

NEWS

mOS: 5 OUT OF 6 PATIENTS STILL ALIVE AT 15 MONTHS !

This morning, the company has published median overall survival data at 15 months from its expansion study in glioblastoma evaluating the NOX-A12/radiotherapy/bevacizumab tricomination. At this stage, five out of the six patients in the cohort are still alive, compared with known data for the same patient profile, which shows a median overall survival of 9.7 months with standard care treatments. Despite being based on a very small cohort, the results are extremely promising. TME Pharma will need to confirm these excellent results in a pivotal randomised controlled trial involving a larger number of patients. Depending on the new data to come and discussions underway with the FDA, a Ph II PoC trial could be launched in the short term paving the way to FDA regulatory approval.

Jamila El Bougrini
+33 1 44 88 88 09
jelbougrini@invest-securities.com

Thibaut Voglimacci-
Stephanopoli
+33 1 44 88 77 95
tvoglimacci@invest-securities.com

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Lasting survival: five out of six patients still alive at 15 months!

This morning, TME Pharma published updated data from its Ph I/II extension study evaluating the NOX-A12/radiotherapy/bevacizumab combination in newly diagnosed patients with MGMT-unmethylated glioblastoma and incomplete resection. At 15 months follow-up, the results show that five of the six patients in the cohort are still alive, which means that the median survival rate (mOS) has still not been reached. The mOS will be reached when half the cohort, i.e. three patients in this trial, have died, which will provide a relative measure of the potential of the NOX-A12/radiotherapy/bevacizumab combination in terms of overall survival in this patient profile. The mOS was not reached at 15 months, which is an excellent sign because it means that the patients are still responding to treatment, that the disease is probably stabilised, with tumours that are significantly reduced in size and stable, and that the mOS is higher than the median overall survival known in the literature for patients of identical profile with non-methylated MGMT tumours and incomplete resection, but treated with the standard of care. Indeed, the literature reports mOS of 9.7 months for patients with chemotherapy-refractory tumours (unmethylated MGMT) whose tumour remains detectable after surgery and just 7.1 months for the subgroup of patients who meet the genetic profile of the Pharma MCT target population and have only been treated with post-surgical RT (Kreth 2013, Annals of oncology). To date, the treatment assessed therefore shows a minimum gain of around 5.3 months, or an improvement of almost 55%, which is considerable for these patient profiles who, after diagnosis and relapse, have few options available to them, and whose chances of survival at one year remain very low.

Next stage: Ph II trial potentially paving the way to FDA regulatory approval

TME Pharma has developed a predictive diagnostic test based on the expression of the biomarker CXCL12, the molecular target of the NOX-A12 drug candidate, in cancer and the tumour microenvironment. Based on tissue samples taken from the 10 patients in the initial GLORIA cohort, the TME Pharma teams demonstrated a strong correlation between the level of CXCL12 expression and clinical response to NOX-A12/RT treatment. This test will therefore be extremely useful in identifying and selecting patients with the best chances of responding to treatment for participation in the Phase II study. Depending on the company's resources and discussions with potential industrial partners, this study could begin in the coming months.

Invest Securities and the issuer have signed an analysis services agreement.

in € / share	2023e	2024e	2025e
Adjusted EPS	-7,29	-9,09	-11,03
chg.	n.s.	n.s.	n.s.
estimates chg.	n.s.	n.s.	n.s.
au 31/12	2023e	2024e	2025e
PE	n.s.	n.s.	n.s.
EV/Sales	153,8x	311,5x	500,3x
EV/Adjusted EBITD	n.s.	n.s.	n.s.
EV/Adjusted EBITA	n.s.	n.s.	n.s.
FCF yield*	n.s.	n.s.	n.s.
Div. yield (%)	n.s.	n.s.	74,6%

* After tax op. FCF before WCR

key points			
Closing share price	27/06/2023		1,34
Number of Shares (m)			5,3
Market cap. (€m)			7
Free float (€m)			6
ISIN			NL0015000YE1
Ticker			ALTME-FR
DJ Sector			Health Technology
	1m	3m	Ytd
Absolute perf.	-6,3%	+30,4%	+10,2%
Relative perf.	-3,8%	+33,4%	+9,0%

Source : Factset, Invest Securities estimates

FINANCIAL DATA

Share information	2017	2018	2019	2020	2021	2022	2023e	2024e	2025e
Published EPS (€)	-2,54	-2,70	-0,08	-0,32	-0,26	-21,88	-7,29	-9,09	-11,03
Adjusted EPS (€)	-2,54	-2,70	-0,08	-0,32	-0,26	-21,88	-7,29	-9,09	-11,03
<i>Diff. I.S. vs Consensus</i>	<i>n.s.</i>	<i>n.s.</i>	<i>n.s.</i>	<i>n.s.</i>	<i>n.s.</i>	<i>n.s.</i>	<i>n.s.</i>	<i>n.s.</i>	<i>n.s.</i>
Dividend	0,00	0,00	0,00	0,00	0,00	0,00	0,00	1,00	2,00

Valuation ratios	2017	2018	2019	2020	2021	2022	2023e	2024e	2025e
P/E	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.
EV/Sales	144,40x	20,09x	26,25x	-17,61x	2,66x	38,40x	153,85x	311,52x	500,29x
EV/Adjusted EBITDA	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.
EV/Adjusted EBITA	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.
Op. FCF bef. WCR yield	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.
Op. FCF yield	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.
Div. yield (%)	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	74,6%

NB : valuation based on annual average price for past exercise

Entreprise Value (€m)	2017	2018	2019	2020	2021	2022	2023e	2024e	2025e
Share price in €	15,6	1,34	1,34	1,34	1,34	1,34	1,34	1,34	1,34
Market cap.	36	7	7	7	7	7	7	7	7
Net Debt	1,9	0,5	0,2	-9,7	-6,7	-1,5	15,5	36,7	62,4
Minorities	0,0	0,0	0,0	0,0	0,0	0,0	0,0	1,0	2,0
Provisions/ near-debt	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
+/- Adjustments	0,0	0,0	0,0	0,0	0,0	0,0	0,0	1,0	2,0
Entreprise Value (EV)	38	8	7	-3	0	6	23	46	74

Income statement (€m)	2017	2018	2019	2020	2021	2022	2023e	2024e	2025e
Sales	0	0	0	0	0	0	0	0	0
<i>chg.</i>	<i>n.s.</i>	<i>n.s.</i>	<i>n.s.</i>	<i>n.s.</i>	<i>n.s.</i>	<i>n.s.</i>	<i>n.s.</i>	<i>n.s.</i>	<i>n.s.</i>
Adjusted EBITDA	-5	-4	-4	-6	-14	-28	-12	-16	-21
adjusted EBITA	-5	-4	-4	-6	-14	-28	-12	-16	-21
<i>chg.</i>	<i>n.s.</i>	<i>n.s.</i>	<i>n.s.</i>	<i>n.s.</i>	<i>n.s.</i>	<i>n.s.</i>	<i>n.s.</i>	<i>n.s.</i>	<i>n.s.</i>
EBIT	-5	-4	-4	-6	-14	-28	-12	-16	-21
Financial result	-1	-6	3	-5	-5	-5	-5	-5	-5
Corp. tax	0	0	0	0	0	0	0	0	0
Minorities+affiliates	0	0	0	0	0	0	0	1	2
Net attributable profit	-5	-11	-1	-10	-19	-33	-17	-20	-24
Adjusted net att. profit	-5	-11	-1	-10	-19	-33	-17	-20	-24
<i>chg.</i>	<i>n.s.</i>	<i>n.s.</i>	<i>n.s.</i>	<i>n.s.</i>	<i>n.s.</i>	<i>n.s.</i>	<i>n.s.</i>	<i>n.s.</i>	<i>n.s.</i>

Cash flow statement (€m)	2017	2018	2019	2020	2021	2022	2023e	2024e	2025e
EBITDA	-5	-4	-4	-6	-14	-28	-12	-16	-21
Theoretical Tax / EBITA	0	0	0	0	0	0	0	0	0
Capex	0	0	0	0	0	0	0	0	0
Operating FCF bef. WCR	-5	-4	-4	-6	-14	-28	-12	-16	-21
Change in WCR	0	0	0	0	0	0	0	0	0
Operating FCF	-5	-4	-3	-6	-14	-28	-12	-16	-21
Acquisitions/disposals	0	0	0	0	0	0	0	0	0
Capital increase/decrease	3	8	1	14	16	28	0	0	0
Dividends paid	0	0	0	0	0	0	0	0	0
Other adjustments	-1	-6	3	-5	-5	-5	-5	-5	-5
Published Cash-Flow	-3	-3	1	3	-3	-5	-17	-21	-26

Balance Sheet (€m)	2017	2018	2019	2020	2021	2022	2023e	2024e	2025e
Assets	0	0	0	0	0	0	0	0	0
Intangible assets/GW	0	0	0	0	0	0	0	0	0
WCR	-2	-2	-2	-2	-2	-2	-2	-2	-2
Group equity capital	-4	-3	-2	8	-6	-11	-28	-50	-75
Minority shareholders	0	0	0	0	0	0	0	1	2
Provisions	0	0	0	0	0	0	0	0	0
Net financial debt	2	0	0	-10	-7	-1	15	37	62

Financial ratios	2017	2018	2019	2020	2021	2022	2023e	2024e	2025e
EBITDA margin	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.
EBITA margin	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.
Adjusted Net Profit/Sales	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.
ROCE	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.
ROE adjusted	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.
Gearing	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.
ND/EBITDA (in x)	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.

Source : company, Invest Securities Estimates

INVESTMENT CASE

TME PHARMA (ex-NOXXON) is a biotech company with an oncology-focused portfolio. The two products it has developed to date—NOX-A12 (glioblastoma, as well as metastatic pancreatic and colorectal cancer) and NOX-E36 (solid cancers)—are designed to break the tumor protection barrier and block tumor repair by neutralizing chemokines in the tumor microenvironment (TME). Its clinical approach is unique and can be used in combination with other therapeutic approaches, notably radiotherapy and immunotherapy, to weaken tumor defenses against the immune system and enable greater therapeutic impact.

SWOT ANALYSIS

STRENGTHS

- ❑ An innovative approach within the IO space
- ❑ Partnership with Merck for brain cancer
- ❑ Drugs that target indications with little competition

WEAKNESSES

- ❑ Relatively early-stage pipeline
- ❑ Need for additional financing within a year

OPPORTUNITIES

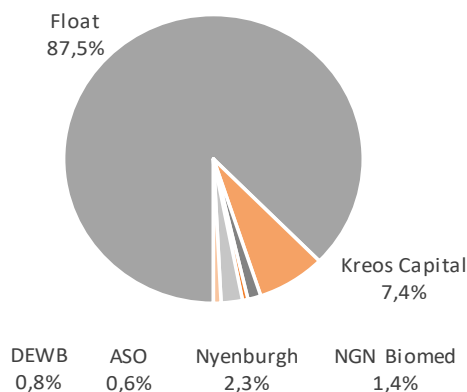
- ❑ Combination drug trials
- ❑ Possibility of new partnerships
- ❑ Significant M&A activity in the field

THREATS

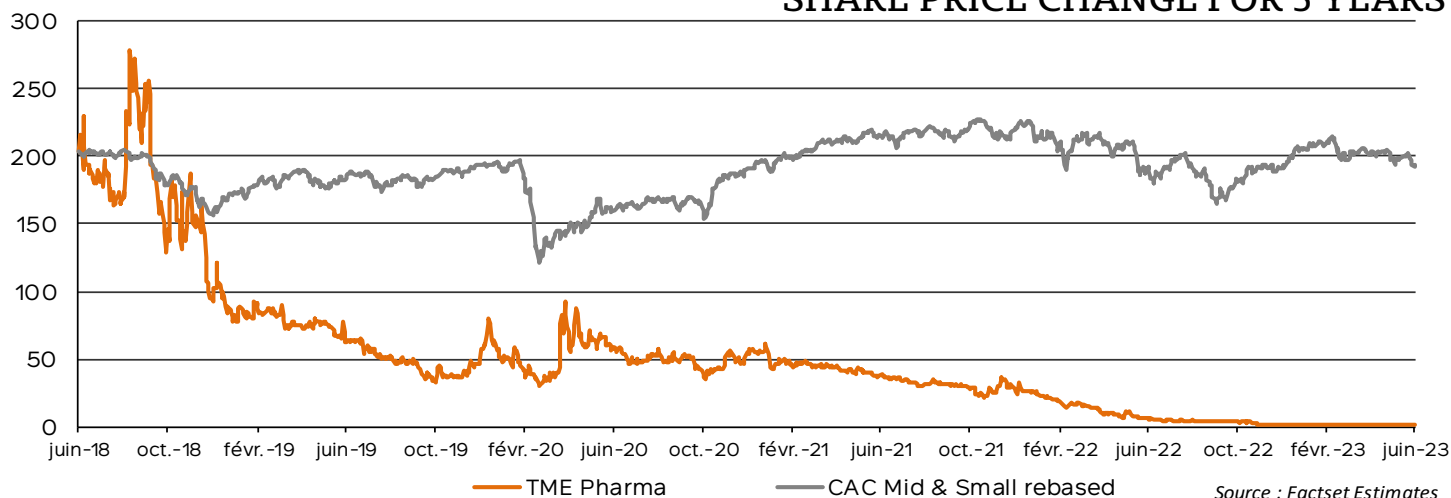
- ❑ Regulatory and clinical risks
- ❑ Legal risks
- ❑ Commercial risks

ADDITIONAL INFORMATION

Shareholders



SHARE PRICE CHANGE FOR 5 YEARS



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TARGET PRICE AND RECOMMENDATION

Our analyst ratings are dependent on the expected absolute performance of the stock on a 6- to 12-month horizon. They are based on the company’s risk profile and the target price set by the analyst, which takes into account exogenous factors related to the market environment that may vary considerably. The Invest Securities analysis office sets target prices based on a multi-criteria fundamental analysis, including, but not limited to, discounted cash flows, comparisons based on peer companies or transaction multiples, sum-of-the-parts value, restated net asset value, discounted dividends.

Ratings assigned by the Invest Securities analysis office are defined as follows:

- BUY: Upside potential of more than 10% (the minimum upside required may be revised upward depending on the company’s risk profile)
- NEUTRAL: Between -10% downside and +10% upside potential (the maximum required may be revised upward depending on the company’s risk profile)
- SELL: Downside potential of more than 10%
- TENDER or DO NOT TENDER: Recommendations used when a public offer has been made for the issuer (takeover bid, public exchange offer, squeeze-out, etc.)
- SUBSCRIBE or DO NOT SUBSCRIBE: Recommendations used when a company is raising capital
- UNDER REVIEW: Temporary recommendation used when an exceptional event that has a substantial impact on the company’s results or our target price makes it impossible to assign a BUY, NEUTRAL or SELL rating to a stock

12-MONTH HISTORY OF OPINION

The table below reflects the history of price recommendation and target changes made by the financial analysis office of Invest Securities over the past 12 months.

Company Name	Main Author	Release Date	Rating	Target Price	Potential
TME PHARMA	Jamila El Bougrini	27-mars.-23	ACHAT	4,2	+310%
TME PHARMA	Jamila El Bougrini	11-nov.-22	ACHAT	16,1	+381%
TME PHARMA	Jamila El Bougrini	15-juil.-22	ACHAT	0,2	+220%

DETECTION OF CONFLICTS OF INTEREST

	TME PHARMA
Invest Securities was lead manager or co-lead manager in a public offer concerning the financial instruments of this issuer during the last twelve months.	No
Invest Securities has signed a liquidity contract with the issuer.	Yes
Invest Securities and the issuer have signed a research service agreement.	Yes
Invest Securities and the issuer have signed a Listing Sponsor agreement.	No
Invest Securities has been remunerated by this issuer in exchange for the provision of other investment services during the last twelve months (RTO, Execution on behalf of third parties, advice, placement, underwriting).	No
This document was sent to the issuer prior to its publication. This rereading did not lead the analyst to modify the valuation.	No
This document was sent to the issuer for review prior to its publication. This rereading led the analyst to modify the valuation.	No
The financial analyst has an interest in the capital of the issuer.	No
The financial analyst acquired equity securities of the issuer prior to the public offering transaction.	No
The financial analyst receives remuneration directly linked to the transaction or to an investment service provided by Invest Securities.	No
An executive officer of Invest Securities is in a conflict of interest with the issuer and was given access to this document prior to its completion.	No
Invest Securities or the All Invest group owns or controls 5% or more of the share capital issued by the issuer.	No
Invest Securities or the All Invest group holds, on a temporary basis, a net long position of more than 0.5% of the issuer's capital.	No
Invest Securities or the All Invest group holds, on a temporary basis, a net short position of more than 0.5% of the issuer's capital.	No
The issuer owns or controls 5% or more of the capital of Invest Securities or the All Invest group.	No

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MANAGEMENT

Marc-Antoine Guillen
CEO

+33 1 44 88 77 80
maguillen@invest-securities.com

Jean-Emmanuel Vernay
Managing Director

+33 1 44 88 77 82
jevernay@invest-securities.com

Anne Bellavoine
Deputy Managing Director

+33 1 55 35 55 75
abellavoine@invest-securities.com

Pascal Hadjedj
Deputy Managing Director and
Head of Primary Market Sales

+33 1 55 35 55 61
phadjedj@invest-securities.com

EQUITY RESEARCH

Maxime Dubreil
Head of Equity Research

+33 1 44 88 77 98
mdubreil@invest-securities.com

Stéphane Afonso
Financial analyst, Real Estate

+33 1 73 73 90 25
safonso@invest-securities.com

Bruno Duclos
Financial analyst, Real Estate

+33 1 73 73 90 25
bduclos@invest-securities.com

Jamila El Bougrini
Financial analyst,
Biotech/Healthtech

+33 1 44 88 88 09
jelbougrini@invest-securities.com

Benoît Faure-Jarrosson
Senior Advisor, Real Estate

+33 1 73 73 90 25
bfaure-jarrosson@invest-securities.com

Christian Guyot
Financial analyst, Retail &
Luxury Goods

+33 1 80 97 22 01
cguyot@invest-securities.com

Jean-Louis Sempé
Financial analyst, Automotive

+33 1 73 73 90 35
jlsampe@invest-securities.com

Thibaut Voglimacci-Stephanopoli
Financial analyst,
Medtechs / Biotech

+33 1 44 88 77 95
tvoglimacci@invest-securities.com

TRADING FLOOR

Raphael Jeannet
Institutional Sales

+33 1 55 35 55 62
rjeannet@invest-securities.com

Edouard Lucas
Institutional Sales

+33 1 55 35 55 74
elucas@invest-securities.com

Ralph Olmos
Institutional Sales

+33 1 55 35 55 72
rolmos@invest-securities.com

Kaspar Stuart
Institutional Sales

+33 1 55 35 55 65
kstuart@invest-securities.com

Frédéric Vals
Institutional Sales

+33 1 55 35 55 71
fvals@invest-securities.com

CORPORATE BROKING & ISSUER MARKETING

Thierry Roussilhe
Head of CB & Issuer Marketing

+33 1 55 35 55 66
troussilhe@invest-securities.com

Fabien Huet
Liquidity

+33 1 55 35 55 60
fhuet@invest-securities.com