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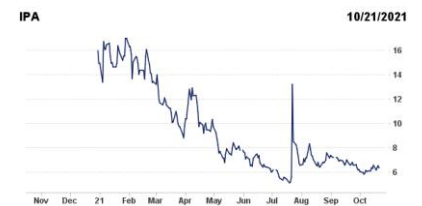
# ImmunoPrecise Antibodies (IPA)

## Initiating Coverage on IPA: Growth & Value in Hot Antibody Market

### Initiation of Coverage

- ▶ We are initiating coverage of ImmunoPrecise Antibodies with a Buy rating and \$12.00 price target. ImmunoPrecise (or IPA) is an innovation-driven, technology platform company that supports its pharmaceutical and biotechnology clients in their quest to discover and develop novel, therapeutic antibodies against all classes of disease targets. The Company derives revenue from its clinical research services and has also developed its own therapeutic pipeline. Our price target is based on average price revenue multiples for 2021 and 2022 for comparable companies and represents close to 100% potential share price appreciation for investors.
- ▶ **ImmunoPrecise has logged strong revenue growth in its most recent fiscal year and fiscal quarter (1Q22 July)**, including 27% increases in fiscal 2021 (ending April) and 22% so far this fiscal year. New clients such as Janssen and Genmab A/S as well as new service offerings have fueled recent growth.
- ▶ **The Company has also built a solid monoclonal antibody-based clinical pipeline through its Talem Therapeutics subsidiary.** Talem, founded in just 2019, now has 17 clinical programs underway in several medical areas, including vaccines, antibody therapeutics, protein-based therapeutics and nanomedicine. Talem has signed a number of well-known development partners for its pipeline over the past 12-24 months, including Zymeworks, Twist Bioscience, Pierre Fabre of France and LiteVax, and expects to sign more in the near future.
- ▶ **Talem’s most advanced and certainly highest profile program, a multi-antibody cocktail therapeutic for SARS-CoV-2** is advancing steadily, with preclinical testing near completion and human trials expecting to begin early next calendar year.
- ▶ **Prospects for the near-term are also promising for ImmunoPrecise, as we are forecasting continued revenue growth near-15% for current fiscal year 2022 and beyond.** Long-term revenue growth for the Company is expected to be boosted by several capacity expansion projects in Europe, new partnerships including one for pre-clinical services with Eurofins, and new products and service offerings, such as protein manufacturing.
- ▶ **ImmunoPrecise has also improved its investor profile in recent months, including a new US listing on the NASDAQ Global Market (in addition to Toronto Venture Exchange) and a recent equity offering.** The Company now has over US\$33 million in cash on hand, more than enough to fuel its expansion needs and clinical pipeline over the next 12-24 months. Investors can watch for continued growth in the company’s core CRO business as well as new partnerships and clinical progress in IPA’s Talem Therapeutics pipeline in the coming months as the market for this area of biotechnology continues to expand.

Rating:	Buy
Current Price	\$6.19
Price Target	\$12.00
52-Wk Range	\$5.05 - \$33.34
Shares Outstanding (mm)	19.3
Market Cap (mm)	\$118
Enterprise Value (mm)	\$115
Average Volume (000s)	84
Net Cash/Share	\$1.70
Book Value	\$2.32
Sector Weight	Overweight



FY Apr		Q1	Q2	Q3	Q4	Total	EV/Rev
EPS	2020A	(\$0.15)A	(\$0.10)A	(\$0.05)A	(\$0.07)A	(\$0.36)A	
	2021A	(\$0.04)A	(\$0.03)A	(\$0.08)A	(\$0.31)A	(\$0.45)A	
	2022E	(\$0.17)A	(\$0.17)E	(\$0.16)E	(\$0.15)E	(\$0.65)E	
Revenue (m)	2020A	\$2.7A	\$3.2A	\$4.0A	\$4.1A	\$14.1A	8.2x
	2021A	\$3.8A	\$4.8A	\$4.5A	\$4.9A	\$17.9A	7.2x
	2022E	\$4.6A	\$5.0E	\$5.3E	\$5.6E	\$20.5E	5.8x

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## Company Overview

ImmunoPrecise Antibodies (IPA) is an innovation-driven, technology platform company that supports its pharmaceutical and biotechnology company partners in their quest to discover and develop novel, therapeutic antibodies against all classes of disease targets. The Company aims to transform the conventional, multi-vendor, product development model by bringing innovative and high-throughput, data-driven technologies to its partners. These incorporate the advantages of diverse antibody repertoires with the Company's therapeutic antibody discovery suite of technologies, to exploit antibodies of broad epitope coverage, multiple antibody formats, valency and size, and to discover antibodies against multiple/rare epitopes.

ImmunoPrecise's revenue breakdown by category includes project revenue (89% of revenues in fiscal 2021), product sales (10%) and cryo storage revenues (1%), while the Company's geographic mix includes the US (44%), Europe (42%), Canada (6%) and rest-of-world (8%).

The Company offers comprehensive support to its partners, starting with customized, computational project design, antigen preparation, an on-site vivarium, proprietary immunization services, high-throughput discovery platforms, functional antibody testing, lead candidate selection, antibody characterization, antibody optimization, antibody engineering and manufacturing, all under one contract. The Company believes that its experience, innovation, technologies, scientific rigor, and focus on producing quality products, provide a unique experience in one-stop service offerings, and assist the Company in its aim to reduce the time required for, and the inherent risk associated with, conventional multi-vendor product development.

The Company also continues to develop an intellectual property portfolio of proprietary methods and physical assets through collaborations, acquisitions and in-licensing. IPA formed a wholly-owned subsidiary Talem Therapeutics (Talem) based in Cambridge, Massachusetts in 2019 for the purpose of further developing these clinical assets.

The Company was incorporated under the laws of Alberta, Canada in 1983 and listed on the TSX Venture Exchange as a Tier 2 life science issuer under the trading ticker symbol IPA, beginning in 2016. The Company later established its executive headquarters in Fargo, North Dakota in 2018 and its shares were approved for listing on the NASDAQ Global Market in 2020, also under the trading symbol IPA. Through acquisitions of U-Protein Express and ModiQuest Research (now together as IPA Europe) the Company expanded into the European market and now has operations in Utrecht and Oss, the Netherlands, Victoria, British Columbia and Fargo, North Dakota with a total of 65 employees.

## Contract Research (CRO) Services Fuel Organic Growth

ImmunoPrecise Antibodies (IPA) is a full-service, clinical research organization (CRO) and therapeutic antibody discovery company offering species agnostic-advancements such as the:

- **B cell Select** single-cell interrogation technology;
- **DeepDisplay** custom phage libraries;
- **Abthema bispecific** program-platforms; and the
- **Artemis Intelligence Metadata (AIM)** capabilities.

These technologies blend seamlessly to enable rapid turnaround on additional algorithmic outputs in therapeutic optimization, stability, affinity and manufacturability. The Company has two wholly-owned subsidiaries, IPA Canada and IPA Europe which have been designated as approved CROs for leading, transgenic animal platforms producing human antibodies, along with protein manufacturing.

IPA is focused on the next generation of antibody discovery, to deliver therapeutically relevant antibodies, in a short period of time, with high probability of succeeding to clinical trials. With over 30 years of experience in the custom antibody business, the Company has completed roughly 4000 projects for over 500 clients worldwide, including a majority (~70%) of the top 20 largest pharmaceutical companies.

The Company's capabilities include, but are not limited to, custom antigen modeling, design and manufacturing; proprietary B cell sorting, screening and sequencing; custom, immune and naïve phage display production and screening; hybridoma production with multiplexed, high-throughput screening and clone-picking; expertise with transgenic animals and multi-species antibody discovery; antibody characterization studies such as affinity measurements, functional assays, epitope mapping and binning; bi-specific, tri-specific, single domain (such as variable domain of the heavy chain "VHH", and variable new antigen receptor "VNAR" (shark)) antibody manufacturing; DNA synthesis and cloning, protein and antibody downstream processing with purification of protein in gram scale levels including characterization and validation; antibody engineering; transient and stable cell line generation; antibody optimization and humanization; and cryopreservation.

IPA's single-source, open-access biologics technology platform offers end-to-end solutions, empowering the Company's partners to discover and develop biologic therapeutics from concept to clinical lead. The platform can be depicted graphically as shown below:

**Figure 1: ImmunoPrecise's CRP Technology Platform**



Source: Source: *ImmunoPrecise Antibodies*

The market for monoclonal antibody therapeutics has grown rapidly with new technological advancements, particularly in the past ten years. In the period 2011-2020, seventy new antibody therapeutics were approved in the US, as compared to 20 over the prior ten years and less than ten before 2000. One primary reason for the growth in monoclonal antibody therapeutics is their success rate in the clinic, with nearly twice the rate of regulatory approval than small molecule drugs, at approximately 11.5% versus 6.2% chance of ultimate success from Phase 1 stage to filing. Another key component in this growth is the success of antibodies in the commercial market: the five best-selling antibodies posted \$55 billion in sales in 2020 with 42 antibodies reaching "blockbuster" or high-sales status last year, up from 36 in 2019. (Sources: *The Antibody Society, La Merie Publishing, Biomedtracker, Amplion*)

Even with increasing success of monoclonal antibodies and record levels of funding for biotech research, large pharma companies, smaller biotech firms and governmental/research/non-profit groups have increasingly turned to specialized CROs such as IPA to enhance their development efforts for a number of reasons, including: the need for high-throughput screening and analysis technologies, concern for tight R&D costs, and access to expertise. The Company has increased the number of clients served from 181 in 2019 to 467 in 2021, including the following large or high-profile partners:

**Figure 2: Select ImmunoPrecise Clients and Partners**

Source: ImmunoPrecise Antibodies

Partnership and contract agreements with the Company's clients vary in terms of workflow and financial details, and below we outline a number of recent and/or major agreements the Company has signed and provide further details on each client:

**Eurofins Discovery (EUFI.PA)** – IPA signed a commercial collaboration in June 2021 with Eurofins Discovery, a division of publicly-traded Eurofins Scientific based in Poitiers, France. Eurofins Discovery is the drug discovery services subsidiary of Eurofins, a leading testing and laboratory services provider in Europe. Eurofins will provide their global client base access to IPA's antibody discovery capabilities and technologies, and the collaboration is expected to be particularly supportive of growth with pre-clinical stage programs.

**LiteVax BV (Private)** – In December 2020, IPA and LiteVax of Oss, the Netherlands announced the nomination of a lead SARS-CoV-2 vaccine candidate for further pre-clinical evaluation and development based on results from their collaborative preclinical immunogenicity study. The collaborative effort began in May 2020 following the receipt of financing from TransVac2, a European vaccine research and development infrastructure funded through the European Union's Horizon 2020 research and innovation program.

**Janssen Research & Development** – In April 2020, IPA announced the Company had entered into a research license agreement with Janssen, a subsidiary of Johnson & Johnson (JNJ, Not Covered) providing Janssen exclusive access to a panel of novel, monoclonal antibodies against an undisclosed target. Janssen is particularly focused on the areas of Cardiovascular & Metabolism, Immunology, Infectious Diseases & Vaccines, Neuroscience, Oncology, and Pulmonary Hypertension.

**Genmab A/S (GMAB, NC)** – IPA entered into a research agreement with Denmark-based Genmab in November 2020 to generate novel bispecific antibody combinations using Genmab's proprietary duoBody platform and IPA's proprietary antibodies in the area of infectious disease. Genmab A/S develops antibody therapeutics for the treatment of cancer and other diseases, primarily marketed in Europe.

ImmunoPrecise also offers protein manufacturing services, including mammalian protein expression and purification services as stand-alone, or in combination after an antibody discovery project to produce the number of antibodies needed for further work. Expression and production workflow is designed to deliver recombinant proteins and antibodies for research and pre-clinical

applications. Antibodies can be manufactured from a transient expression system, from stable cell lines or from hybridoma culture or animal sera. IPA's mammalian rPEX™ platform allows the production of all kinds of proteins, including difficult-to-express proteins, Fc-fusion proteins and bispecific antibodies. The company's rPEX transient protein production platform uses serum-free, suspension-growing HEK and CHO cells transiently transfected with expression vectors containing the gene of interest. Several proprietary expression vectors (pUPE) are available for small-scale high-throughput production for quick candidates' screening. Gram amounts of purified antibodies in any format and with low levels of endotoxin (< 1.0 EU/mg) can be produced quickly and in high quality.

The company also has broad expertise with bispecific antibody generation and can use the discovered lead sequences for bispecific binding validation using a knob-into-hole heterodimer platform (Abthema), and for the generation of bispecific antibodies for research purposes (based on a client's bispecific antibody platform licenses). The company also collects revenue from cryostorage services, including the storage of cell lines, tissues, RNA, DNA, plasmid constructs, antibodies, and many other biological materials, using off-site storage facilities through a partner.

In addition, ImmunoPrecise offers a selection of high-quality antibodies, enzymes, enzyme activity assays, arthritis animal products, proteins, deiminated proteins, organoid growth factors, and hybridoma licensing for research purposes.

## R&D Discovery Programs Building Long-Term Value

In addition to its core CRO services, the Company is developing an intellectual property portfolio of proprietary methods and physical assets through collaborations, acquisitions and in-licensing. IPA has invested strategically in the development and licensing of antibody technologies and related intellectual property assets. These investments have been enhanced by internal discovery programs focused on novel therapeutic antibodies and vaccines in areas such as oncology, inflammation, neurodegenerative diseases, autoimmunity and COVID-19.

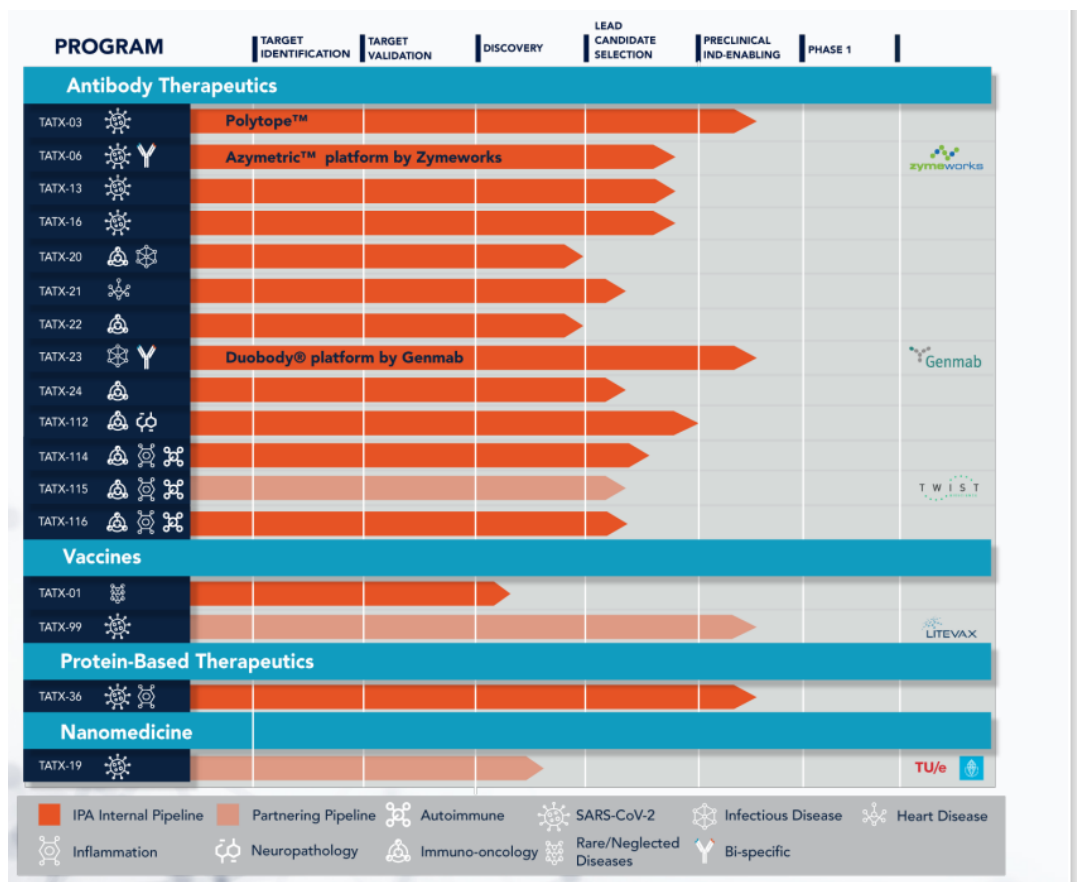
In 2019, the Company formed a wholly owned subsidiary, Talem Therapeutics (Talem), based in Cambridge, Massachusetts to support its internal and partnered therapeutic discovery programs, which includes a license for the use of Ligand Pharmaceuticals' (LGND, Buy) OmniAb transgenic animals pursuant to a commercial platform license and services agreement dated October 30, 2019. Talem has the right to discover, develop and partner fully human antibodies from these animals. Talem offers strategic and selective partnerships with pharma companies and is the only company to offer these services as a partnership in OmniAb transgenic animals.



Using the proprietary antibody discovery platforms and innovative technologies housed at ImmunoPrecise Antibodies, Talem aims to accelerate novel, therapeutic antibody treatments to the clinic through strategic alliances and partners. The demand for safe, therapeutic, monoclonal antibody candidates with more complex target product profiles is driving a need for more robust discoveries. Talem was founded to expedite the high-powered discovery and development of custom therapeutics produced as both internal assets as well as in response to partnership requests with large pharma.

Talem Therapeutics is focused on next-generation, fully human, monoclonal, therapeutic antibodies to target multiple disease indications, as depicted in the chart below:

Figure 3: Talem Therapeutics Clinical Pipeline



Source: ImmunoPrecise Antibodies, Talem Therapeutics

Talem has been actively involved in COVID-19 research since January 2020. Monoclonal antibodies were derived from several animal species, including transgenic OmniRat rodents, rabbits, llama, and human, to access a broad epitope coverage. The Company exploits multiple antibody formats, valencies, and sizes to select antibodies against multiple/rare epitopes, and its multinational teams in North America and Europe have developed a rich SARS-CoV-2 antibody portfolio with deep epitope and functional diversity.

The Company is also testing adjuvanted, protein-based vaccines, based on a well-defined region of the SARS-CoV-2 spike protein. The Company anticipates moving this trial forward to a second pre-clinical study (two animal systems are recommended in the pre-clinical setting) which, following positive results, would be its first vaccine clinical candidate. The Company intends to combine the data obtained from this on-going trial with structural data from electron microscopy imaging of lead therapeutic candidates to inform the final formulation of its Polytope vaccine candidates.

Talem’s trademarked PolyTope therapy platform leverages the Company’s complementary strengths of multiple antibody discovery platforms, including:

- Rabbit IgG from Immunization;
- Humanized IgG from Transgenic Animal immunization;
- Human scFv from Naïve Human Phage;
- Human scFv from Autoimmune Humans; and
- Llama VHH from Phage Libraries.



The Company's use of multiple species and multiple antibody formats to cover "blind-spots" provides more comprehensive epitope coverage and increases the chance of finding "rare" clones. Lead rare clones can then be combined into cocktails through the Company's large library of antibodies, providing high possibilities for "plug-&-play" cocktails. Talem's and IPA's recent collaborative agreements in the R&D area include:

**Pierre Fabre** – Most recently, In October 2021, Talem announced the signing of a multi-year, multi-target research collaboration to develop therapeutic antibodies for up to nine targets, focusing on oncology. The antibodies developed in the research collaboration against the selected targets will be jointly owned by Talem and Pierre Fabre. Following the completion of each target specific research program, Pierre Fabre will have an option to obtain an exclusive worldwide license to Talem's interest in those jointly discovered antibodies against that particular target, and Talem would be eligible to receive certain up-front and contingent downstream payments. In addition, if licensed, Pierre Fabre will be responsible for the preclinical and clinical development, as well as the commercialization of the jointly discovered antibodies. Pierre Fabre is the 2nd largest dermo-cosmetics laboratory in the world, the 2nd largest private French pharmaceutical group and the market leader in France for products sold over the counter in pharmacies. With over 10,000 employees, Pierre Fabre generated €2.3 billion in revenues in 2020. The Company is 86%-owned by the non-profit Pierre Fabre Foundation.



**Twist Bioscience (TWST, NC)** – In October 2020, Talem entered into a collaboration agreement with US-based synthetic biology company Twist Bioscience. Under the novel antibody therapeutic collaboration, Talem will contribute oncology targets of interest with relevant background data and genetic sequences and Twist will design synthetic antibody libraries based on the provided antibody repertoire sequences. The two companies will then jointly advance the programs through proof-of-concept and preclinical development and will collaborate on any commercial opportunities generated by these joint efforts.



**Zymeworks (ZYME, NC)** – Talem and IPA announced a research collaboration with Zymeworks of Vancouver and Seattle in September 2020 employing Zymeworks' Azymetric and EFECT platforms for the further development of multiple antibody candidates to fight COVID-19. Under the terms of the agreement, IPA will transform its previously tested and potent SARS-CoV-2 neutralizing antibodies into bispecific and multispecific antibodies using the Zymeworks' platforms. These sets of candidates will then be thoroughly tested using SARS-CoV-2 spike protein provided by the National Research Council Canada (NRC), prior to pre-clinical manufacturing at the NRC for animal studies.



## Competition

ImmunoPrecise competes with a number of larger and smaller firms in offering its antibody discovery, protein manufacturing and clinical research services. In the larger, more diversified competitor group, the Company competes with Thermo Fisher Scientific (TMO, Buy) including its pending acquisition of PPD, Danaher (DHR, Buy) and its Cytiva Life Science subsidiary, Bio-Techne (TECH, Buy), Evotec SE (EVT.DE, Not covered), ICON plc (ICLR, Not Covered) and AbCellera Biologics (ABCL, Not Covered). Smaller, more specialized competitors include Antibody Solutions (Private) and Alloy Therapeutics (Private). The Company competes successfully in the market for its services through experience, advanced technology, and broad geographic coverage, including the US, Canada and Europe.

In addition, IPA's Talem Therapeutics drug development subsidiary competes with a number of large pharma and smaller biotech companies in the market for new antibody-based therapeutics.

## Recent Results and Outlook

### Recent Results

IPA's most recent fiscal year ending April 2021 showed strong growth in the Company's service offerings, including revenues of \$17.9 million (Canadian), an increase of 27% year-over-year. Driving growth last fiscal year were proceeds from the sale through Talem of an internally generated therapeutic antibody of \$1.2 million, as well as core CRO business growth of 19% fueled by increases in both the number and average value of CRO studies conducted.

The table below outlines revenues by category and geographic region for recent years as well as forecast for the current fiscal year:

**Figure 4: ImmunoPrecise Revenues by Geography and Category 2019A-2022E**

(FYE April)	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022E</u>
	(\$CDN000s)	(\$CDN000s)	(\$CDN000s)	(\$CDN000s)
<u>Revenue Breakdown</u>				
<i>By Geography</i>				
US	\$3,850	\$5,949	\$7,932	\$8,750
Canada	859	715	1,089	1,500
Europe	5,797	6,115	7,436	8,250
Other	<u>421</u>	<u>1,279</u>	<u>1,455</u>	<u>1,988</u>
Total	\$10,926	\$14,058	\$17,912	\$20,488
<i>By Category</i>				
Project revenue	\$10,497	\$13,195	\$15,910	\$18,500
Product sales revenue	205	739	1,897	1,800
Cryo storage revenue	<u>225</u>	<u>124</u>	<u>105</u>	<u>188</u>
Total	\$10,926	\$14,058	\$17,912	\$20,488

Source: The Benchmark Company, LLC

During F2021 average gross margins increased to 64% from 57% the prior year, due in part to the above mentioned internally-generated asset sale as well as economies of scale from increased sales volume. On the expense side, R&D costs increased to \$2.0 million during the year from \$446,000 in the prior year, due primarily to an increase in spending for COVID-19 related programs. These R&D costs were partially offset by increases in other income line items, specifically over \$2 million in government grant income and subsidies.

Altogether, IPA posted a net loss of \$2.3 million in fiscal 2021, or (\$0.45) per share, as compared to a loss of \$5.0 million or (\$0.36) per share in fiscal 2020. Adjusted EBITDA, which is more of an indication of operating cash flow or cash burn during the period, was \$2.3 million in fiscal 2021 as compared to \$52,000 in fiscal 2020.

For F1Q22 ending July 2021, the Company posted revenues of \$4.6 million, or 22% above the prior year period, as increases in both the size and volume of client CRO contracts, as well as new services offered helped boost revenues. Research and development expenses increased during the quarter to \$1.1 million from \$310,000 in the prior year period as the Company ramped up its internal clinical programs, while gross margins decreased to 55% from 64% in the prior year, due to a change in allocation of overhead costs this year. Also affecting results in F1Q22 were increased

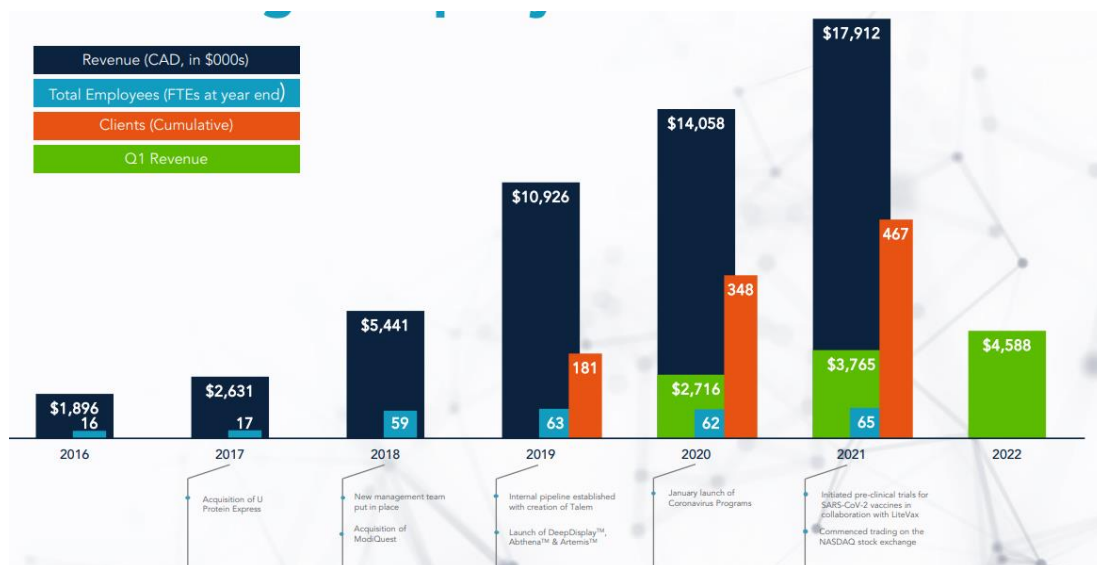


non-cash share-based payments, increased stock listing costs from a new US-based listing, as well as increased consulting and professional fees, and the absence this year of government grant income as these programs wound down. Net loss for F1Q22 was \$3.2 million, or (\$0.17) per share, as compared to a net loss of \$550,000 or (\$0.04) per share in F1Q21.

However, adjusted EBITDA decreased less dramatically than GAAP earnings during F1Q22, to a loss of \$1.3 million from a loss of \$930,000 in the prior year period. At the end of the first quarter (July 31), the Company held CDN\$40.7 million in cash (approximately US\$33 million) after operating cash burn of \$965,000 and outlays for capital equipment to support growth of \$340,000.

The chart below outlines IPA’s growth in revenues, total employees, clients and revenue for F2016-F1Q22:

Figure 5: IPA’s Growth from 2016-2022



Source: ImmunoPrecise Antibodies

Key clinical and development milestones achieved in F1Q22

- Successfully demonstrated pre-clinical *in vivo* results for **TATX-03** PolyTope™ Therapy, a four monoclonal antibody cocktail developed for the potential prevention and treatment of SARS-CoV-2. The preclinical study demonstrated potent pseudo virus, neutralizing activity against the SARS-CoV-2 Delta (B.1.617.2) variant. Further, the Company released a publication entitled “Cornering an Ever-Evolving Coronavirus: **TATX-03**, a Fully Human, Synergistic, Multi-Antibody Cocktail Targeting the SARS-CoV-2 Spike Protein with *in vivo* Efficacy” on the *bioRxiv* site;
- Histopathology preclinical data from **TATX-03a** PolyTope confirms treatment substantially reduced bronchitis and tracheitis severity;
- Completed preclinical efficacy studies for newly optimized 4-antibody cocktail (**TATX-03b**), showing strong *in vivo* therapeutic efficacy and synergy for the treatment and protection against SARS-CoV-2 infection. IPA’s optimized, 4-Ab cocktail (**TATX-03b**) shows high levels of efficacy in treating SARS-CoV-2 in the preclinical study. Updated mutant binding data demonstrates continued *in vitro* resistance against novel variants of concern, including the recently described Californian and New York variants;

- Expanded a previous partnership with **Eurofins Discovery** to provide global clients greater access to IPA's end-to-end antibody discovery capabilities using wild type and best-in-class *in vivo* and *in vitro* antibody discovery technologies that are optimized to deeply mine antibody repertoires;
- Presented results from *in vitro* characterizations investigating **TATX-21**, a novel potential first-in-class antibody for Atherosclerosis Cardiovascular Disease (ACVD) at 2021 BIO International Convention partnering sessions; and
- Appointed Dr. Ilse Roodink to the Role of Chief Scientific Officer and Dr. Dion Neame to the Strategic Advisory Board.

### F2Q22 and F2022 Outlooks

For the upcoming F2Q22 (October) quarter, we are forecasting that IPA will post revenues of \$5.0 million, or 5% over the same period one year ago, with a net loss of \$3.3 million or (\$0.17) per share, as compared to (\$0.03) per share one year ago and also (\$0.17) per share in the prior quarter. Revenues one year ago benefitted from government grant income for COVID-19 programs, which are not expected to reoccur this year. Revenue growth for 2Q22 is anticipated to come from both an increased number and higher average revenue per service contract as the Company adds clients and increases its breadth of service offerings. Operating costs are expected to come in at \$6.2 million in the quarter, up slightly from \$6.0 million in previous quarter 1Q22.

For the full fiscal 2022 year, we are estimating that IPA will post revenues of \$20.5 million, up 14% year-over-year, with a net loss of \$12.6 million or (\$0.65) per share and adjusted EBITDA of approximately (\$0.25) per share or \$4.7 million.

### Partnerships, New Products to Fuel Long-term Growth

IPA's objective is to continue growing as a preferred partner for therapeutic antibody researchers by delivering a comprehensive and integrated continuum of technologically advanced and high-throughput, data-driven protein and antibody services to its partners to enable them to bring novel therapies to the clinic faster. The Company believes its strategy is supported by growing trends in pharma and finance, including:

- Large pharmaceutical companies continue to outsource research, with trends showing an increase on the reliance of external partners to improve the efficiency and cost of development, increase turnaround time, and access advanced and integrated expertise; and
- Recent research identified several major drivers of the biotech CRO industry growth, including robust biopharmaceutical funding, accelerated drug approval rates, the growing number of clinical trials, and proliferation of biopharmaceutical companies without own internal research and clinical capabilities. The Company believes its strategy is supported by growing trends in pharma and finance. (*CRO Sector Fundamentals Remain Hot for M&A Consolidation*, Objective Capital Partners, July 2019)

ImmunoPrecise is undergoing two expansions to its locations in Europe that are expected to significantly increase capacity, personnel and service offerings to serve the increasing market needs in Europe, North America and Asia. These include moving its Utrecht, the Netherlands location to new, larger premises within the Utrecht Science Park, significantly increasing capacity for protein manufacturing and related services in summer of 2022 and moving its Oss, the Netherlands location in the spring of 2023 to a new state-of-the-art facility in the Pivot Park campus, increasing space by almost 30%.

Looking ahead, opportunities for growth for IPA going forward include:

- Adding new alliances and partnerships;
- Expanding clinical manufacturing capacity;
- Adding pre-clinical services;
- Acquiring/developing additional next generation technologies; and
- Growing Talem Therapeutic's pipeline, including building ongoing Genmab and Zymeworks programs, signing additional out-licensing deals, and continued, aggressive new asset generation.

Regarding the Company's key SARS-CoV-2 program, IPA has selected Eurofins as its partner for performing the pharmacokinetic (PK) and toxicology studies, and together the two companies have scheduled these programs for Q4 of this calendar year. Subsequently, IPA is aiming to finalize the corresponding data package for the IND filing with the US FDA in the early part of calendar year 2022. Simultaneously, IPA along with clinical manufacturing partner ChemPartner Biologics (Private) are preparing the first batches of the five-component PolyTope cocktail, which are also expected to be ready in first quarter of calendar year 2022. The Company continues to compile the required data package for an IND submission with the US FDA and hopes to obtain feedback from the agency on its proposed clinical strategy and supporting data package for this program sometime in the next quarter or two.

#### Key catalysts anticipated in 2022-2023

- 2Q22 earnings report (October quarter-end) – Early December 2021;
- Completion of PK and toxicology studies for PolyTope TATX-03 antibody cocktail in SARS-CoV-2 – Early calendar year 2022;
- Feedback from FDA regarding clinical strategy and IND submission for TATX-03 – Early 2022;
- Completion of expansion for European operations – Calendar 2022 and 2023;
- Further clinical progress for other Talem pipeline programs – 2022-3;
- New partnerships signed – 2022-3; and
- New technologies and services acquired or developed for core CRO business – 2022 and beyond.

## Management

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Since the Company's founding in 1983, ImmunoPrecise has gathered an experienced management team in the drug discovery and clinical research areas, including several new hires recently in the areas of sales and marketing, business development, and scientific affairs. IPA's current management team is outlined below:

#### **Dr. Jennifer Bath, PhD, CEO and President**

- Joined IPA in 2018
- Previously with Aldevron (now part of Danaher, DHR, Buy), Concordia Global Vaccine Institute and Concordia University
- PhD in Cellular and Molecular Biology from North Dakota State and BS from University of Kansas

#### **Lisa Helbling, CFO**

- Joined IPA in 2019

- Formerly with Anchor Ingredients, TMI Hospitality, Otter Tail Corp., and Clarica Life Insurance
- BS from North Dakota State and Minnesota State
- Board Member of Blue Cross Blue Shield North Dakota, Health Dakota Mutual Holdings

**Dr. Ilse Roodink, Chief Scientific Officer**

- Joined IPA as CSO in 2021
- Chairwoman of Talem Therapeutics Scientific Advisory Committee since 2019
- Previously with ImmunoPrecise Europe
- PhD and MS in Medical Sciences from Radboud University of Nijmegen, the Netherlands

**Dr. Stefan Lang, Chief Business Officer**

- Joined IPA in 2019
- Previously with Aldevron, GENOVAC
- Doctorate degree in Biology from the Technical University of Karlsruhe, Germany

Additional management team members of IPA include two executives who joined the Company in 2021: **Carla Dahl**, Vice President of Marketing and formerly at Medtronic, St. Jude Medical and Cardiovascular Systems, and **Dr. Barry Duplantis**, Vice President of Client Relations, previously at DuVax Vaccine; **Kari Graber**, VP of Client Relations and Project Management, and formerly with Aldevron; **Dr. Debby Kruijssen**, General Manager, ImmunoPrecise Antibodies Europe and formerly of ModiQuest Research; and **Teri Otto**, General Manager, ImmunoPrecise Antibodies Canada.

In addition to Dr. Bath, IPA's outside directors include Chairman **Dr. James Kuo**, currently CEO of Return Health and Managing Director of Athena Bioventures; **Paul Andreola**, CEO of NameSilo Technologies; **Brian Lundstrom**, President of Abvivo LLC and previously with Ligand Pharma (LGND, Buy); **Greg Smith**, formerly with CIBC; and **Dr. Robert Burke**, Emeritus Professor of Biochemistry and Microbiology at the University of Victoria.

## Valuation

IPA's shares have fallen off recently since reaching an all-time high late last year on news of the Company's launching its SARS-CoV-2 nanomedicine therapy program and the start of trading on the Nasdaq Stock Exchange, but prior to that spike had exhibited a steady increase in value driven by revenue growth and new partnership agreements.

We believe that positive upcoming clinical developments and growth in revenue will help these shares regain their upward momentum, and thus we are initiating coverage on IPA shares with a Buy rating and 12–18-month price target of \$12.00.

Our price target is based on average price/revenue multiples of 18x and 15x for calendar 2021 and 2022, respectively, for our group of nine bioprocessing and CRO stocks, including Bio-Techne (TECH, Buy), Ligand Pharma (LGND, Buy), ICON plc (ICLR, NC) and BioLife Solutions (BLFS, Hold). This target represents potential share price appreciation from current levels of close to 100% for IPA. We have not yet factored in potential values of the Company's Talem Therapeutics clinical pipeline but may do so in the future as these programs advance.

The table below outlines valuations for our nine-member group of comparable bioprocessing and clinical research organization stocks:

**Figure 6: Comparable Bioprocessing and CRO Stocks**

<u>Company</u>	<u>Ticker</u>	<u>Price</u> <u>10/22/21</u>	<u>Shares</u> <u>Out</u> (Mill)	<u>Market</u> <u>Cap</u> (\$Mill)	<u>Revenues</u> <u>2021E</u>	<u>Revenues</u> <u>2022E</u>	<u>Price/Revs</u> <u>2021E</u>	<u>Price/Revs</u> <u>2022E</u>	<u>Annual</u> <u>Growth</u>	
ImmunoPrecise*	IPA	\$6.19	19.4	\$119.8	\$16.0	\$19.7	7.5	6.1	23.1%	
Bio-Techne	TECH	\$497.45	39.2	\$19,519.1	\$931.0	\$1,081.1	21.0	18.1	16.1%	
Repligen	RGEN	\$270.76	55.0	\$14,885.6	\$640.7	\$757.0	23.2	19.7	18.2%	
Twist Bioscience	TWST	\$120.25	49.3	\$5,927.4	\$131.0	\$172.6	45.2	34.3	31.8%	
Adaptive Bio	ADPT	\$33.92	140.8	\$4,774.8	\$152.7	\$207.2	31.3	23.0	35.7%	
BioLife Solutions	BLFS	\$42.99	41.2	\$1,770.2	\$114.4	\$156.7	15.5	11.3	36.9%	
ICON plc	ICLR	\$277.13	79.6	\$22,056.4	\$5,429.5	\$7,774.8	4.1	2.8	43.2%	
Charles River Labs	CRL	\$417.21	50.4	\$21,026.0	\$3,570.1	\$3,984.7	5.9	5.3	11.6%	
Ligand Pharma	LGND	\$132.37	16.7	\$2,207.5	\$269.8	\$185.0	8.2	11.9	-31.4%	
Cryoport	CYRX	\$76.03	46.0	\$3,499.1	\$220.6	\$270.3	15.9	12.9	22.6%	
*Calendar Year, \$CAN=.81\$USD										
Average								18.9	15.5	27.6%

Source: The Benchmark Company, LLC, FactSet Research

## Risk Factors

### Regulatory Issues

The Company's primary sector served is the biotechnology industry, and as such the company and its clients may be subject to regulatory review, including new drug approval and review processes, and clinical laboratory regulatory oversight of the US Food and Drug Administration and other international regulatory agencies.

### Competition

IPA competes with a number of larger and smaller companies in its various service markets, as well as for markets for potential new therapeutic products in development at its Talem Therapeutics subsidiary. Larger companies may offer advantages in pricing, depth of service offerings and marketing due to greater financial resources, while smaller companies may offer competitive advantages due to geographic proximity and new technological advancements.

### International Economic Trends

IPA competes in the health care market and thus is highly susceptible to variability in the global economy. Any long- or short-term downturns in the global economy or governmental reimbursement policies could impact the activity of the Company in terms of providing services for pharmaceutical firms, biotechnology companies, and non-profit and educational organizations, and therefore could negatively affect the Company's operations.

### Liquidity Issues

Trading volume in IPA on the Nasdaq exchange is comparatively light compared to larger biotechnology stocks, approximately 88,000 shares per day, and these shares have a limited history of trading compared with other biotechnology stocks. As such, news regarding IPA, its target markets, partners and/or competitors could lead to significant volatility in the stock price.

**Reliance on Key Management**

At present, IPA relies on several key members of its management team who have been in key executive positions for a number of years, including the CEO and CFO. Should one or more of these key executives leave the Company, IPA could find it difficult to replace their long-standing knowledge of operations and industry expertise.

**Lack of Profitability**

In previous years and at present, IPA has not operated on a profitable basis and has had to rely on the capital and debt markets to finance its ongoing operations. There can be no assurance IPA will operate profitably in the future nor that the Company will not be required to return to the equity or debt markets in order to finance future operations.

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**Figure 7: ImmunoPrecise Antibodies Income Statement**

FYE April	2017	2018	2019	2020	1Q21	2Q21	3Q21	4Q21	2021	1Q22	2Q22E	3Q22E	4Q22E	2022E	2023E
			April		July	October	January	April		July	October	January	April	April	April
Revenue	\$15,412	\$5,441	\$10,926	\$14,058	\$3,765	\$4,755	\$4,516	\$4,876	\$17,912	\$4,588	\$5,000	\$5,300	\$5,600	\$20,488	\$25,000
Cost of sales		<u>2,990</u>	<u>5,632</u>	<u>6,024</u>	<u>1,355</u>	<u>1,966</u>	<u>954</u>	<u>2,099</u>	<u>6,373</u>	<u>2,082</u>	<u>2,150</u>	<u>2,230</u>	<u>2,300</u>	<u>8,762</u>	<u>9,750</u>
Gross profit		\$2,451	\$5,295	\$8,034	\$2,410	\$2,789	\$3,562	\$2,777	\$11,538	\$2,506	\$2,850	\$3,070	\$3,300	\$11,726	\$15,250
Expenses	9,703														
Research and development	4,293	509	486	446	309	1,049	0	615	1,974	1,119	1,150	1,200	1,250	4,719	5,000
Sales and marketing	3,260	135	819	378	33	256	216	186	691	163	200	220	240	823	900
Amortization and depreciation		234	1,876	2,573	678	716	731	612	2,737	670	700	730	760	2,860	3,000
General and administrative	<u>4,962</u>	<u>6,503</u>	<u>8,637</u>	<u>9,190</u>	<u>2,364</u>	<u>3,033</u>	<u>3,876</u>	<u>4,462</u>	<u>13,735</u>	<u>4,020</u>	<u>4,200</u>	<u>4,250</u>	<u>4,300</u>	<u>16,770</u>	<u>17,500</u>
Total costs and operating expenses	22,218	7,380	11,818	12,587	3,384	5,054	4,824	5,875	19,137	5,972	6,250	6,400	6,550	25,172	26,400
(Loss) income from operations	(6,806)	(4,929)	(6,523)	(4,553)	(974)	(2,265)	(1,261)	(3,098)	(7,599)	(3,466)	(3,400)	(3,330)	(3,250)	(13,446)	(11,150)
Other income (expense)	<u>(56)</u>	<u>(132)</u>	<u>(1,089)</u>	<u>(740)</u>	<u>606</u>	<u>1,855</u>	<u>56</u>	<u>(913)</u>	<u>1,604</u>	<u>424</u>	<u>300</u>	<u>350</u>	<u>400</u>	<u>1,474</u>	<u>1,500</u>
(Loss) income before income taxes	(6,862)	(5,061)	(7,612)	(5,293)	(368)	(410)	(1,205)	(4,011)	(5,995)	(3,042)	(3,100)	(2,980)	(2,850)	(11,972)	(9,650)
Provision for income taxes	<u>21</u>	<u>(110)</u>	<u>(5)</u>	<u>346</u>	<u>(181)</u>	<u>(53)</u>	<u>(89)</u>	<u>(1,021)</u>	<u>(1,344)</u>	<u>(188)</u>	<u>(200)</u>	<u>(100)</u>	<u>(100)</u>	<u>(588)</u>	<u>(200)</u>
Net (loss) income	(6,883)	(5,171)	(7,617)	(4,947)	(549)	(464)	(1,294)	(5,032)	(7,339)	(3,230)	(3,300)	(3,080)	(2,950)	(12,560)	(9,850)
Basic income per share	<u>(\$3.22)</u>	<u>(\$0.57)</u>	<u>(\$0.61)</u>	<u>(\$0.36)</u>	<u>(\$0.04)</u>	<u>(\$0.03)</u>	<u>(\$0.08)</u>	<u>(\$0.31)</u>	<u>(\$0.45)</u>	<u>(\$0.17)</u>	<u>(\$0.17)</u>	<u>(\$0.16)</u>	<u>(\$0.15)</u>	<u>(\$0.65)</u>	<u>(\$0.50)</u>
Diluted income per share	<u>(\$3.22)</u>	<u>(\$0.57)</u>	<u>(\$0.61)</u>	<u>(\$0.36)</u>	<u>(\$0.04)</u>	<u>(\$0.03)</u>	<u>(\$0.08)</u>	<u>(\$0.31)</u>	<u>(\$0.45)</u>	<u>(\$0.17)</u>	<u>(\$0.17)</u>	<u>(\$0.16)</u>	<u>(\$0.15)</u>	<u>(\$0.65)</u>	<u>(\$0.50)</u>
Basic shares outstanding	2,137	9,107	12,542	13,629	14,483	15,649	16,904	16,474	16,474	19,224	19,350	19,450	19,550	19,393	19,650
Diluted shares outstanding	2,137	9,107	12,542	13,629	14,483	15,649	16,904	16,474	16,474	19,224	19,350	19,450	19,550	19,393	19,650
Key ratios:															
Revenue growth	37.8%	-64.7%	100.8%	28.7%	38.6%	50.3%	11.9%	17.6%	27.4%	21.9%	5.2%	17.4%	14.8%	14.4%	22.0%
Gross margins	37.0%	100.0%	48.5%	57.1%	64.0%	58.7%	78.9%	57.0%	64.4%	54.6%	57.0%	58.0%	59.0%	57.2%	61.0%
R&D/revenues	27.9%	9.4%	4.4%	3.2%	8.2%	22.1%	0.0%	12.6%	11.0%	24.4%	23.0%	22.6%	22.3%	23.0%	20.0%
Sales/revenues	21.2%	2.5%	7.5%	2.7%	0.9%	5.4%	4.8%	3.8%	3.9%	3.6%	4.0%	4.2%	4.3%	4.0%	3.6%
G&A/revenues	32.2%	119.5%	79.0%	65.4%	62.8%	63.8%	85.8%	91.5%	76.7%	87.6%	84.0%	80.2%	76.8%	81.9%	70.0%
Tax Rate	-0.3%	2.2%	0.1%	-6.5%	49.1%	13.0%	7.4%	25.5%	22.4%	6.2%	6.5%	3.4%	3.5%	4.9%	2.1%
Deprec, amort & non-cash comp.	2,874	1,366	3,895	3,312	1,110	1,558	1,867	2,272	6,807	1,573	1,600	1,700	1,800	6,673	6,800
Cash Flow/share	(\$1.88)	(\$0.42)	(\$0.29)	(\$0.12)	\$0.04	\$0.07	\$0.03	(\$0.17)	(\$0.03)	(\$0.09)	(\$0.09)	(\$0.07)	(\$0.06)	(\$0.30)	(\$0.16)
EBITDA/share	(\$1.87)	(\$0.41)	(\$0.27)	(\$0.11)	\$0.06	\$0.05	\$0.05	(\$0.03)	\$0.14	(\$0.07)	(\$0.07)	(\$0.06)	(\$0.05)	(\$0.24)	(\$0.13)

Source: The Benchmark Company, LLC

**Figure 8: ImmunoPrecise Antibodies Balance Sheets**

FYE April	<u>2019</u>	<u>2020</u>	<u>1Q21</u>	<u>2Q21</u>	<u>3Q21</u>	<u>4Q21</u>	<u>2021</u>	<u>1Q21</u>	<u>2Q22E</u>	<u>3Q22E</u>	<u>4Q22E</u>	<u>2022E</u>	<u>2023E</u>
	<u>April</u>	<u>April</u>	<u>July</u>	<u>October</u>	<u>January</u>	<u>April</u>		<u>July</u>	<u>October</u>	<u>January</u>	<u>April</u>	<u>April</u>	<u>April</u>
<i>Assets:</i>													
<u>Current Assets</u>													
Cash	\$5,472	\$2,606	\$6,062	\$16,841	\$15,720	\$41,759	\$41,759	\$40,700	\$38,580	\$36,680	\$34,910	\$34,910	\$29,861
Amounts receivable, net	1,558	2,492	3,600	4,096	3,398	2,858	2,858	2,758	2,638	2,518	2,398	2,398	1,898
Inventory	800	819	1,018	1,125	1,231	1,204	1,204	1,295	1,395	1,495	1,595	1,595	1,995
Prepaid expenses and other current	<u>727</u>	<u>1,783</u>	<u>2,315</u>	<u>1,934</u>	<u>4,136</u>	<u>3,037</u>	<u>3,037</u>	<u>2,072</u>	<u>1,572</u>	<u>1,072</u>	<u>572</u>	<u>572</u>	<u>-1,428</u>
Total current	8,557	7,699	12,995	23,996	24,486	48,858	48,858	46,825	44,185	41,765	39,475	39,475	32,326
Restricted cash	67	85	84	84	81	79	79	80	80	80	80	80	80
Property and equipment, net	1,639	3,078	3,651	3,605	3,588	4,076	4,076	4,139	4,479	4,819	5,159	5,159	6,559
Intangible assets and goodwill	18,110	16,194	16,563	15,887	15,329	13,835	13,835	13,283	12,283	11,283	10,283	10,283	6,283
Other long-term	<u>90</u>	<u>207</u>	<u>127</u>	<u>130</u>	<u>116</u>	<u>111</u>	<u>111</u>	<u>110</u>	<u>110</u>	<u>110</u>	<u>110</u>	<u>110</u>	<u>110</u>
TOTAL ASSETS	\$28,463	\$27,263	\$33,421	\$43,702	\$43,600	\$66,959	\$66,959	\$64,437	\$61,137	\$58,057	\$55,107	\$55,107	\$45,358
<i>Liabilities:</i>													
<u>Current liabilities</u>													
Accounts payable and accrued liab.	\$1,594	\$1,766	\$2,317	\$2,174	\$2,545	\$3,011	\$3,011	\$2,979	\$2,879	\$2,779	\$2,679	\$2,679	\$2,279
Deferred revenue	725	1,475	2,328	2,331	1,730	1,111	1,111	1,257	1,257	1,257	1,257	1,257	1,257
Debentures	2,708	2,000	107	7	0	0	0	1,342	1,142	942	742	742	-58
Deferred acquisition payments	2,031	1,815	1,976	2,002	1,003	498	498	0	0	0	0	0	0
Other non-current liabilities	<u>146</u>	<u>874</u>	<u>870</u>	<u>1,329</u>	<u>1,953</u>	<u>1,452</u>	<u>1,452</u>	<u>1,038</u>	<u>1,238</u>	<u>1,438</u>	<u>1,638</u>	<u>1,638</u>	<u>2,438</u>
Total current	7,204	7,930	7,599	7,843	7,232	6,072	6,072	6,616	6,516	6,416	6,316	6,316	5,916
Notes payable	29	504	2,531	2,066	1,732	1,531	1,531	0	0	0	0	0	0
Deferred acquisition payments	1,033	1,011	0	0	0	0	0	0	0	0	0	0	0
Other non-current liabilities	<u>2,128</u>	<u>2,733</u>	<u>3,375</u>	<u>2,715</u>	<u>2,377</u>	<u>2,432</u>	<u>2,432</u>	<u>2,383</u>	<u>2,383</u>	<u>2,383</u>	<u>2,383</u>	<u>2,383</u>	<u>2,383</u>
Total liabilities	10,394	12,177	13,505	12,625	11,341	10,035	10,035	8,999	8,899	8,799	8,699	8,699	8,299
Stockholders' equity	<u>18,069</u>	<u>15,086</u>	<u>19,916</u>	<u>31,078</u>	<u>32,259</u>	<u>56,924</u>	<u>56,924</u>	<u>55,438</u>	<u>52,238</u>	<u>49,258</u>	<u>46,408</u>	<u>46,408</u>	<u>37,059</u>
TOTAL LIAB & EQ	\$28,463	\$27,263	\$33,421	\$43,702	\$43,600	\$66,959	\$66,959	\$64,437	\$61,137	\$58,057	\$55,107	\$55,107	\$45,358

Source: The Benchmark Company, LLC

**Figure 9: ImmunoPrecise Antibodies Cash Flow Statement**

FYE April	<u>2019</u>	<u>2020</u>	<u>1Q21</u>	<u>2Q21</u>	<u>3Q21</u>	<u>4Q21</u>	<u>2021</u>	<u>1Q22</u>	<u>2Q22E</u>	<u>3Q22E</u>	<u>4Q22E</u>	<u>2022E</u>	<u>2023E</u>
	<u>April</u>	<u>April</u>	<u>July</u>	<u>October</u>	<u>January</u>	<u>April</u>		<u>July</u>	<u>October</u>	<u>January</u>	<u>April</u>	<u>April</u>	<u>April</u>
<b>Operating Activities:</b>													
Net income (loss)	(\$7,617)	(\$4,947)	(\$549)	(\$463.58)	(\$1,294)	(\$5,032)	(\$7,339)	(\$3,230)	(\$3,300)	(\$3,080)	(\$2,950)	(\$12,560)	(\$9,850)
Adjustments:													
Amortization and depreciation	3,186	2,953	1,013	1,082	1,014	950	4,059	957	1,000	1,000	1,000	3,957	4,000
Non-cash items	644	1,721	208	(44)	688	2,847	3,699	616	(100)	(100)	(100)	316	(400)
(Increase) decrease in operating assets:													
Amounts receivable	102	(933)	(1,108)	(496)	787	379	(439)	119	120	120	120	479	500
Inventory	290	(23)	(199)	(107)	(3)	(7)	(316)	(93)	(100)	(100)	(100)	(393)	(400)
Prepaid expenses and other	9	(193)	79	(130)	(2,000)	708	(1,342)	482	500	500	500	1,982	2,000
Other long-term	167	(775)	(700)	511	332	250	393	106	100	100	100	406	400
Increase in operating liabilities:													
Accounts payable/Accrued expenses	(422)	172	551	(142)	243	225	876	(63)	(100)	(100)	(100)	(363)	(400)
Other long-term	<u>434</u>	<u>634</u>	<u>1,113</u>	<u>230</u>	<u>(464)</u>	<u>(1,069)</u>	<u>(190)</u>	<u>141</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>441</u>	<u>400</u>
Net cash used in operating activities	(3,207)	(1,391)	408	440	(697)	(751)	(599)	(965)	(1,780)	(1,560)	(1,430)	(5,735)	(3,750)
<b>Investing Activities:</b>													
Purchase of equipment and other	(645)	(576)	(32)	(436)	(382)	(577)	(1,427)	(340)	(340)	(340)	(340)	(1,360)	(1,400)
Acquisitions and other development	<u>(1,557)</u>	<u>(1,007)</u>	<u>(519)</u>	<u>(279)</u>	<u>9</u>	<u>(241)</u>	<u>(1,029)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net cash used in investing activities	(2,202)	(1,583)	(550)	(715)	(373)	(818)	(2,456)	(340)	(340)	(340)	(340)	(1,360)	(1,400)
<b>Financing Activities:</b>													
Proceeds from common stock and warrants	9,554	493	3,651	11,272	231	28,996	44,151	26	100	100	100	326	500
Debt repayment, net	(203)	(318)	(81)	(306)	(136)	(249)	(772)	(236)	(200)	(200)	(200)	(836)	(800)
Other	<u>(210)</u>	<u>(49)</u>	<u>27</u>	<u>87</u>	<u>(129)</u>	<u>(1,161)</u>	<u>(1,176)</u>	<u>457</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>757</u>	<u>400</u>
Net cash used in investing activities	<u>9,141</u>	<u>126</u>	<u>3,598</u>	<u>11,053</u>	<u>(34)</u>	<u>27,586</u>	<u>42,203</u>	<u>247</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>247</u>	<u>100</u>
<b>Net decrease in cash</b>	3,733	(2,848)	3,456	10,778	(1,104)	26,017	39,148	(1,058)	(2,120)	(1,900)	(1,770)	(6,848)	(5,050)
Cash, beginning of period	<u>1,806</u>	<u>5,539</u>	<u>2,691</u>	<u>6,147</u>	<u>16,925</u>	<u>15,821</u>	<u>2,691</u>	<u>41,839</u>	<u>40,780</u>	<u>38,660</u>	<u>36,760</u>	<u>41,839</u>	<u>34,991</u>
Cash, end of period	<u>5,539</u>	<u>2,691</u>	<u>6,147</u>	<u>16,925</u>	<u>15,821</u>	<u>41,839</u>	<u>41,839</u>	<u>40,780</u>	<u>38,660</u>	<u>36,760</u>	<u>34,990</u>	<u>34,991</u>	<u>29,941</u>

Source: The Benchmark Company, LLC

## Important Disclosures

### Analyst Certification

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## Equity Research Ratings System

### Firm-Wide Stock Ratings Distribution

As of September 30, 2021

	All Covered Companies		Investment Banking Clients	
<b>Buy</b>	252	84%	75	25%
<b>Hold</b>	44	15%	1	0%
<b>Sell</b>	3	1%	0	0%

### Company Ratings

**Buy:** Stock is expected to outperform the analyst’s defined Sector/Industry Index\* over the following 6 to 12 months.

**Hold:** Stock is expected to perform in-line with the analyst’s defined Sector/Industry Index\* over the following 6 to 12 months.

**Sell:** Stock is expected to underperform the analyst’s defined Sector/Industry Index\* over the following 6 to 12 months.

### Industry Ratings

**Overweight:** Analyst’s defined Sector/Industry Index\* is expected to outperform the S&P 500 over the following 6 to 12 months.

**Market Weight:** Analyst’s defined Sector/Industry Index\* is expected to perform in-line with the S&P 500 over the following 6 to 12 months.

**Underweight:** Analyst’s defined Sector/Industry Index\* is expected to underperform the S&P 500 over the following 6 to 12 months.

### Benchmark Disclosures as of October 25, 2021

Company	Disclosure
ImmunoPrecise	1

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**Investment Risk**

Investment risks that may prevent the stock from reaching our price target include regulatory risks (i.e., FDA, other international agencies and standard setting organizations), competition from larger and smaller competitors, lack of profitability and liquidity issues.

**Valuation Methodology**

Our price target of \$12.00 reflects approximately 100% potential appreciation from current levels, as the Company increases its awareness with investors and these shares begin to approach industry valuation norms. Our price target is based on 18x and 15x estimated revenues for calendar 2021E and calendar 2022E, respectively, comparable to industry average multiples.

**Price Charts**

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IPA Rating History  
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