

NEWSFLOW – OS AT 18 MONTHS IN GBM

50% OF PATIENTS STILL ALIVE AT 18 MONTHS

TME Pharma has published its much-awaited 18-month results showing that three patients (out of a total cohort of six) are still alive at this stage. The company also pointed out that of the three patients still alive, two are clinically stable despite progression of their primary tumour. The last patient is less stable but could still reach and exceed the 18-month survival period. If this were the case, then the 18-month survival rate for the trial could be 67%, compared with a rate of 5% with standard treatments. These results highlight the synergy between the three treatments in the trial: NOX-A12 + radiotherapy + bevacizumab. TME intends to apply to the FDA this month with a view to a future clinical trial, which could begin as early as H1 2024. Buy rating reiterated and TP at €4.2.

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OS at 18 months: TME achieves 50% vs. 5% with SoCs

On Tuesday, TME Pharma released 18-month survival data from its ongoing Ph I/II trial in brain cancer. The company reported that three out of six patients are still alive at this stage in the cohort evaluating its NOX-A12 product in combination with radiotherapy and bevacizumab for treatment of newly diagnosed non-methylated MGMT glioblastoma after (incomplete) surgery. With the median follow-up threshold now exceeding 18 months, this demonstrates an overall survival rate (OS) of 50% at 18 months (end-September 2023). However, as not all patients were recruited at the same time, there is a delay of several months in the start of treatment between the first patient recruited and the last included in the study. This means that the measure of median overall survival can still evolve positively depending on the last patients still alive. Indeed, among the patients still alive, if the next death exceeds the milestone of 18 months' survival since the start of treatment for the patient concerned, then this means that the mOS at 18 months for the whole cohort could reach 67% (four out of six patients will have survived beyond 18 months post-treatment). To date, two of the three patients still alive are clinically stable despite tumour progression.

This result compares favourably with known results for treatments approved or undergoing clinical evaluation at more or less advanced stages for GBM patients resistant to chemotherapy. Indeed, most of these trials recorded an mOS of between 12.7 and 16.9 months, with only 5% surviving at 18 months for standard treatments. As a reminder, the reference cohort receiving standard care achieved a median overall survival of 10.5 months. In the initial GLORIA cohort conducted by TME, the 18-month survival rate achieved was 20% for patients who received NOX-A12 plus radiotherapy without beva, underlining the synergistic effect of the three treatments NOX-A12 + radiotherapy + bevacizumab. It is also important to remember that none of these treatments alone, or the combination of two of them, have ever demonstrated such a high level of efficacy, thereby providing evidence that it is indeed the combination of these three treatments that has enabled this clinical result.

Based on 18-month survival data, TME plans to seek FDA approval in October 2023 with the aim of having an FDA-approved clinical trial protocol in glioblastoma and accessing a fast-track regulatory pathway by the end of Q1 2024. The company expects to submit an IND request early in Q1 2024 and expects feedback in late Q1 2024.

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	134,7x	292,4x	481,1x
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.	123,5%

* After tax op. FCF before WCR

key points	
Closing share price 11/10/2023	0,81
Number of Shares (m)	5,3
Market cap. (€m)	4
Free float (€m)	4
ISIN	NL0015000YE1
Ticker	ALTME-FR
DJ Sector	Health Technology

	1m	3m	Ytd
Absolute perf.	-52,4%	-27,7%	-33,4%
Relative perf.	-49,0%	-22,3%	-30,7%

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	12,63x	16,15x	-36,78x	-16,51x	19,23x	134,68x	292,35x	481,12x
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.	123,5%

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	0,81	0,81	0,81	0,81	0,81	0,81	0,81	0,81
Market cap.	36	4	4	4	4	4	4	4	4
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	5	5	-5	-2	3	20	43	71

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

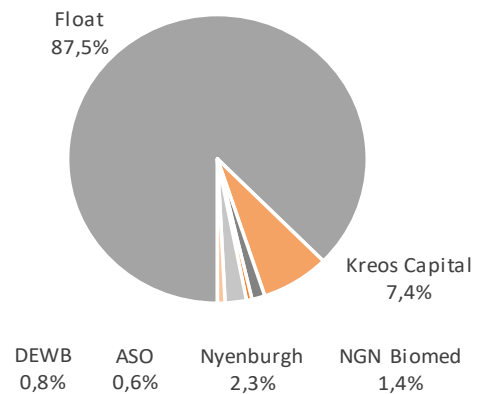
- Combination drug trials
- Possibility of new partnerships
- Significant M&A activity in the field

THREATS

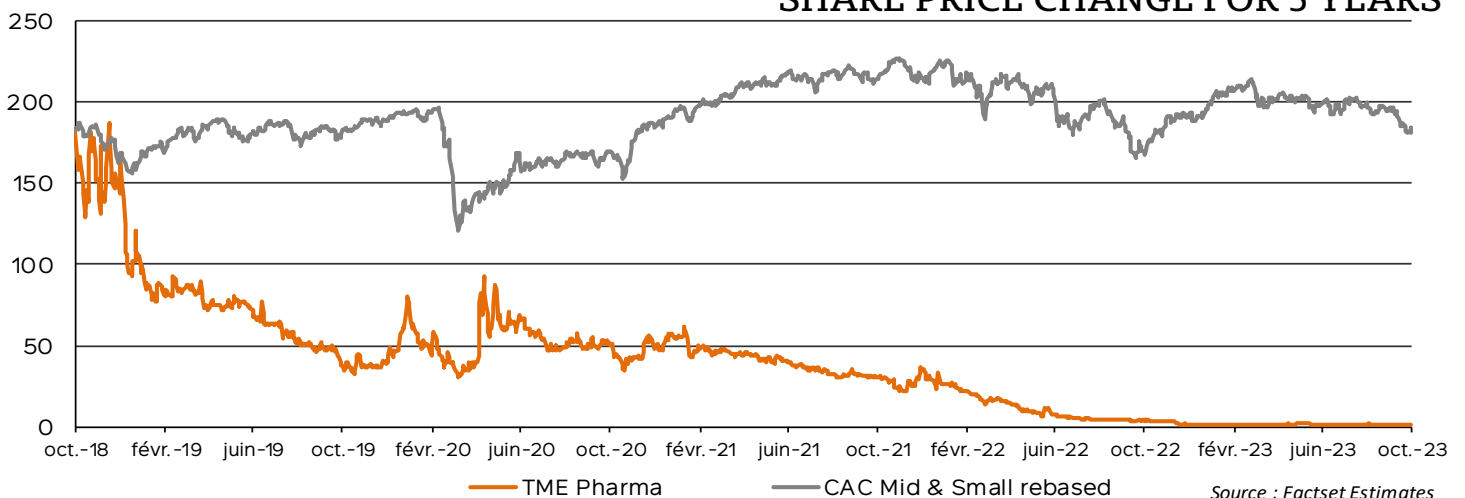
- Regulatory and clinical risks
- Legal risks
- Commercial risks

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)
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- 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

Invest Securities's conflict of interest management policy is available on the Invest Securities website in the Compliance section. A list of all recommendations released over 12 months as well as the quarterly publication of "BUY, SELL, NEUTRAL, OTHERS" over 12 months, are available on the Invest Securities research platform.

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