

**Matt Cross**  
mccross@allianceg.com  
Sales & Trading 888-543-4448

**(NASDAQ: IMMP)**

Price	\$3.20
52 Week Range	(\$0.53 - \$7.95)
<b>Price Target</b>	<b>\$6.00</b>
Market Cap (mil)	\$203.60
Exchange rate	1US\$ = 1.30 AUD
Shares out (mil)	63.60
3-Mo Avg Vol	6,159,560
Cash per share	\$0.68
Total Debt (mil)	AUD8.79

Shares out (mil): 10:1 Common Share to ADS Ratio

**Revenues (thousands) AUD**

Yr Jun	2020A		2021E		2022E	
	Actual	Curr	Prev	Curr	Prev	
Dec	7A	0E	-	0E	-	
YEAR	7A	0E	-	0E	-	

**EPS AUD**

Yr Jun	2020A		2021E		2022E	
	Actual	Curr	Prev	Curr	Prev	
Dec	(0.16)A	(0.36)E	-	(0.39)E	-	
YEAR	(0.34)A	(0.78)E	-	(0.82)E	-	



**Immutep Ltd.**

**Buy**

**Price Target Change**

**Volatility: 5**

**Raising PT to \$6 from \$5; MBC Program Thrown a Lifeline by OS Data as IMMP Shares Find Their Heading for the Year of the Sea Shanty**

Immutep released a corporate update at the end of last week regarding clinical developments across its LAG-3 pipeline, and in turn we are taking the opportunity to update our assumptions with respect to the company's valuation. Since our last report in November, Immutep presented overall survival (OS) outcomes from the Phase 2b AIPAC trial of lead candidate eftilagimod alpha (efti) in HR+ HER2- metastatic breast cancer (MBC) patients at the SABC symposium, which we believe have cast the agent's prospects in this indication in a more positive light following disappointing PFS results reported in March. Though trading activity around the SABC presentation likely got a bit ahead of itself, and data in MBC are still developing (final OS and ORR findings are expected by mid-2021), we believe the overall trajectory in shares since December has been appropriate and the opportunity in MBC is rosier than it was. Having said that, the OS data thus far are a mixed bag in our view, and the absence of a PFS benefit may complicate the story from a regulatory perspective. A positive OS outcome in the absence of significant PFS improvements is not an anomaly for oncology drug development (and the former is typically regarded as a more meaningful and difficult to achieve endpoint), but recent breast cancer approvals have primarily focused on PFS (as detailed below), and thus we believe discussions with the FDA and EMA this year will be critical as Immutep completes AIPAC and moves toward Phase 3 testing. Outside of MBC, the company has expanded the frontline NSCLC cohort of the TACTI-002 study combining efti with pembrolizumab under its collaboration with Merck (MRK, not rated) (additional data from TACTI-002 in NSCLC and HNSCC are anticipated in 1H:21), and a Phase 2 trial in frontline HNSCC for efti + anti-PD-1 is in the works as well. Taking the improved outlook of the MBC program and forthcoming data events into consideration, we are maintaining our BUY rating and raising our 12-month price target to \$6.00/ADS from \$5.00/ADS.

**Efti's SABC highlight reel and landscape positioning ahead of final OS readout.** It was a notable setback when efti + paclitaxel was unable to demonstrate a statistically significant improvement in median PFS relative to paclitaxel monotherapy in MBC patients last March, but we remained cautiously optimistic as results may have been complicated by the timing of efti and paclitaxel dosing changes (which appeared to coincide with the convergence of survival curves) and a higher than expected ORR for paclitaxel monotherapy. Despite this, a statistically significant OS benefit for the efti combo under the same AIPAC trial parameters appeared unlikely to occur, and thus we were pleasantly surprised by aspects of the SABC dataset where this was nevertheless demonstrated. To be clear, though a 2.7 month OS improvement was observed for efti + paclitaxel relative to paclitaxel monotherapy (see Exhibit 2), this finding was not statistically significant (p=0.14), but OS results in prespecified subgroups of the AIPAC study were (patients below age 65 or with low monocyte counts at baseline), as depicted in Exhibit 1. Data from the low monocyte subgroup were particularly encouraging, showcasing the highest OS improvement and the only significant increase in PFS, though this patient sample was also the smallest prespecified group and Immutep has maintained that it will continue to evaluate the combination in the broader HR+ HER2-MBC population for now. While we are more optimistic about the MBC program now that evidence of an OS benefit in certain patient groups is in hand, the lack of real congruency with PFS outcomes indicates to us that the final OS readout in 1H:21 may look less favorable as enough patients with progressive disease are followed for longer. The OS signal observed thus far does suggest that a Phase 3 study with longer or higher dose administration of efti and paclitaxel may produce a more compelling OS (and possibly PFS) improvement compared to paclitaxel monotherapy, and Phase 2 testing of the combination under a protocol somewhat distinct from that of AIPAC by Immutep's Chinese partner EOC Pharma may provide some initial validation of this hypothesis. (Continued on next page).

**Valuation:**

Our new 12-month price target of \$6.00/ADS (up from \$5.00/ADS) is derived from a standard DCF valuation analysis in which we project cash flows out to fiscal 2029 with an assumed 2% terminal growth rate, discounted back at 37% (down from 40%) over 8 years (please refer to our Discounted Cash Flow analysis in the Financial Tables section of this report).

**Risks to achievement of target price:**

**Clinical/regulatory risk:** Though Immutep has already presented encouraging initial data in several solid tumor settings, this does not guarantee future clinical outcomes will prove positive. Should Immutep successfully complete all required clinical work sufficient to file for marketing approval of one or more product candidates the FDA, and regulatory agencies in any other pursued geographies, may choose not to approve Immutep's eftilagimod alpha or other product candidates, or may approve them with a label that is not ideal for the company's commercialization strategy. Additionally, any negative outcomes associated with ongoing or future clinical trials for candidates in Immutep's pipeline, including delays to expected clinical timelines or study protocol modifications resulting from the COVID-19 global pandemic, could have a materially detrimental effect on the company's stock price.

**Commercial/competitive risk:** Assuming that Immutep receives regulatory approval for eftilagimod alpha and/or other product candidates in one or more indications, the company may not be able to achieve the favorable pricing and market penetration needed to meet our revenue estimates. Though we believe eftilagimod alpha may have broad applicability in the treatment of oncology indications if clinical outcomes continue to prove favorable, Immutep still has significant clinical work ahead to confirm the potential benefits of its LAG-3 based therapeutics relative to existing treatment options. If ultimately approved, displacing these existing treatment patterns may also prove more difficult than anticipated by current data and company estimates alone.

**Financial risk:** Immutep is well capitalized through fiscal 1H:22 by our estimates, but future capital demands may exceed our current expectations. The company may require additional sources of capital to fund the clinical development of eftilagimod alpha or other clinical pipeline projects depending on clinical and pre-clinical trial outcomes. Failure to secure needed financing to complete this work through the capital markets, partnerships, or grants may have significant consequences for company revenue estimates and the stock. Should the company choose to raise capital through future public offerings, investors may face dilution of their holdings.

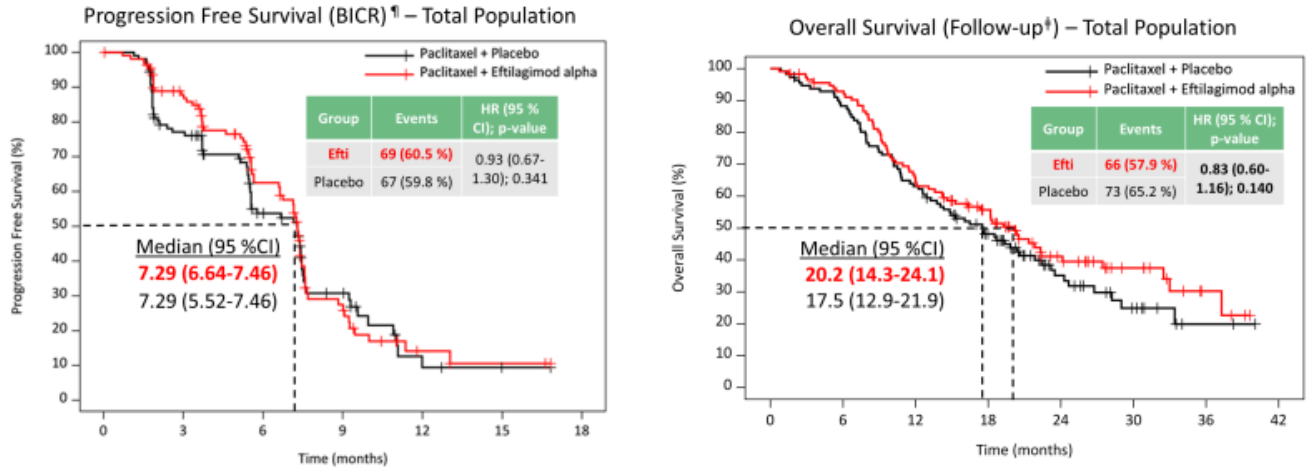
Though it will ultimately be a decision for regulators, recent approvals in the breast cancer landscape have hinged largely on PFS as an efficacy endpoint (though OS improvements have also been exhibited in select cases), and therefore we expect the FDA and EMA's reception of efti + paclitaxel data in MBC will fundamentally influence the opportunity in this indication (assuming final data from AIPAC continue their current trend). A handful of examples we would cite as reference points in the breast cancer space include: 1) Margetuximab, approved in December 2020 for HER2+ MBC with a median PFS of 5.8 months (vs. 4.9 months for control,  $p=0.033$ ) and immature OS data; 2) Tucatinib, approved in April 2020 for HER2+ MBC with a median PFS of 7.8 months (vs. 5.6 months for control,  $p<0.00001$ ) and a median OS of 21.9 months (vs. 17.4 months for control,  $p=0.0048$ ); 3) PD-L1 inhibitor atezolizumab in combination with paclitaxel protein-bound (combining with paclitaxel was not effective), approved in March 2019 for locally advanced or mTNBC with  $\geq 1\%$  PD-L1 expression based upon a median PFS of 7.4 months (vs. 4.8 months for paclitaxel protein-bound control,  $p<0.0001$ ) and a median OS of 25.4 months (vs. 17.9 months for paclitaxel protein-bound control) though OS findings were deemed immature; 4) PD-1 inhibitor pembrolizumab in combination with chemotherapy (paclitaxel, paclitaxel protein-bound, or gemcitabine plus carboplatin), approved in November 2020 for locally recurrent or mTNBC with PD-L1 expression ( $CPS \geq 10$ ) based upon a median PFS of 9.7 months (vs. 5.6 months for control,  $p=0.0012$ ); 5) Palbociclib in combination with fulvestrant, approved in February 2016 for HR+ HER2- MBC with a median PFS of 9.5 months (vs. 4.6 months for control,  $p<0.0001$ ); 6) Ribociclib in combination with fulvestrant, approved in July 2018 for postmenopausal women with HR+ HER2- MBC based upon a median PFS of 20.5 months (vs. 12.8 months for control,  $p<0.0001$ ); and 7) Abemaciclib in combination with fulvestrant, approved in September 2017 for HR+ HER2- MBC with a median PFS of 16.4 months (vs. 9.3 months for control,  $p<0.0001$ ). Ultimately, PFS improvements for efti + paclitaxel fall well short of these benchmarks, but the OS outcomes in prespecified subgroups appear on par with those of the more limited number of datasets where this was reported at the time of approval – possibly a function of efti's rather benign safety profile (see Exhibit 3). As such, we expect odds of approval for efti in MBC will depend on the magnitude of final OS improvements in AIPAC and either the ability to demonstrate a PFS benefit in Phase 3 testing or the willingness of regulators to approve the candidate in some form based upon OS alone (if Phase 3 data support as much).

#### Exhibit 1: Median PFS and OS Results from Phase 2b AIPAC Trial by Subgroup as of SABC Symposium 2020

Subgroup	Treatment	Median PFS <sup>§</sup> (95 % CI)	Absolute PFS <sup>§,Δ</sup> Gain <sup>⊖</sup> ; HR (95 % CI); p-value	Median OS <sup>†</sup> (95 % CI)	Absolute OS <sup>†</sup> Gain; HR (95 % CI); p-value
<65 yrs	Efti	7.2 (5.6-7.4)	+1.7 months; 0.77 (0.54-1.10); $p=0.077$	21.9 (15.3-37.3)	+7.1 months; HR 0.62 (0.41-0.94); $p=0.012$
	placebo	5.5 (5.1-7.2)		14.8 (10.9-18.7)	
Low monocytes ( $<0.25/nl$ )	Efti	7.5 (5.4-9.1)	+2.3 months; HR 0.44 (0.21-0.90); $p=0.012$	22.4 (18.2-37.3)	+9.4 months; HR 0.47 (0.22-0.98); $p=0.02$
	placebo	5.2 (3.3-7.3)		12.9 (7.5-20.4)	
Luminal B	Efti	7.2 (5.5-7.5)	+1.7 months; HR 0.72 (0.45-1.15); $p=0.081$	16.3 (9.9-21.4)	+3.8 months; HR 0.69 (0.42-1.15); $p=0.077$
	placebo	5.6 (3.7-7.2)		12.6 (10.2-17.5)	

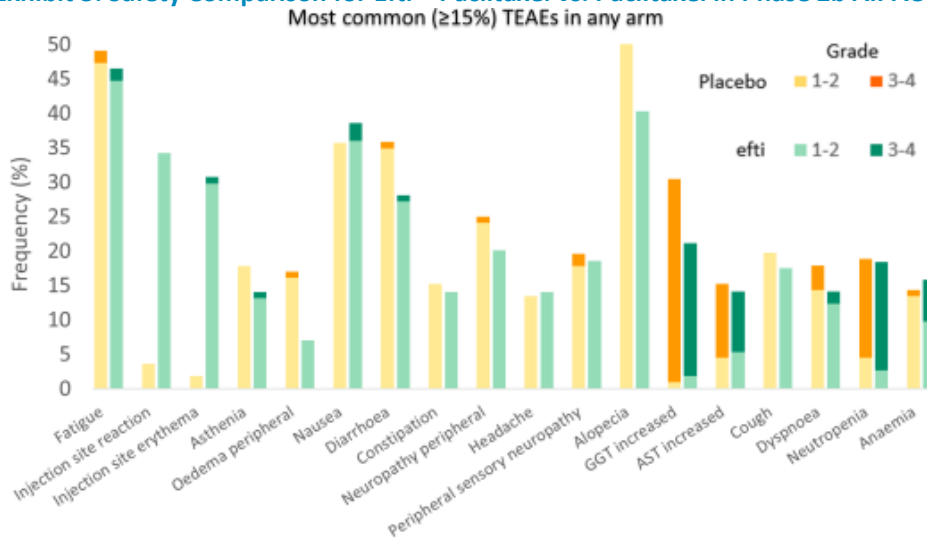
Source: Company presentation (SABCs, December 2020).

**Exhibit 2: PFS and OS Curves for Total Population in Phase 2b AIPAC Trial as of SABCS Symposium 2020**



Source: Company presentation (SABCS, December 2020).

**Exhibit 3: Safety Comparison for Efti + Paclitaxel vs. Paclitaxel in Phase 2b AIPAC Trial as of SABCS Symposium 2020**



Summary of treatment-emergent adverse events (TEAEs)†	Paclitaxel + efti N=114 n (%)	Paclitaxel + Placebo N=112 n (%)
At least one TEAE	113 (99.1)	112 (100)
At least one TEAE leading to death	2 (1.8)	3 (2.7)
At least one TEAE for which efti/placebo was discontinued	6 (5.3)	7 (6.3)
At least one Grade ≥3 TEAE	78 (68.4)	73 (65.2)
At least one Grade 1 or 2 TEAE as worst severity	35 (30.7)	39 (34.8)

Source: Company presentation (SABCS, December 2020).

**FINANCIAL TABLES**

<b>IMMP Income Statement, with Projections</b>			<i>Projections are shaded light gray</i>													
(\$ AU, in thousands; FY end June)	2018A	2019A	2020A	1H:21E	2H:21E	2021E	1H:22E	2H:22E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E
<b>Operating Revenue</b>																
Product Sales	-	-	-	-	-	-	-	-	-	13,096	132,040	317,504	510,639	675,852	804,290	905,197
Milestone Revenues	2,630	140	7,486	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL Revenue</b>	<b>2,630</b>	<b>140</b>	<b>7,486</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13,096</b>	<b>132,040</b>	<b>317,504</b>	<b>510,639</b>	<b>675,852</b>	<b>804,290</b>	<b>905,197</b>
<b>Operating costs and expenses</b>																
Cost of products sold	-	-	-	-	-	-	-	-	-	2,165	21,830	52,492	78,795	96,839	106,378	109,747
Depreciation and amortization	1,809	1,879	2,080	1,312	1,352	2,664	1,486	1,548	3,033	3,682	4,493	5,550	6,897	8,597	10,731	13,404
Research and development	9,990	16,591	20,396	9,347	13,085	22,432	12,169	13,995	26,164	23,024	25,327	31,658	44,322	66,483	96,400	115,680
Selling, general and administrative	7,242	6,366	6,336	3,507	4,208	7,715	3,998	4,398	8,396	12,594	16,372	19,646	27,504	41,257	53,634	61,679
<b>TOTAL Operating Expenses</b>	<b>20,098</b>	<b>24,872</b>	<b>27,753</b>	<b>14,759</b>	<b>19,371</b>	<b>34,130</b>	<b>18,335</b>	<b>20,774</b>	<b>39,109</b>	<b>43,208</b>	<b>70,027</b>	<b>111,653</b>	<b>160,170</b>	<b>216,225</b>	<b>270,649</b>	<b>304,543</b>
<b>TOTAL Operating Income (Loss)</b>	<b>(17,467)</b>	<b>(24,732)</b>	<b>(20,267)</b>	<b>(14,759)</b>	<b>(19,371)</b>	<b>(34,130)</b>	<b>(18,335)</b>	<b>(20,774)</b>	<b>(39,109)</b>	<b>(30,113)</b>	<b>62,013</b>	<b>205,851</b>	<b>350,469</b>	<b>459,627</b>	<b>533,641</b>	<b>600,654</b>
<b>Other income (expense):</b>																
Grant income	3,214	4,342	5,973	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest income	177	397	200	80	43	123	145	95	240	112	(92)	136	1,602	3,791	6,522	9,821
Interest expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous income	1,009	1,155	280	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Other Income (Expenses)</b>	<b>4,723</b>	<b>6,388</b>	<b>6,799</b>	<b>80</b>	<b>43</b>	<b>123</b>	<b>145</b>	<b>95</b>	<b>240</b>	<b>112</b>	<b>(92)</b>	<b>136</b>	<b>1,602</b>	<b>3,791</b>	<b>6,522</b>	<b>9,821</b>
<b>Profit or Loss Before Taxes</b>	<b>(12,744)</b>	<b>(18,344)</b>	<b>(13,468)</b>	<b>(14,679)</b>	<b>(19,328)</b>	<b>(34,007)</b>	<b>(18,190)</b>	<b>(20,679)</b>	<b>(38,869)</b>	<b>(30,000)</b>	<b>61,921</b>	<b>205,987</b>	<b>352,071</b>	<b>463,418</b>	<b>540,163</b>	<b>610,475</b>
Income tax (expense) / gain	2	-	0	-	-	-	-	-	-	-	-	-	93,507	127,440	148,545	167,881
<b>Net Profit or Loss</b>	<b>(12,746)</b>	<b>(18,344)</b>	<b>(13,468)</b>	<b>(14,679)</b>	<b>(19,328)</b>	<b>(34,007)</b>	<b>(18,190)</b>	<b>(20,679)</b>	<b>(38,869)</b>	<b>(30,000)</b>	<b>61,921</b>	<b>205,987</b>	<b>258,564</b>	<b>335,978</b>	<b>391,618</b>	<b>442,594</b>
Basic weighted average common shares	2,608,328	3,225,576	400,980	406,995	440,787	434,773	463,384	477,285	472,617	491,347	515,914	541,710	568,795	597,235	627,097	658,451
Diluted weighted average common shares	2,608,328	3,225,576	400,980	406,995	440,787	434,773	463,384	477,285	472,617	491,347	515,914	541,710	568,795	597,235	627,097	658,451
<b>Basic net (loss) / income per common share \$</b>	<b>(0.00)</b>	<b>(0.01)</b>	<b>(0.03)</b>	<b>(0.04)</b>	<b>(0.04)</b>	<b>(0.08)</b>	<b>(0.04)</b>	<b>(0.04)</b>	<b>(0.08)</b>	<b>(0.06)</b>	<b>0.12</b>	<b>0.38</b>	<b>0.45</b>	<b>0.56</b>	<b>0.62</b>	<b>0.67</b>
<b>Diluted net (loss) / income per common share \$</b>	<b>(0.00)</b>	<b>(0.01)</b>	<b>(0.03)</b>	<b>(0.04)</b>	<b>(0.04)</b>	<b>(0.08)</b>	<b>(0.04)</b>	<b>(0.04)</b>	<b>(0.08)</b>	<b>(0.06)</b>	<b>0.12</b>	<b>0.38</b>	<b>0.45</b>	<b>0.56</b>	<b>0.62</b>	<b>0.67</b>
<b>Basic net (loss) / income per ADR \$</b>	<b>(0.49)</b>	<b>(0.57)</b>	<b>(0.34)</b>	<b>(0.36)</b>	<b>(0.44)</b>	<b>(0.78)</b>	<b>(0.39)</b>	<b>(0.43)</b>	<b>(0.82)</b>	<b>(0.61)</b>	<b>1.20</b>	<b>3.80</b>	<b>4.55</b>	<b>5.63</b>	<b>6.24</b>	<b>6.72</b>
<b>Diluted net (loss) / income per ADR \$</b>	<b>(0.49)</b>	<b>(0.57)</b>	<b>(0.34)</b>	<b>(0.36)</b>	<b>(0.44)</b>	<b>(0.78)</b>	<b>(0.39)</b>	<b>(0.43)</b>	<b>(0.82)</b>	<b>(0.61)</b>	<b>1.20</b>	<b>3.80</b>	<b>4.55</b>	<b>5.63</b>	<b>6.24</b>	<b>6.72</b>

Source: Company reports and Alliance Global Partners projections.

<b>IMMP Balance Sheet, with Projections</b>		<i>Projections are shaded light gray</i>												
(\$ AU, in thousands; FY end June)	2018A	2019A	2020A	1H:21E	2021E	1H:22E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E
<b>ASSETS</b>														
Cash and cash equivalents	23,476	16,568	26,322	14,106	47,791	31,468	13,465	(11,076)	16,368	192,292	454,950	782,646	1,178,472	1,633,020
Short-term investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restricted cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Prepaid and other current assets	1,736	1,780	1,536	1,684	2,247	2,093	2,410	2,663	4,304	6,881	9,871	13,326	16,634	18,768
Accounts receivable	3,432	5,194	3,294	4,139	4,985	6,265	7,544	4,305	32,469	60,891	69,951	92,582	109,876	124,000
Inventories	-	-	-	-	-	-	-	1,424	10,736	20,134	21,588	26,531	29,065	30,068
<b>TOTAL current assets</b>	<b>28,643</b>	<b>23,542</b>	<b>31,152</b>	<b>19,930</b>	<b>55,024</b>	<b>39,825</b>	<b>23,419</b>	<b>(2,685)</b>	<b>63,877</b>	<b>280,198</b>	<b>556,359</b>	<b>915,085</b>	<b>1,334,047</b>	<b>1,805,856</b>
Property and equipment, net	26	53	49	51	53	57	63	75	92	113	141	176	219	274
Intangibles	18,329	16,947	15,195	14,630	14,086	13,562	13,058	12,105	11,222	10,403	9,643	8,940	8,287	7,683
Long-term investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restricted cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL long-term assets</b>	<b>18,356</b>	<b>17,000</b>	<b>15,244</b>	<b>14,681</b>	<b>14,139</b>	<b>13,619</b>	<b>13,121</b>	<b>12,180</b>	<b>11,313</b>	<b>10,516</b>	<b>9,784</b>	<b>9,115</b>	<b>8,507</b>	<b>7,956</b>
<b>TOTAL assets</b>	<b>46,999</b>	<b>40,541</b>	<b>46,597</b>	<b>34,813</b>	<b>69,364</b>	<b>53,646</b>	<b>36,742</b>	<b>9,697</b>	<b>75,392</b>	<b>290,916</b>	<b>566,345</b>	<b>924,402</b>	<b>1,342,755</b>	<b>1,814,013</b>
<b>LIABILITIES</b>														
Accounts payable	3,664	5,060	2,934	3,615	4,824	4,491	5,173	5,715	9,237	14,769	21,186	28,601	35,702	40,283
Employee benefits	190	239	300	248	254	260	267	280	294	309	325	341	358	376
<b>TOTAL current liabilities</b>	<b>3,853</b>	<b>5,299</b>	<b>3,364</b>	<b>3,993</b>	<b>5,207</b>	<b>4,881</b>	<b>5,570</b>	<b>6,125</b>	<b>9,661</b>	<b>15,207</b>	<b>21,640</b>	<b>29,071</b>	<b>36,189</b>	<b>40,788</b>
Convertible note liability	6,646	7,643	8,789	9,448	10,157	10,919	11,738	9,390	3,756	-	-	-	-	-
Warrant liability	2,945	3,164	950	997	1,047	1,099	1,154	923	554	332	83	-	-	-
Employee benefits	32	48	62	62	62	62	62	62	62	62	62	62	62	62
Other liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL liabilities</b>	<b>13,477</b>	<b>16,154</b>	<b>13,298</b>	<b>14,633</b>	<b>16,606</b>	<b>17,094</b>	<b>18,656</b>	<b>16,634</b>	<b>14,166</b>	<b>15,735</b>	<b>21,918</b>	<b>29,266</b>	<b>36,384</b>	<b>40,983</b>
<b>TOTAL stockholders' equity (deficit)</b>	<b>33,522</b>	<b>24,388</b>	<b>33,299</b>	<b>20,180</b>	<b>52,758</b>	<b>36,552</b>	<b>18,086</b>	<b>(6,937)</b>	<b>61,225</b>	<b>275,181</b>	<b>544,427</b>	<b>895,136</b>	<b>1,306,370</b>	<b>1,773,030</b>
<b>Total liabilities and stockholders' equity</b>	<b>46,999</b>	<b>40,541</b>	<b>46,597</b>	<b>34,813</b>	<b>69,364</b>	<b>53,646</b>	<b>36,742</b>	<b>9,697</b>	<b>75,392</b>	<b>290,916</b>	<b>566,345</b>	<b>924,402</b>	<b>1,342,755</b>	<b>1,814,013</b>
End of period shares used in computation (thousands)	2,608,328	3,225,576	400,980	413,010	456,536	470,232	479,363	503,331	528,497	554,922	582,668	611,802	642,392	674,511
<b>SELECTED METRICS</b>														
Current ratio	7.43x	4.44x	9.26x	4.99x	10.57x	8.16x	4.20x	-0.44x	6.61x	18.43x	25.71x	31.48x	36.86x	44.27x
Working capital	\$24,790	\$18,243	\$27,788	\$15,937	\$49,816	\$34,945	\$17,850	-\$8,810	\$54,216	\$264,991	\$534,719	\$886,014	\$1,297,858	\$1,765,067
Book value per share	\$0.01	\$0.01	\$0.08	\$0.05	\$0.12	\$0.08	\$0.04	-\$0.01	\$0.12	\$0.50	\$0.93	\$1.46	\$2.03	\$2.63
Cash, cash equivalents and current investment	\$23,476	\$16,568	\$26,322	\$14,106	\$47,791	\$31,468	\$13,465	-\$11,076	\$16,368	\$192,292	\$454,950	\$782,646	\$1,178,472	\$1,633,020
Cash, cash equivalents and all investment	\$23,476	\$16,568	\$26,322	\$14,106	\$47,791	\$31,468	\$13,465	-\$11,076	\$16,368	\$192,292	\$454,950	\$782,646	\$1,178,472	\$1,633,020
Cash, cash equivalents/common share	\$0.01	\$0.01	\$0.07	\$0.03	\$0.10	\$0.07	\$0.03	-\$0.02	\$0.03	\$0.35	\$0.78	\$1.28	\$1.83	\$2.42
Debt														
Debt to (stockholder's) equity ratio														

Source: Company reports and Alliance Global Partners projections.

<b>IMMP Cash Flow Statement, with Projections</b>												
	<i>Projections are shaded light gray</i>											
(\$ AU, in thousands; FY end June)	2018A	2019A	2020A	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E
<b>OPERATING ACTIVITIES</b>												
Net Profit / (Loss)	(12,746)	(18,344)	(13,468)	(34,007)	(38,869)	(30,000)	61,921	205,987	258,564	335,978	391,618	442,594
<b>Reconciliation of net loss to net cash:</b>												
Depreciation and amortization	1,809	1,879	2,080	2,664	3,033	3,682	4,493	5,550	6,897	8,597	10,731	13,404
Stock-based compensation expense	2,264	1,582	1,724	1,945	2,229	2,297	2,690	3,309	4,633	6,950	9,678	11,440
Change in fair value of convertible note liability	867	997	1,146	1,368	1,581	(2,348)	(5,634)	(3,756)	-	-	-	-
Change in fair value of warrants	190	(961)	(2,215)	97	107	(231)	(369)	(222)	(249)	(83)	-	-
<b>Changes in operating assets and liabilities:</b>												
Account receivables	(1,238)	(1,762)	1,900	(1,691)	(2,559)	3,239	(28,163)	(28,422)	(9,059)	(22,632)	(17,293)	(14,124)
Inventories	-	-	-	-	-	(1,424)	(9,312)	(9,398)	(1,454)	(4,944)	(2,534)	(1,003)
Prepaid expenses and other current assets	(247)	(44)	244	(711)	(163)	(253)	(1,641)	(2,577)	(2,990)	(3,455)	(3,308)	(2,134)
Accounts payable	1,075	1,397	(2,126)	1,889	349	542	3,522	5,531	6,418	7,415	7,101	4,581
Change in employee benefits	158	64	76	(46)	13	13	14	15	15	16	17	18
<b>NET OPERATING CASH FLOWS</b>	<b>(7,777)</b>	<b>(15,286)</b>	<b>(10,839)</b>	<b>(28,493)</b>	<b>(34,278)</b>	<b>(24,481)</b>	<b>27,520</b>	<b>176,018</b>	<b>262,775</b>	<b>327,842</b>	<b>396,010</b>	<b>454,777</b>
<b>INVESTING ACTIVITIES</b>												
Purchase of property and equipment	(12)	(41)	(19)	(38)	(48)	(60)	(75)	(94)	(117)	(146)	(183)	(229)
Purchases of investments	-	-	-	-	-	-	-	-	-	-	-	-
Maturities of investments	-	-	-	-	-	-	-	-	-	-	-	-
<b>NET INVESTING CASH FLOWS</b>	<b>(12)</b>	<b>(41)</b>	<b>(19)</b>	<b>(38)</b>	<b>(48)</b>	<b>(60)</b>	<b>(75)</b>	<b>(94)</b>	<b>(117)</b>	<b>(146)</b>	<b>(183)</b>	<b>(229)</b>
<b>FINANCING ACTIVITIES</b>												
Net proceeds from the issuance of common stock and options	16,968	4,871	22,031	50,000	-	-	-	-	-	-	-	-
Share issue transaction costs	(1,319)	(773)	(1,475)	-	-	-	-	-	-	-	-	-
Others	-	-	(78)	-	-	-	-	-	-	-	-	-
<b>NET FINANCING CASH FLOWS</b>	<b>18,405</b>	<b>8,013</b>	<b>20,478</b>	<b>50,000</b>	<b>-</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>10,616</b>	<b>(7,315)</b>	<b>9,619</b>	<b>21,469</b>	<b>(34,326)</b>	<b>(24,541)</b>	<b>27,445</b>	<b>175,924</b>	<b>262,658</b>	<b>327,696</b>	<b>395,826</b>	<b>454,548</b>
Cash and cash equivalents at beginning of year or period	12,237	23,476	16,568	26,322	47,791	13,465	(11,076)	16,368	192,292	454,950	782,646	1,178,472
<b>CASH AND CASH EQUIVALENTS AT THE END OF PERIOD</b>	<b>23,476</b>	<b>16,568</b>	<b>26,322</b>	<b>47,791</b>	<b>13,465</b>	<b>(11,076)</b>	<b>16,368</b>	<b>192,292</b>	<b>454,950</b>	<b>782,646</b>	<b>1,178,472</b>	<b>1,633,020</b>

Source: Company reports and Alliance Global Partners projections.

IMMP Discounted Cash Flow Analysis										
(\$ AU, in thousands; FY end June)	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	Terminal Value
EBIT	(34,130)	(39,109)	(30,113)	62,013	205,851	350,469	459,627	533,641	600,654	
Effective Tax Rate	0%	0%	0%	0%	0%	27%	28%	28%	28%	
Tax	-	-	-	-	-	93,507	127,440	148,545	167,881	
EBIT after tax	(34,130)	(39,109)	(30,113)	62,013	205,851	256,962	332,187	385,096	432,774	
Add: Depreciation and amortization	4,609	5,263	5,979	7,183	8,860	11,530	15,546	20,408	24,844	
Add: Changes in working capital	(560)	(2,360)	2,118	(35,581)	(34,851)	(7,070)	(23,599)	(16,017)	(12,662)	
Less: Capex	38	48	60	75	94	117	146	183	229	
<b>Free cash flow to the firm (FCFF)</b>	<b>(30,119)</b>	<b>(36,254)</b>	<b>(22,075)</b>	<b>33,540</b>	<b>179,765</b>	<b>261,305</b>	<b>323,987</b>	<b>389,304</b>	<b>444,727</b>	<b>1,308,491</b>
Time period (years)	-	1	2	3	4	5	6	7	8	8
PV Factor	1.000	0.732	0.535	0.392	0.287	0.210	0.153	0.112	0.082	0.082
<b>Discounted FCFF</b>	<b>(30,119)</b>	<b>(26,527)</b>	<b>(11,819)</b>	<b>13,139</b>	<b>51,528</b>	<b>54,805</b>	<b>49,721</b>	<b>43,715</b>	<b>36,540</b>	<b>107,510</b>

Terminal Value and NPV Worksheet (\$ AU, thousands)	
Discounted FCFF (Fiscal 2022-2029)	211,102
Terminal Value	107,510
<b>Implied Enterprise Value</b>	<b>318,611</b>
Less: Net Debt \ (Cash)	(37,634)
Add: Investments	-
<b>Implied Market Cap (\$ USD)</b>	<b>260,059</b>
<b>NPV per ADR (target price)</b>	<b>\$6.00</b>
Current Market Price per ADR (Last Closing Price)	\$3.20
Upside/(Downside)	87.5%
Common shares outstanding (est. at fiscal year-end 2021)	434,772,665
Common share to ADR ratio	10:1
Discount Rate	37%
Terminal Growth Rate	2%

Sensitivity Table		Terminal Growth Rate				
		0.0%	1.0%	2.0%	3.0%	4.0%
Discount Rate	27%	\$10.75	\$10.75	\$11.00	\$11.25	\$11.50
	32%	\$7.75	\$7.75	\$8.00	\$8.00	\$8.25
	37%	\$5.75	\$6.00	\$6.00	\$6.00	\$6.25
	42%	\$4.50	\$4.50	\$4.50	\$4.75	\$4.75
	47%	\$3.50	\$3.75	\$3.75	\$3.75	\$3.75

(Rounded to nearest \$0.25)

Source: Company reports and Alliance Global Partners projections.



## Important Research Disclosures



Distribution of Ratings/IB Services

Rating	Count	Percent	IB Serv./Past 12 Mos.	
			Count	Percent
BUY [BUY]	89	85.58	31	34.83
HOLD [NEUTRAL]	13	12.50	1	7.69
SELL [SELL]	0	0.00	0	0
NOT RATED [NR]	2	1.92	0	0
UNDER REVIEW [UR]	0	0.00	0	0

### Disclosures

"Firm" used in the this section of the report entitled "Disclosures" refers to **A.G.P. / Alliance Global Partners or Euro Pacific Capital, a division of A.G.P. / Alliance Global Partners**. The Firm expects to receive or intends to seek compensation for investment banking services from all companies under research coverage within the next three months. The Firm or its officers, employees or affiliates, other than the research analyst authoring this report and his/her supervisor, may execute transactions in securities mentioned in this report that may not be consistent with the report's conclusions.

Sources referenced in this report: The information and statistics in this report have been obtained from sources we believe are reliable but we do not warrant their accuracy or completeness.

### Regulation Analyst Certification ("Reg AC") — Matt Cross,

The views expressed in this report (which include the actual rating assigned to the company as well as the analytical substance and tone of the report) accurately reflect the personal views of the analyst(s) covering the subject securities. An analyst's sector is the universe of companies for which the analyst provides research coverage. Accordingly, the rating assigned to a particular stock represents solely the analyst's view of how that stock will perform over the next 12 months relative to the analyst's sector average.

Furthermore, in accordance with FINRA Rules 2711, 2241, and their amendments related to disclosure of conflicts of interest, the analyst preparing this report certifies:

- The analyst or member of the analyst's household does not have a financial interest in the company that is the subject of this report, including a position in the debt or equity of the company, without limitation, whether it consists of any option, right, warrant, future, long or short position.
- The analyst or member of the analyst's household does not serve as officer, director or advisory board member of the company that is the subject of this report.

- The analyst has not received any compensation from the subject company or from investment banking revenues, directly or indirectly, for preparing this report.
- The report discloses all material conflicts of interest related to the analyst, the member firm, and the subject company that are known at the time of publishing this report.

### Ratings

**Buy:** Expected to materially outperform sector average over 12 months and indicates total return of at least 10% over the next 12 months.

**Neutral:** Returns expected to be in line with sector average over 12 months and indicates total return between negative 10% and 10% over the next 12 months.

**Sell:** Returns expected to be materially below sector average over 12 months and indicates total price decline of at least 10% over the next 12 months.

**Not Rated:** We have not established a rating on the stock.

**Under Review:** The rating will be updated soon pending information disclosed from a near-term news event.

### Volatility Index

**1 (Low):** Little to no sharp movement in stock price in a 12 month period

**2 (Low to medium):** Modest changes in stock price in a 12 month period

**3 (Medium):** Average fluctuation in stock price in a 12 month period

**4 (Medium to High):** Higher than average changes in stock price in a 12 month period

**5 (High):** Extremely sharp movements in stock price in a 12 month period

All financial information is taken from company disclosures and presentations (including Form 10Q, 10K and 8K filings and other public announcements), unless otherwise noted. Any prices or quotations contained herein are indicative only and are not a commitment by A.G.P. / Alliance Global Partners to trade at any price.

If A.G.P. / Alliance Global Partners acts in a principal capacity with respect to the instruments mentioned herein it will be disclosed in the previous section of this report entitled "Disclosures." In the event that A.G.P. / Alliance Global Partners does act in a principal capacity, the commentary is therefore not independent from the proprietary interests of A.G.P. / Alliance Global Partners, which interests may conflict with your interests. Opinions expressed herein may differ from the opinions expressed by other divisions and/or business units of A.G.P. / Alliance Global Partners. The Firm does not undertake any obligation to update this material. This material is current as of the indicated date and as of the time it was sent to you. This material was prepared from information believed to be reliable, but A.G.P. / Alliance Global Partners makes no representations or warranties as to its accuracy or completeness.

This communication and the information contained herein is neither an offer to buy or sell nor a solicitation of an offer to buy or sell any security or instrument or to participate in any particular trading strategy.

This report should not be used as a complete analysis of the company, industry or security discussed in the report. Additional information is available upon request. Any opinions or estimates in this report are subject to change without notice. An investment in the stock may involve risks and uncertainties that could cause actual results to differ materially from the forward-looking statements. Additionally, an investment in the stock may involve a high degree of risk and may not be suitable for all investors. No part of this report may be reproduced without the express written permission of A.G.P. / Alliance Global Partners, member FINRA/SIPC. Copyright 2021.