

CAPITAL RAISE - EXERCISE OF WARRANTS Y

**80% OF WARRANTS Y EXERCISED, SHAREHOLDERS IN SUPPORT**

On Friday, TME announced the results of the warrants Y exercise period, which closed on 16 February. Almost 80% of the eligible warrants Y were exercised, generating proceeds of around €854k. This should extend financial visibility out to July 2024, while the company could also strengthen its cash further through the equity warrants associated with the ABSA Z. Indeed, shareholders who exercised their warrants Y subscribed to ABSA Z with warrants paving the way to subscribe to new shares at a price of €0.20. The exercise period for the warrants Z opens today and could help raise a further €951k thus securing business until Q3 24. Note that significant catalysts are expected between now and the end of Q1 24. After updating the number of shares and the cash position, we have revised our TP to €0.62 vs. €0.67 previously.

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**Nearly 80% of warrants Y exercised, strong shareholder support**

On Friday before trading, TME Pharma announced the results of the warrants Y exercise period, which closed on 16 February. A total of 8,539,955 warrants Y were exercised, resulting in the issue of 3,415,952 new shares at a price of €0.25, representing 79% of the existing warrants Y that could have been exercised. The result testifies to the support of shareholders to continue TME Pharma's 2024 plan. The transaction enabled the company to raise €854k, thereby extending its financial visibility by a further two months to the beginning of July 2024.

Note that the main catalysts for 2024 are expected in Q1 with the FDA's answers to the applications for:

- (i) an IND for the launch of a Phase II trial in glioblastoma to assess the benefit in terms of PFS and OS of the NOX-A12/radiotherapy/bevacizumab combination.
- (ii) a fast-track procedure that could shorten the regulatory review period by several months once the programme has reached this stage.

**Financial visibility extended until July 2024... and maybe beyond**

Following this operation, financial visibility is now secured until July 2024, compared with May 2024 previously. This period could potentially be extended to September 2024 if the majority of shareholders exercise their warrants Z. Shareholders who exercised their warrants Y obtained the right to subscribe to ABSA Z on the basis of five warrants Y for two ABSA Z at a price of €0.25/ABSA Z. This will enable them to subscribe to new shares at a price of €0.20 (four warrants Z for five new shares) if the BSA Z are exercised. The first exercise period for the warrants Z will run from 26 February to 22 March 2024, and until 20 June 2025 at the latest. If all the warrants Z distributed are exercised within the defined period, this could enable TME Pharma to raise up to €951,432, thereby extending its financial horizon to the end of Q3 2024.

**BUY, TP revised to €0.62 vs. €0.67**

After factoring in the elements relating to this operation, we have revised our TP from €0.67 to €0.62. Note that the share price has jumped 39% YTD and 59% over one month, probably in view of the end to the convertible bond programme and the redemption of the remaining convertible bond debt.

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	161,1x	318,8x	507,6x
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.	299,4%

\* After tax op. FCF before WCR

key points	1m	3m	Ytd
Closing share price 23/02/2024			0,33
Number of Shares (m)			27,9
Market cap. (€m)			9
Free float (€m)			8
ISIN			NL0015000YE1
Ticker			ALTME-FR
DJ Sector			Health Technology
Absolute perf.	+54,6%	-7,8%	+45,2%
Relative perf.	+50,2%	-13,1%	+42,4%

Source : Factset, Invest Securities estimates

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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
<b>Adjusted EPS (€)</b>	<b>-2,54</b>	<b>-2,70</b>	<b>-0,08</b>	<b>-0,32</b>	<b>-0,26</b>	<b>-21,88</b>	<b>-0,99</b>	<b>-0,87</b>	<b>-1,06</b>
<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	25,85x	34,06x	-2,79x	17,48x	53,21x	161,15x	318,83x	507,59x
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.	299,4%

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	0,33	0,33	0,33	0,33	0,33	0,33	0,33	0,33
Market cap.	36	9	9	9	9	9	9	9	9
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
<b>Entreprise Value (EV)</b>	<b>38</b>	<b>10</b>	<b>10</b>	<b>0</b>	<b>3</b>	<b>8</b>	<b>24</b>	<b>47</b>	<b>75</b>

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
<b>adjusted EBITA</b>	<b>-5</b>	<b>-4</b>	<b>-4</b>	<b>-6</b>	<b>-14</b>	<b>-28</b>	<b>-12</b>	<b>-16</b>	<b>-21</b>
<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
<b>Adjusted net att. profit</b>	<b>-5</b>	<b>-11</b>	<b>-1</b>	<b>-10</b>	<b>-19</b>	<b>-33</b>	<b>-17</b>	<b>-20</b>	<b>-24</b>
<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
<b>Operating FCF bef. WCR</b>	<b>-5</b>	<b>-4</b>	<b>-4</b>	<b>-6</b>	<b>-14</b>	<b>-28</b>	<b>-12</b>	<b>-16</b>	<b>-21</b>
Change in WCR	0	0	0	0	0	0	0	0	0
<b>Operating FCF</b>	<b>-5</b>	<b>-4</b>	<b>-3</b>	<b>-6</b>	<b>-14</b>	<b>-28</b>	<b>-12</b>	<b>-16</b>	<b>-21</b>
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
<b>Published Cash-Flow</b>	<b>-3</b>	<b>-3</b>	<b>1</b>	<b>3</b>	<b>-3</b>	<b>-5</b>	<b>-16</b>	<b>-21</b>	<b>-26</b>

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
<b>Net financial debt</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>-10</b>	<b>-7</b>	<b>-1</b>	<b>14</b>	<b>36</b>	<b>61</b>

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

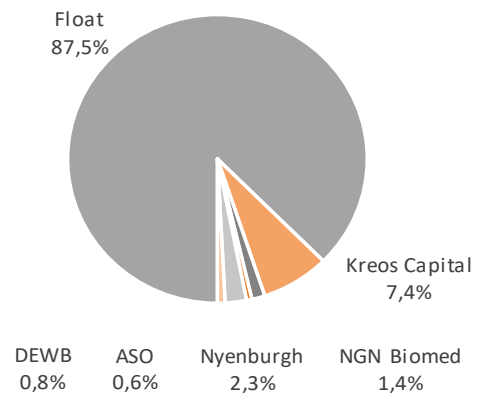
- ❑ Combination drug trials
- ❑ Possibility of new partnerships
- ❑ Significant M&A activity in the field

### THREATS

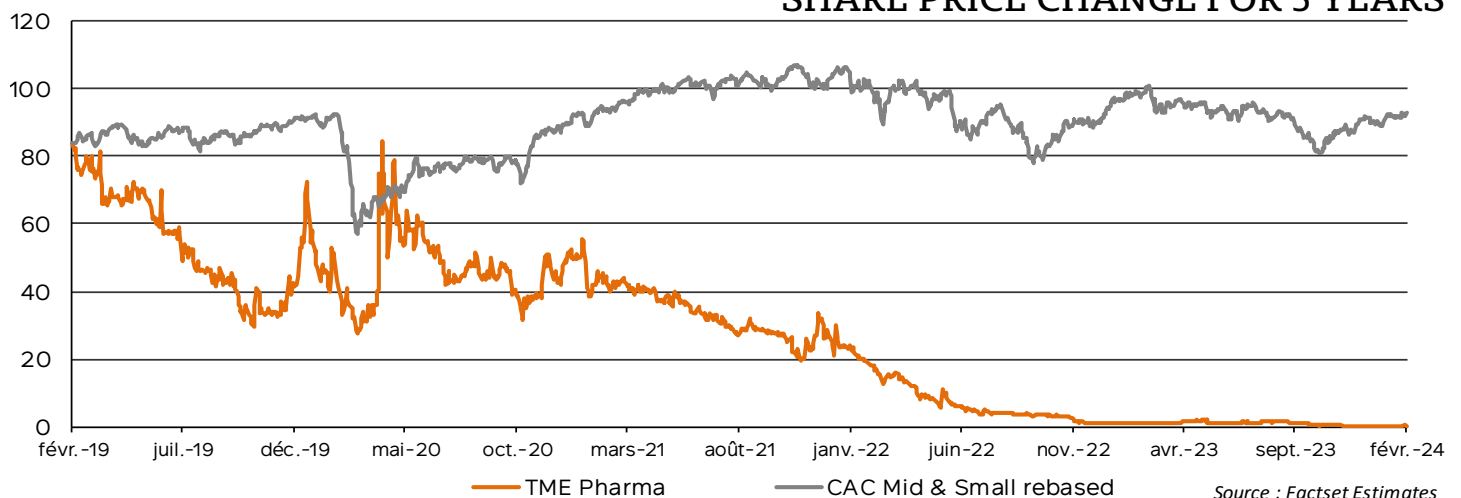
- ❑ Regulatory and clinical risks
- ❑ Legal risks
- ❑ Commercial risks

## 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.)
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- 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	13-févr.-24	ACHAT	0,7	+101%
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.

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