

FUND RAISE

DEBT RESTRUCTURING AND END OF CONVERTIBLE DEBT

On Friday, TME PHARMA announced the success of a €1.48m capital increase through a private placement with a group of new investors. The proceeds of this transaction are destined to buy back outstanding convertible bond debt, with the ultimate aim of ending convertible debt financing as announced in previous financing transactions during 2023. The company also reminded that the exercise period for Y equity warrants, which entitle holders to subscribe for Z share warrants, is coming to an end (16 February 2024). After updating net debt, the number of shares in issue post-capital increase of €1.48m, and rolling over our model, our Target Price is revised to €0.67 from €0.4 previously.

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

Document completed on
13/02/2024 09:43

Document published on
13/02/2024 09:43

TME keeps its promise and continues to clean up its convertible debt financing

On Friday, the company carried out a private placement of €1.48m with a group of new investors, the proceeds of which will be used primarily to finance the repurchase of all outstanding ASO (ATLAS) convertible bonds with the aim of definitively ending the convertible bond financing programme. This involved 6,727,270 new shares issued at a price of €0.22 per share, representing a discount of 0.5% to the previous day's price. Investors, other than members of the management team participating in the transaction, will receive a commitment fee of 10% of the amount of the investment. TME PHARMA has also announced the termination of the convertible bond agreement with ASO, except in respect of the CBs already issued on 18 April 2023, having originally entered into the agreement with ASO on 23 April 2020.

In line with previous announcements, the net proceeds of this operation will be used for a number of purposes, including the priority objective of buying back all convertible bond debt. Note that during the transaction carried out in November 2023, TME PHARMA bought back 898 of the 1,898 outstanding bonds for a total amount of €942,900. At the same time, Atlas, for which the CBs were set up, agreed to lock up the remaining 1,000 CBs until 1 April 2024, in exchange for a flat fee of 100 additional CBs. TME PHARMA then pledged to assess the possibility of buying back the remaining 1,100 convertible bonds, with the aim of definitively ending the company's dependence on bond financing. This is precisely the purpose of this latest transaction. Based on the terms of the buyback of the 898 CBs in November 2023, the repurchase of the remaining 1,100 CBs should represent a net cost of €1.155m, which is more than covered by the €1.48m gross amount generated by this latest private placement.

In addition to cleaning up convertible bond debt, the proceeds will be used to pursue business development and identify a partner to support the development of the programme in glioblastoma, at the same time as ongoing discussions with the FDA to obtain an IND to initiate a Phase II trial in glioblastoma. The company aims to offer the healthiest and most attractive profile possible for a partner, in order to attract M&A interest or simply BD&L (business development & licensing) via a "turnkey" package for the glioblastoma programme.

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

in € / share	2023e	2024e	2025e
Adjusted EPS	-0,99	-0,87	-1,06
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	126,0x	283,7x	472,4x
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.	428,3%

* After tax op. FCF before WCR

key points			
Closing share price	12/02/2024		0,23
Number of Shares (m)			17,7
Market cap. (€m)			4
Free float (€m)			4
ISIN			NL0015000YE1
Ticker			ALTME-FR
DJ Sector			Health Technology
	1m	3m	Ytd
Absolute perf.	-0,2%	-38,7%	+1,5%
Relative perf.	-1,9%	-43,5%	+0,6%

Source : Factset, Invest Securities estimates

REPRODUCTION FORBIDDEN WITHOUT AUTHORIZATION.

The information contained in this document has been derived from sources deemed to be reliable. However, we will not accept any liability in case of error or omission;

73, bd Haussmann - 75008 Paris
T : +33 (0)1 80 97 22 01
invest-securities.com

Last exercise period for Y warrants: from 12 to 16 February

As part of this latest financing operation, the company stated that the last subscription period for Z equity warrants opened yesterday, 12 February 2024, and runs until 16 February 2024. Note that the parity provides that five Y warrants entitle the holder to subscribe to two Z share warrants at a strike price of €0.25. Y warrants that have not been exercised by the end of the period will become null and void. Note that four Z warrants will entitle holders to subscribe to five new shares at a price of €0.20, expiring on 30 June 2025 (quarterly exercise period).

Financial visibility until May 2024 with possible extension to end-Q3 2024

At the end of June 2023, cash and cash equivalents stood at €3m, compared with €4.6m at the end of 2022, providing financial visibility out to February 2024. The financing operation carried out in November secured TME PHARMA's activities until May 2024. However, the latest private placement, in addition to the proceeds expected to be generated by the exercise of Y warrants and then Z warrants, could extend the company's financial horizon out to Q3 2024.

Newsflow and 2024 plan: focus on glioblastoma

The 2024 plan focuses primarily on advances in the glioblastoma programme. Following the very promising results obtained to date in the cohort evaluating the NOX-A12/RT/beva tricomination (final mOS of 19.9 months versus 10.5 months in a comparable cohort treated with standard care), the aim is to launch a randomised, controlled Phase II study versus standard of care (SoC). TME PHARMA expects to receive the green light for an IND in Q1 2024 for the initiation of the Phase II clinical study, as well as the go-ahead for a possible accelerated approval in case of confirmation of Phase I/II results in Phase II. As a reminder, this should be a trial involving around 30 patients randomised into three arms to evaluate two doses of the NOX-A12/RT/beva vs SoC combo. The cost of the trial is estimated at around €25m. Today, TME PHARMA's objective is to identify a development partner to bear the costs of this trial in return for sharing the value of the asset.

Buy rating maintained, TP at €0.67 vs. €0.4.

We have updated our model for these various elements, in particular net debt and the number of shares in issue (17,710,591 on 23 January 2024 + 6,727,270 created during Friday's private placement). We have also rolled over our model, while maintaining the following assumptions:

- a potential market launch of the product by 2028 in glioblastoma, based on the launch of a Phase II trial this year,
- a trial taking place over two years with the support of a partner,
- green-light from the FDA and EMA for fast-track approval post-Ph II.

Given the very promising results obtained in Ph I/II, we are maintaining our PoS (probability of success) of reaching the market at 25%, which remains conservative but relatively high for a trial in glioblastoma at the Ph I/II stage.

As a result, we have adjusted our TP to €0.67 from €0.4, representing attractive upside of +187%. The exercise of Y equity warrants, with the period due to close this week, should generate new proceeds and the creation of new shares at a price of €0.25. At the current price, we do not expect the share price to fall, but this should marginally dilute our TP (to no more than €0.61, assuming full exercise of the Y warrants, which could potentially raise up to €1.08m and up to 4,330,211 new shares).

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	-0,99	-0,87	-1,06
Adjusted EPS (€)	-2,54	-2,70	-0,08	-0,32	-0,26	-21,88	-0,99	-0,87	-1,06
<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	12,18x	15,54x	-37,94x	-17,68x	18,06x	125,99x	283,67x	472,43x
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.	428,3%

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	0,23	0,23	0,23	0,23	0,23	0,23	0,23	0,23
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	14,4	35,6	61,3
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	4	-6	-3	3	19	42	69

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	1	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	-16	-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	-27	-48	-74
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	14	36	61

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

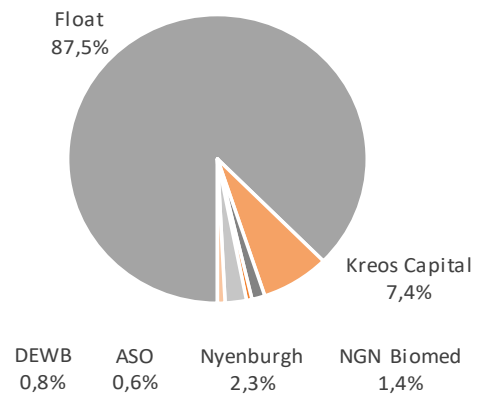
- ❑ Combination drug trials
- ❑ Possibility of new partnerships
- ❑ Significant M&A activity in the field

THREATS

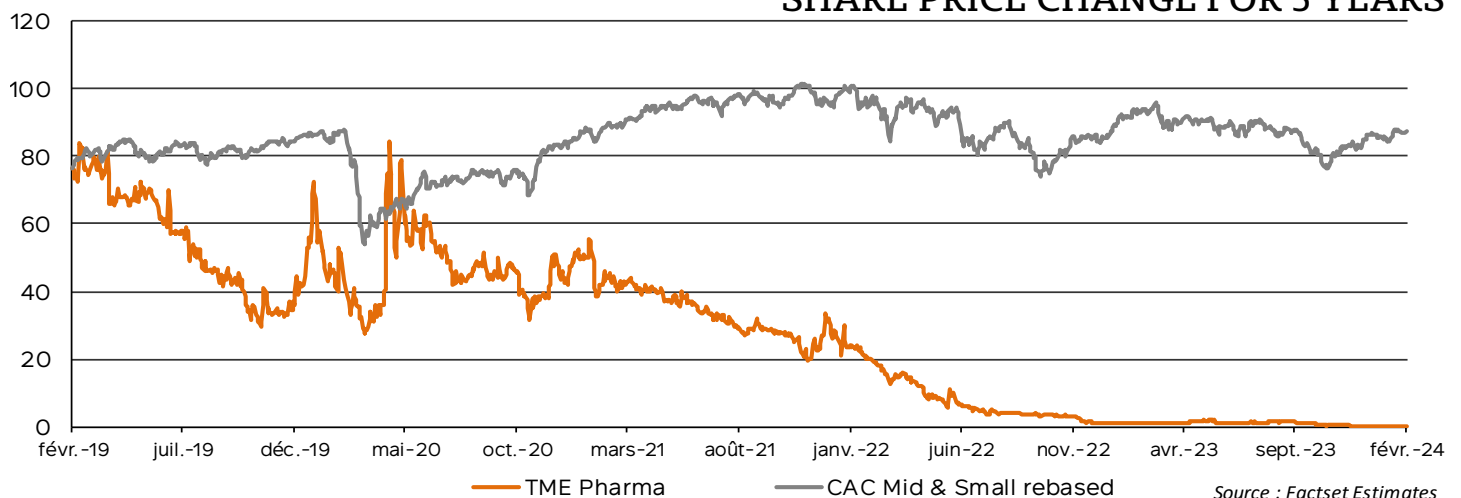
- ❑ Regulatory and clinical risks
- ❑ Legal risks
- ❑ Commercial risks

ADDITIONAL INFORMATION

Shareholders



SHARE PRICE CHANGE FOR 5 YEARS



DISCLAIMER

Invest Securities is authorized and supervised by the Prudential Control and Resolution Authority (ACPR) and regulated by the Financial Markets Authority (AMF).

This document does not constitute or form part of any offer or invitation to subscribe, buy or sell financial securities, or to participate in any other transaction.

While all reasonable care has been taken to ensure that the facts stated herein are accurate, Invest Securities has not verified the contents hereof and accordingly none of Invest Securities, shall be in any way responsible for the contents hereof and no reliance should be placed on the accuracy, fairness, or completeness of the information contained in this document.

The opinions, forecasts and estimates contained in this document are those of their authors only. The assessments made reflect their opinion on the date of publication and are therefore subject to change or invalidation at any time, without notice. Invest Securities has no obligation to update, modify or amend this document or to inform in any way the recipient of this document in the event that a fact, opinion, forecast or estimate contained in this document, changes or becomes inaccurate.

The investments mentioned in this document may not be suitable for all of its recipients. The recipients of the document are invited to base their investment decisions on the appropriate procedures they deem necessary. It is recalled that past performances do not prejudice future performances. Investing in the markets presents a risk of capital loss. Any loss or other consequence arising from the use of the information contained in the document is the sole responsibility of the investor. Neither Invest Securities nor any other person can be held responsible in any way for any direct or indirect damage resulting from the use of this document. If in doubt about any investment, recipients should contact their own investment, legal and / or tax advisers for advice regarding the advisability of investing.

Research reports including their preparation and distribution are subject to the provisions of market abuse regulation (EU) n°2014/596 and delegated regulation (EU) n°2016/958 on the technical modalities for the objective presentation of recommendations. This document is intended only for professional investors who meet the criteria set out in Annex II of Directive 2014/65/EU, or “qualified investors” within the meaning of the prospectus regulation (eu) 2017/1129.

This document is provided to you on a confidential basis for your information and may not be reproduced or transmitted, in whole or in part, to any other person or published.

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-nov.-23	ACHAT	0,4	+36%
TME PHARMA	Jamila El Bougrini	27-mars.-23	ACHAT	4,2	+310%

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.

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

Claire Meilland
Financial analyst, CleanTech

+33 1 73 73 90 34
cmeilland@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