

Analyst Report

Coverage initiated on June 24th, 2015

Jamila El Bougrini, PhD

Mickael Dubourd, PhD



AURGALYS
VALUE

OSE Immunotherapeutics

Euronext Paris: OSE [FR0012127173]

25/05/2017

Estimated price:

€18.70

Share price (€)*	6.69
Market Cap. (€M)*	95
Estimated Market Cap. (€M)	239.4
Number of shares (M)	14.3
YTD High/Low (€)	7.47/6.25
3-month average daily vol.	10,200
Free Float	48%
Estimated Net Cash (€M)	20

* as of 25/05/2017

OSE Immunotherapeutics strengthens its position through partnerships, and the recruitment of highly qualified scientists

OSE Immunotherapeutics has recently communicated about several positive news, demonstrating its positioning in the immunotherapy sector. The company is currently developing four products dedicated to cancer and autoimmune diseases. During several immuno-oncology congresses, OSE-172 has been well received by the scientific community for its promising results. Moreover, OSE Immunotherapeutics decided to recruit two new senior immunologists to improve its development strategy. Finally, the company renewed its partnership with Selexis for the development and commercialization of OSE-127. We are confident that the company will consolidate its position in the sector, and we maintain our target price of €18.70/share.

OSE-172: the new generation ICI appraised by researchers

OSE Immunotherapeutics has attended several international congresses (including the 24th Molecular Med TRI-CON, the AACR and, Annual Sachs Immuno-Oncology: BD&L and Investment Forum) where the company presented the scientific results of its Immune Checkpoint Inhibitor (ICI) OSE-172 (Effi-DEM). According to the company, OSE-172 demonstrated positive and significant results showing its ability to effectively modify the tumor environment, and to tackle cancer through the specific blockade of SIRPa. These promising results open a new way to fight several types of cancers, especially those with unmet medical needs.

An R&D strategy reinforced by the arrival of senior specialists

The company has announced that two senior scientists have joined the R&D team: Riad Abès as project manager and developer, and Aurore Morello as researcher. OSE Immunotherapeutics should benefit from the strong skills of these two new members who demonstrated strong scientific and industrial experience in the immunology field. Their knowledge will help improve and optimize ongoing and future drug developments.

A renewed partnership with Selexis for OSE-127

As a reminder, OSE Immunotherapeutics announced in the past months, two significant deals with major companies, Servier and Janssen Biotech (J&J group). These significant news demonstrated OSE Immunotherapeutics'

ability to secure licensing deals, highlighting the strong potential of its product portfolio. The company has just announced its decision to pursue its collaboration with Selexis SA. This new agreement consists of a commercial license providing OSE Immunotherapeutics the access to research cell banks from the Selexis SURE technology Platform™. A previous partnership was announced in November 2016 whose aim was to advance two of OSE Immunotherapeutics' preclinical products, OSE-127 and OSE-172, through Selexis's Platform. According to the company, these two programs are predicted to enter clinical trials within 2 years.

Taking together, these announcements are positive signals of OSE Immunotherapeutics' ability to reinforce its positioning as a significant immunotherapy player.

On March 28th, 2017, the company communicated its financial results. As of December 31st, 2016, available cash amounted to €17.8 million thanks to the license agreement of FR104 to Janssen Biotech (July 2016). During Q1 2017, OSE Immunotherapeutics' cash position was reinforced by a €10.25 million payment triggered by the license option agreement for OSE-127 (Effi-7, Servier, December 2016). Thanks to these payments the company will be able to pursue its current developments as they have sufficient funds until the second half of 2018.

We remain confident in OSE Immunotherapeutics' strategy and, for this reason, we maintain our target price of €18.70/share.

Previous notes:

- Jan. 4th: [Servier license option confirms OSE Immunotherapeutics' product portfolio potential](#)

- Nov. 22th: [OSE Immunotherapeutics, different strategies to improve the fight against cancer](#)

Disclaimer

This study has been prepared based on general and public information assumed to be complete, exact and pertinent. Although all necessary precautions have been taken to assure that the information used originates from reliable sources, Aurgalys does not guarantee the accuracy or completeness of this report.

Neither Aurgalys nor any of its associates may be held liable in any manner whatsoever in the event that any of the documents and other information on which the study has been based proves to be inaccurate and in any way resulting in the possible misrepresentation of the economic and financial position of the Company or any other relevant information.

The valuation contained herein has been prepared in accordance with the best assessment of Aurgalys as at the date of preparation of this study and has been based on the information as described above. Neither Aurgalys nor its associates guarantee that the value so obtained will correspond or coincide with the price that could effectively be paid in a transaction or established in a negotiation or any transaction or calculation involving the Company.

This document does not constitute an offer or an invitation to buy or subscribe to negotiable or other securities. It may not be used in any manner in support of or in connection with any contract or commitment. This document is being supplied for information purposes only and may not be reproduced or passed on to any third party without the written authorization of Aurgalys. This document has been provided to the Company prior to its distribution.

Aurgalys does and seeks to do business with companies covered in its research reports. As a result, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as only a single factor in making their investment decision.

You may call +33(0)1 75 66 20 52 or write to m.dubourd@aurgalys.com to request a copy of this independent research

Aurgalys

Aurgalys, société de conseil indépendante : Conseil en Investissements Financiers et Analystes Financiers

Membre de la SFAF et de l'ACIFTE N°B000240- ORIAS N°730782

RCS Evry 503 270 175 - NAF - 7022Z

Société par Actions Simplifiée au capital de 54.000€

1, rue Pierre Fontaine, 91058 Evry Cedex - France -

Tél. +33 1 75 66 20 52 - www.aurgalys.com