WILSONS ADVISORY

Date 18 April 2024

Theme Alert

Sector Healthcare

Company

Immutep Limited (IMM)

Adding Autoimmune to the indication list

Recommendation OVERWEIGHT

Dr Melissa Benson
melissa.benson@wilsonsadvisory.com.au
Tel. +61 2 8247 6639

Dr Shane Storey
shane.storey@wilsonsadvisory.com.au
Tel. +61 7 3212 1351

Madeleine Williams
madeleine.williams@wilsonsadvisory.com.au
Tel. +61 3 9640 3834

Announcement Highlights

Immutep have announced their plans for the first clinical study of their LAG-3 agonist, IMP761, for the potential treatment of autoimmune conditions. The trial will be a first-in-human safety Phase I trial to enroll ~49 healthy volunteers being conducted at the Centre for Human Drug Research (CHDR) in Leiden, Netherlands. The CHDR is an independent trials centre specializing in early stage and first-in-human drug research, with unique immunomodulatory challenge models that will help generate important pharmacological drug response data. To date, investors', including our own modelling, has been focused and limited to Immutep's immuno-oncology assets – namely Efti. IMP761 we have always seen as a compelling asset, albeit early in the pipeline. Moving this asset into clinical development this year (mid CY24 trial start) forces it to become a consideration in IMM valuation.

Wilsons' View

Initial analysis

Phase I IMP761 trial. The trial will seek to enrol 49 healthy volunteers to be administered IMP761 in a dose-ranging manner. Primary outcomes are focused on safety and tolerability as well as collection of Pharmacokinetic (PK) and Pharmacodynamic (PD) data. The trial will include a placebo group. The study will include use of CDHR's keyhole limpit haemocyanin (KLH) challenge model within the trial – a test designed in house to evaluate immunomodulatory response to investigational compounds (IMP761 in this case) that provides key clues as to potential immunomodulatory impacts/efficacy in early stage human trials, utilising healthy-volunteers. The KLH test can be used to identify pharmacologically active dose of investigational drugs to inform follow on Phase II trial designs in target patient populations.

Autoimmune opportunity as large as oncology. The rationale supporting IMM's approach to autoimmune disease with a LAG-3 agonist (IMP761) has already been supported in published literature, demonstrating key involvement of LAG-3 signalling. IMP761 provides potential to be a disease modifying solution as opposed to current approaches that block mediators further downstream in the immune/inflammatory pathway (i.e. Humira). Abbvie's blockbuster Humira is a relevant predicate when thinking about the end market opportunity for IMP761 should it demonstrate efficacy at correcting immune response, noting that Humira has totalled ~US$20B sales across key autoimmune indications annually (incl. $6B in rheumatoid arthritis).

Earnings implications

No immediate changes, but we begin to build out potential market models for major autoimmune indications (notably rheumatoid arthritis) to identify opportunity sizing for IMP761 in the event of positive Phase I data in the coming year.

Investment view

Maintain OVERWEIGHT and our risked $0.90/sh PT, noting this does not yet include any attribution for IMP761. The next material catalysts for IMM include; a) announcement of their finalised trial design (and potential partner) for the TACTI-004 1L mNSCLC Phase III program (2Q'24); and b) topline data from Phase IIb TACTI-003 trial in 1L mHNSCC (~3Q'24). Unrisked PT at $6.09/sh.

Disclaimers and Disclosures

Recommendation structure and other definitions

Definitions at wilsonsadvisory.com.au/disclosures.

Analyst certification

Each analyst of Wilsons Advisory and Stockbroking Limited (ACN 010 529 665: AFSL 238375) ("Wilsons Advisory") whose name appears in this research certifies that (1) the recommendations and opinions expressed in this research accurately reflect the analyst's personal, independent and objective views about any and all of the subject securities or issuers; (2) no part of the analyst's compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed by the analyst in the research; and (3) to the best of the analyst's knowledge, he/she is not in receipt of material non-public information about the issuer.

Disclaimer

This document has been prepared by Wilsons Advisory. This communication is not to be disclosed in whole or part or used by any other party without Wilsons Advisory's prior written consent. All material presented in this document, unless specifically indicated otherwise, is under copyright to Wilsons Advisory. None of the material, its content, nor any copy of it, may be altered in any way, transmitted to, copied or distributed to any other party, without the prior express written permission of Wilsons Advisory. This document is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or which would subject Wilsons Advisory to any registration or licensing requirement within such jurisdiction.

This document is being supplied to you solely for your information and no action should be taken on the basis of or in reliance on this document. To the extent that any information prepared by Wilsons Advisory contains any financial product advice, it is general advice only and has been prepared by Wilsons Advisory without reference to your objectives, financial situation or needs. You should consider the appropriateness of the advice in light of your own objectives, financial situation and needs before following or relying on the advice. You should also obtain a copy of, and consider, any relevant disclosure document before making any decision to acquire a financial product. Please refer to Wilsons Advisory's Financial Services Guide for more information: wilsonsadvisory.com.au/disclosures. Any person, before acting on any advice contained within this communication, should first consult with a Wilsons Advisory investment adviser to assess whether the advice within this communication is appropriate for their objectives, financial situation and needs. Those acting upon such information without advice do so entirely at their own risk.

This document provided by Wilsons Advisory is current as at the date of the issue but may be superseded by future publications. Wilsons Advisory assumes no obligation to update the information or advise on further developments relating to the company or companies covered in this document ("Companies") or relevant financial products. Wilsons Advisory has not independently verified all of the information given in this document which is provided at a point in time and may not contain all necessary information about the Companies. Wilsons Advisory makes no warranty, express or implied, concerning any information prepared by Wilsons Advisory. Wilsons Advisory expressly disclaims (1) any implied warranty of merchantability or (2) fitness for a particular purpose, including any warranty for the use or the results of the use of any information prepared by Wilsons Advisory with respect to their correctness, quality, accuracy, completeness, reliability, performance, timeliness, or continued availability. Wilsons Advisory's research content should be viewed as an additional investment resource, not as your sole source of information. To the fullest extent permitted by law Wilsons Advisory, its related bodies corporate and their respective officers, directors, employees or agents, disclaim any and all liabilities for any loss or damage howsoever arising in connection with the use of this document or its contents. Past performance does not necessarily indicate a financial product's likely future performance.

This document may contain "forward-looking statements". Forward-looking statements, opinions and estimates provided in this document are based on assumptions and contingencies which are outside the control of Wilsons Advisory and are subject to change without notice (including but not limited to economic conditions, market volatility and company-specific fundamentals), and therefore may not be realised in the future.

This report does not constitute an offer or invitation to purchase any securities and should not be relied upon in connection with any contract or commitment whatsoever.

Disclaimers and Disclosures

Regulatory disclosure

Wilsons Advisory restricts research analysts from trading in securities for which they write research. Other Wilsons Advisory employees may hold interests in the company, but none of those interests are material. Wilsons Advisory further advises that at the date of this report, neither Wilsons Advisory and Stockbroking Limited or Wilsons Corporate Finance Limited have any material interests in the company. Wilsons Corporate Finance Limited ACN 057 547 323, AFSL 238 383 acted as Joint Lead Manager and underwriter in the May 2023 pro rata accelerated non-renounceable entitlement offer and Institutional Placement of Immutep Limited Securities for which it received fees or will receive fees for acting in this capacity.

Wilsons Advisory and Stockbroking Limited may have a conflict of interest which investors should consider before making an investment decision. Wilsons Advisory and Stockbroking Limited, Wilsons Corporate Finance Limited and its related bodies corporate trades or may trade as principal in the securities that are subject of the research report. Wilsons Advisory further advises that at the date of this report, neither Wilsons Advisory and Stockbroking Limited or Wilsons Corporate Finance Limited have any material interests in the company. Wilsons Advisory restricts research analysts from trading in securities for which they write research. Other Wilsons Advisory employees may hold interests in the company, but none of those interests are material.

Wilsons Advisory contact

For more information please phone: 1300 655 015 or email: publications@wilsonsadvisory.com.au