5 Aug 2024

CMB International Global Markets | Equity Research | Company Update

ImmuneOnco (1541 HK)

Achieved significant overseas licensing partnership

- **Successful overseas licensing of PD-L1xVEGF bsAb and anti-CTLA-4 mAb**. ImmuneOnco reached an agreement with SynBioTx (a wholly-owned subsidiary of Instil Bio (TIL US)), pursuant to which Instil will in-license the ex-China rights to ImmueOnco's proprietary PD-L1xVEGF bispecific molecule IMM2510, as well as its next-generation anti-CTLA-4 antibody (ADCC+) IMM27M (link). ImmuneOnco will receive an upfront payment and potential near-term payments of up to US$50mn as well as potential additional development, regulatory, and commercial milestones payments exceeding US$2.1bn, plus single digit to low double-digit percentage royalties on global ex-China net sales.

- **IMM2510 (PD-L1xVEGF bsAb) monotherapy demonstrated promising antitumor activity**. ImmuneOnco published the Ph1 dose-escalation data of IMM2510 at 2024 ASCO (link), revealing tolerable safety and promising antitumor activity of IMM2510, particularly in the treatment of R/R NSCLC and thymus adeno-squamous carcinoma. Among 33 evaluable patients, three achieved confirmed PR and seven achieved SD with four of them having over 15% tumor shrinkage. The IMM2510 monotherapy for soft-tissue sarcomas (STS) has progressed to Ph2 clinical trial. According to the mgt, combo therapy involving IMM2510 will be a crucial strategy moving forward.

- **Early signals from IMM27M (anti-CTLA-4 mAb) monotherapy for breast cancer.** Pre-clinical studies indicated that IMM27M induced significantly stronger anti-tumor activity than ipilimumab, resulting in complete tumor remission even at low doses. Ph1 dose-escalation data for IMM27M was presented at 2024 AACR meeting (link), demonstrating that IMM27M is safe and well tolerated up to 7.5 mg/kg. As of 18 Feb 2024, two patients with HR+ breast cancer achieved confirmed PR in 25 evaluable patients. The combination study IMM2510 and IMM27M (Ph1b/2) for R/R solid tumors began in Jul 2024.

- **Late-stage CD47 assets to present Ph2 data at ESMO**. The Company's key asset timdarpacept (IMM01), a differentiated SIRPα-Fc Fusion protein targeting CD47, has obtained three Ph3 IND approvals for HR-MDS, 1L CMML and R/R cHL, respectively. The first patient was dosed in the Ph3 trial of IMM01 combined with tislelizumab, targeting R/R cHL patients who have relapsed or progressed after prior PD-1 inhibitors. At 2024 ASCO annual meeting, ImmuneOnco had two oral presentations on IMM01, including 1) the Ph2 results of IMM01+azacitidine (AZA) as the first-line treatment for adults with higher risk MDS (link), and 2) the Ph2 results of IMM01+tislelizumab in prior anti-PD-1 failed cHL, both demonstrating favorable efficacy and safety profiles (link). ImmuneOnco plans to present two oral presentations at the 2024 ESMO meeting, including a Ph2 study of IMM01+AZA as the first-line treatment in adults with CMML and a Ph2 study of IMM01+ tislelizumab for anti-PD-1 failed cHL.

Earnings Summary

(YE 31 Dec) (RMB mn)	FY21A	FY22A	FY23A
Revenue	5	1	0
R&D expenses	-176	-277	-292
Admin expenses	-48	-93	-80
Net profit/loss	-733	-403	-379
Year-end cash balance	676	635	609

Source: Company data

NOT RATED

Current Price	**HK$12.60**

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Stock Data

Mkt Cap (HK$ mn)	4,714
Avg 3 mths t/o (HK$ mn)	2.97
52w High/Low (HK$)	32.15/11.86
Total Issued Shares (mn)	229

Source: FactSet

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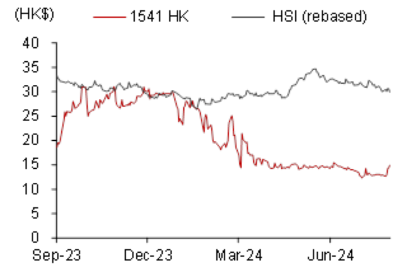
Share Performance

	Absolute	Relative
1-mth	17.7%	25.2%
3-mth	6.1%	15.7%
6-mth	-33.1%	-38.7%

Source: FactSet

12-mth Price Performance



Source: FactSet

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