

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 (2nd-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

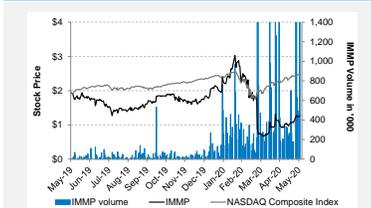
REVENUE (\$ AUD, MIL)

	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



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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 ⁽¹⁾	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 ⁽²⁾	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.esmo.org/news-congresses/offices/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 2nd-Line Head and Neck Cancers

Regimen	ORR ^(1,3)	Median DoR (months)	Median PFS (months) ^(1, 3)	PFS rate at 3 / 6 months ⁽²⁾	Median OS (months) ⁽¹⁾	Main downside/limitations ^(1,2,3)
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 ⁽²⁾	Treatment related adverse events leading to discontinuation	Treatment related adverse events leading to death
Double Chemo	8-22%	1-6%
Ipi + Nivo	20%	< 2%
Chemo + Pembro	23-33%	3-8%
Pembro alone	10-15%	< 2%
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		<i>Projections are shaded light gray</i>																
(\$ 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
Operating Revenue																		
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	-	-	-	-	-	-	-	-	-	-
TOTAL Revenue	-	2,630	-	140	140	7,366	-	7,366	-	-	-	-	49,630	237,066	474,702	701,085	910,422	1,095,935
Operating costs and expenses																		
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
TOTAL Operating Expenses	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
TOTAL Operating Income (Loss)	(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
Other income (expense):																		
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	-	-	-	-	-	-	-	-	-	-
Total Other Income (Expenses)	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
Profit or Loss Before Taxes	(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	-
Net Profit or Loss	(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
Basic net (loss) / income per common share \$	(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
Diluted net (loss) / income per common share \$	(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
Basic net (loss) / income per ADR \$	(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
Diluted net (loss) / income per ADR \$	(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
ASSETS															
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
TOTAL current assets	15,919	28,643	30,336	23,542	26,858	37,005	25,842	61,205	30,610	36,350	195,312	487,823	890,851	1,416,523	2,044,619
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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL long-term assets	19,045	18,356	17,903	17,000	15,838	14,757	13,755	12,823	11,158	9,723	8,490	7,435	6,538	5,782	5,155
TOTAL assets	34,964	46,999	48,239	40,541	42,955	52,022	39,857	74,288	42,028	46,333	204,061	495,517	897,649	1,422,565	2,050,033
LIABILITIES															
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
TOTAL current liabilities	2,632	3,853	4,131	5,299	3,966	3,488	3,752	4,925	5,800	7,021	11,711	18,035	24,656	32,473	41,217
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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL liabilities	8,431	13,477	14,709	16,154	14,924	15,189	16,248	18,274	21,039	19,252	17,242	19,169	25,089	32,672	41,416
TOTAL stockholders' equity (deficit)	26,532	33,522	33,530	24,388	28,032	36,834	23,609	56,014	20,989	27,081	186,819	476,348	872,560	1,389,893	2,008,618
Total liabilities and stockholders' equity	34,964	46,999	48,239	40,541	42,955	52,022	39,857	74,288	42,028	46,333	204,061	495,517	897,649	1,422,565	2,050,033
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
SELECTED METRICS															
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.

IMMP Cash Flow Statement, with Projections *Projections are shaded light gray*

(\$ AU, in thousands; FY end June)	2017A	2018A	2019A	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E
OPERATING ACTIVITIES												
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
Reconciliation of net loss to net cash:												
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)	-
Changes in operating assets and liabilities:												
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
NET OPERATING CASH FLOWS	(8,507)	(7,777)	(15,286)	(15,957)	(28,507)	(34,411)	(6,175)	101,781	246,416	394,774	487,129	594,760
INVESTING ACTIVITIES												
Purchase of property and equipment	(7)	(12)	(41)	(30)	(38)	(48)	(59)	(74)	(93)	(116)	(145)	(181)
Purchases of investments	-	-	-	-	-	-	-	-	-	-	-	-
Maturities of investments	-	-	-	-	-	-	-	-	-	-	-	-
NET INVESTING CASH FLOWS	(7)	(12)	(41)	(30)	(38)	(48)	(59)	(74)	(93)	(116)	(145)	(181)
FINANCING ACTIVITIES												
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	-	-	-	-	-	-	-	-	-	-	-	-
NET FINANCING CASH FLOWS	(9)	18,405	8,013	30,000	50,000	-	-	-	-	-	-	-
Net increase (decrease) in cash and cash equivalents	(8,522)	10,616	(7,315)	14,013	21,455	(34,459)	(6,235)	101,707	246,323	394,658	486,984	594,579
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
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	12,237	23,476	16,568	30,581	52,036	17,577	11,343	113,049	359,372	754,031	1,241,014	1,835,593

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	
Free cash flow to the firm (FCFF)	(19,011)	(30,596)	(37,598)	(3,649)	108,134	248,006	386,731	469,113	564,781	1,564,028
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
Discounted FCFF	(19,011)	(22,038)	(19,507)	(1,364)	29,107	48,084	54,008	47,188	40,921	113,320

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

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

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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

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