	-	-	-	-	-	-	-
Acquisitions, net of cash acquired	-	-	-	-	-	-	-	-	-	-	-
Net cash provided by investing activities	**103**	**(7)**	**(12)**	**(173)**	**(253)**	**(401)**	**(547)**	**(796)**	**(1,209)**	**(4,725)**	**(5,164)**
CASH FLOW FROM FINANCING											
Proceeds from issue of shares / options / warrants	13,761	0	19,724	7,250	-	-	-	-	-	-	-
Proceeds from borrowings	13,751	-	-	-	-	-	-	-	-	-	-
Repayment of borrowings	(1,508)	-	-	-	-	-	-	(2,945)	-	-	(17,876)
Transaction costs	(283)	(9)	(1,319)	(435)	-	-	-	-	-	-	-
Net cash provided by financing activities	**25,720**	**(9)**	**18,405**	**6,815**	**-**	**-**	**-**	**(2,945)**	**-**	**-**	**(17,876)**
Net change in cash and cash equivalents	14,513	(8,522)	10,616	62,186	23,177	(6,500)	(387)	3,041	19,258	120,372	120,818
Effect of exchange rate on cash and cash equivalents	(393)	(121)	623	-	-	-	-	-	-	-	-
Cash and cash equivalents, beginning of period	6,760	20,880	12,237	23,476	85,661	108,838	102,338	101,951	104,992	124,250	244,622
Cash and cash equivalents, end of period	**20,880**	**12,237**	**23,476**	**85,661**	**108,838**	**102,338**	**101,951**	**104,992**	**124,250**	**244,622**	**365,440**
Cash generation/(burn)	**(11,207)**	**(8,513)**	**(7,789)**	**55,370**	**23,177**	**(6,500)**	**(387)**	**5,986**	**19,258**	**120,372**	**138,694**

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 as a result of currency fluctuations.

Charts

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

Eftilagimod alpha completes the Phase IIb AIPAC trial in mBC in 2019, Immutep signs a $1bn licensing deal with a large pharma partner in H2/2019E, and efti receives conditional approval in 2020E in Europe. US launch follows one year later. Immutep has sufficient cash to fund operations until Q4/2019E. Revenue from the expected efti licensing deal means that Immutep does not need to raise further funds.

Bluesky Scenario

Immutep signs a more lucrative licensing deal for efti than the $1bn reflected in our forecasts, including a substantially larger upfront payment (we model $50m).

Downside risk

Efti fails to shows a benefit in the Phase IIb AIPAC trial. Conditional approval is not granted based on Phase IIb data. Immutep is unable to sign a licensing deal for efti by Q4/2019E.

Peer Group Analysis

SWOT

Strengths: Leader in the understanding of LAG-3; broadest LAG-3 focused pipeline; validation from large pharma partners (Novartis, GSK, Merck & Co.); funded for >12 months.

Weaknesses: One single asset (eftilagimod alpha) accounts for the lion share of value; efti has not demonstrated convincing efficacy in monotherapy settings; efti is protected mainly by use and formulation patents, as the composition of matter patent has already expired.

Opportunities: LAG-3 could become the third pillar in immune checkpoint therapy and efti is the most advanced LAG-3 focused asset; efti could be the first immuno-oncology drug to be approved for metastatic breast cancer; oncology drugs addressing high unmet needs often enjoy shorter development and approval timelines than therapeutics in other disease areas; significant M&A activity in the immuno-oncology space.

Threats: EMA and FDA raise the hurdles for immunotherapy drugs.

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 $10.5bn in 2017 and is expected to nearly triple by 2022E, 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.

Important Disclosures: Non-Independent Research

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I, Brigitte de Lima, PhD, CFA, 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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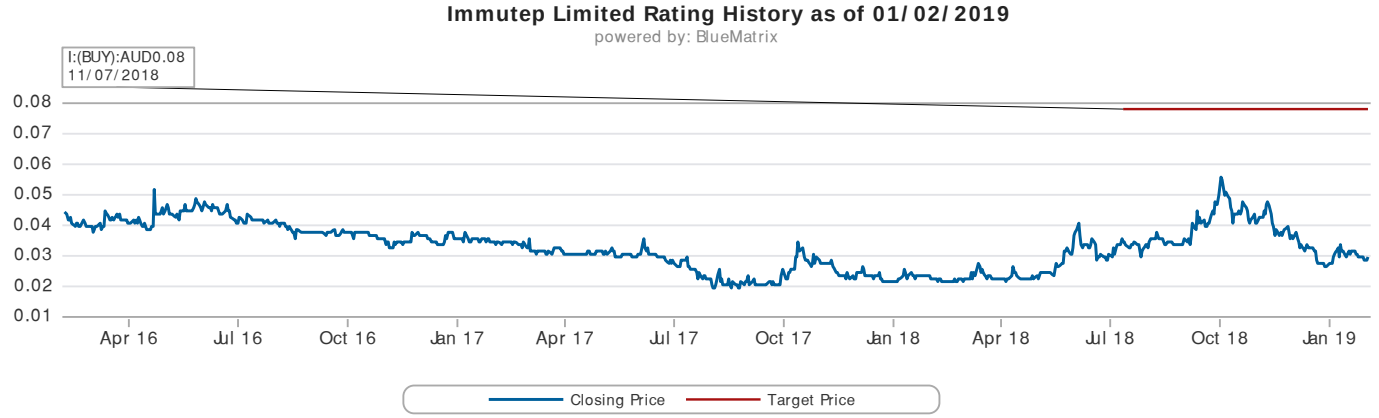

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