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TH1902 Grows in Status With FDA Fast Track Status Now Conferred, Phase I Solid Tumor Trial on the Horizon – Speculative BUY

QC-based endocrinology/oncology drug developer Theratechnologies received a positive regulatory update on its soon-to-be Phase I-stage targeted oncology asset TH1902, with the US FDA conferring Fast Track Status on the drug. We have commented on this designation before when ascribed to other clinical stage assets on which we have published in our coverage history, and then as now, we remind investors that the FDA is not rendering a specific view on TH1902 through this designation, but what it is doing is acknowledging that the drug has sufficient clinical potential that it is willing to deploy resources to facilitate its regulatory review, once the drug advances into more substantive Phase II/III trials.

TH1902 is a lead candidate in Thera's oncology pipeline, designed to bind to the SORT1 receptor and thus facilitate targeting docetaxel directly to tumor cells. Recall that TH1902 is one of at least two peptide-conjugated cancer therapeutics acquired when Thera acquired private QC-based oncology drug developer Katana Biopharma back in Feb/19 for $6.9M. The drug is designed to attach the well-known anticancer drug docetaxel (Sanofi's Taxotere) to a short peptide based on the naturally-occurring protein sortilin and its membrane-bound receptor SORT1 that is overexpressed in many solid tumors, including those that Thera will target in pending Phase I testing (see below).

Sortilin itself has multiple interesting biological properties, and its relevance in neurologic (specifically Alzheimer's disease) and cardiovascular indications continues to be actively investigated in the medical literature. But its relevance to '1902 is the fact that SORT1 is over-expressed in many solid tumors to levels far above detectable levels in normal tissue, allowing Thera to exploit this reality for biomarker-based targeted drug delivery, independent of sortilin/SORT1's underlying biological activity.

Fast Track Status does not imply specific FDA views on '1902's approvability, but it does reflect favorably on its clinical potential as currently viewed by the agency. Notwithstanding that modest qualifier, Fast Track Status is unambiguously positive for '1902 because it establishes a more cohesive relationship with the firm's largest regulatory body in its largest target oncology market (North America in general and the US specifically), while making the drug eligible for more substantial consultation on Phase II/III trial design and perhaps eligible for accelerated regulatory review, assuming that future pivotal Phase III trials (with target indication still pending, though we believe that triple-negative breast cancer (TNBC) is the most plausible lead indication) generate positive tumor response and/or survival benefit meriting BLA submission.

No major surprises in Phase I design, other than expanded focus on non-breast cancer indications in early testing. So with that as background, we separately observe that Phase I details on Thera's pending '1902 solid tumor trial are now available for public scrutiny in the US National Institutes of Health's clinical database, and relevant details are as follows:

TH-TSX

Rating:	**Speculative Buy**
Target:	**$4.00**
Price:	$3.00
Return:	33.3%
Valuation:	NPV (30% disc. rate), 20x EPS, 12.5x EV/EBITDA (F2024 estimates)

Market Data

Basic Shares O/S (M)	93.7
FD Shares O/S (M)	97.0
Market Cap (basic, C$M)	281.2
Ent Val (basic, C$M)	264.0
Pro forma cash (C$M)	89.6
Pro forma LT debt (C$M)	72.3
52 Week Range	1.93-$4.38
Avg. Daily Volume (M)	0.6619
Fiscal Year End	Nov 30

Milestone Forecasts

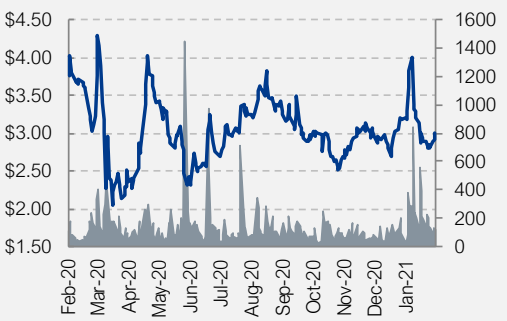
Tesamorelin, IND filing/NASH	Q121
Ibalizumab, IV push clinical data	H121
TH1902, Phase I data (trip-neg BC)	H221
TH1904, Phase I data (ovarian canc)	H221

Financial Metrics

In US$M	2020E	2021E	2022E
Tesamorelin rev, U.S./Cda	33.5	43.2	45.1
Tesamorelin rev, L.Amer	0.0	0.0	0.2
Tesamorelin rev, EU	0.4	0.9	1.4
Ibalizumab, US	29.4	60.8	81.9
Ibalizumab, EU	2.5	12.5	18.9
Milestone rev	0.0	0.0	0.0
Total revenue	65.8	117.4	147.5
EBITDA	(1.6)	20.7	33.1
Net income (fully-taxed)	(12.6)	6.7	15.3
FD EPS (fully-taxed)	($0.16)	$0.07	$0.16
P/E	*NA*	*43.4x*	*19.1x*
EV/EBITDA	*NA*	*12.7x*	*8.0x*

Company Description

Theratechnologies is a QC-based endocrinology drug developer, with FDA-approved HIV lipodystrophy drug Egrifta generating stable US sales traction, pending upside from RoW markets. Multidrug-resistant HIV-1 mAb drug Trogarzo is now US/EU-approved, launched in FQ218. Egfifta testing in NASH & TH1902 Phase I cancer testing are pending



Source: Refinitiv

- Target indications in the trial will be at least four different solid tumor types known to over-express the SORT1 sortilin receptor, including TNBC, and also pancreatic, colorectal, and gynecologic cancer (presumably ovarian and endometrial cancer). All patients will exhibit locally-advanced or recurrent/refractory disease for which alternative approved therapies are either ineffective or predicted to be. We endorse early Phase I efforts to more broadly assess '1902s anticancer activity across multiple SORT1 expressing cancers;
- The protocol indicates that '1902 will be administered as a monotherapy, with no background chemotherapy or immune therapy administered along with it. This is not how the drug is likely to be used in actual clinical practice if ever approved, but it is nonetheless necessary to assess the drug's PK and safety profile as a standalone therapy independent of any other agents;

Exhibit 1. Financial Summary for Theratechnologies

Year-end November 30 *(US$000, except per share data)*	2019A	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E
Tesamorelin revenue, US/Cda	$35,520	$33,541	$43,222	$45,116	$47,048	$49,019	$51,029	$53,078	$55,165
Tesamorelin revenue, RoW	$0	$438	$898	$1,590	$1,840	$2,098	$2,142	$2,187	$2,232
Ibalizumab gross revenue, US	$27,696	$29,395	$60,796	$81,872	$103,363	$125,276	$147,617	$170,392	$193,608
Ibalizumab gross revenue, EU	$0	$2,472	$12,484	$18,913	$31,837	$51,449	$64,954	$78,725	$92,764
Milestone revenue	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total revenue	**$63,216**	**$65,846**	**$117,400**	**$147,490**	**$184,088**	**$227,841**	**$265,742**	**$304,381**	**$343,768**
Less: Estimated royalties to Merck-Serono on US sales	$0	$0	$0	$0	$0	$0	$0	$0	$0
Less: Egrifta direct costs	$6,790	$5,097	$6,618	$7,006	$7,333	$7,668	$7,976	$8,290	$8,610
Less: TaiMed's share of gross ibalizumab US/EU sales	$14,402	$16,456	$37,527	$51,532	$68,829	$89,513	$104,829	$122,622	$140,761
Gross profit	**$42,024**	**$44,293**	**$73,255**	**$88,953**	**$107,926**	**$130,661**	**$152,938**	**$173,469**	**$194,398**
Gross margin (%)	*66%*	*67%*	*62%*	*60%*	*59%*	*57%*	*58%*	*57%*	*57%*
R&D expenses	$10,841	$18,558	$19,486	$20,460	$19,437	$14,578	$10,933	$8,200	$6,150
Operating expenses	$26,429	$27,332	$33,052	$35,363	$37,841	$41,570	$44,904	$48,302	$51,767
EBITDA	**($130)**	**($1,597)**	**$20,717**	**$33,130**	**$50,648**	**$74,513**	**$97,101**	**$116,967**	**$136,481**
EBITDA margin	*NA*	*NA*	*18%*	*22%*	*28%*	*33%*	*37%*	*38%*	*40%*
Revenue growth (%)	*(24%)*	*(6%)*	*29%*	*5%*	*5%*	*5%*	*4%*	*4%*	*4%*
Earnings before tax	($12,496)	($12,600)	$9,714	$22,127	$39,645	$63,509	$86,098	$105,964	$125,478
Fully taxed net income	($12,496)	($12,600)	$6,703	$15,267	$27,355	$43,821	$59,407	$73,115	$86,580
EPS (fully-taxed, basic)	($0.16)	($0.16)	$0.07	$0.16	$0.29	$0.47	$0.63	$0.78	$0.92
EPS (fully-taxed, fd)	**($0.16)**	**($0.16)**	**$0.07**	**$0.16**	**$0.28**	**$0.45**	**$0.61**	**$0.75**	**$0.89**
Cash to Merck-Serono	$0	$0	$0	$0	$0	$0	$0	$0	$0
EV/EBITDA	*NA*	*NA*	*10.5x*	*6.6x*	*4.3x*	*2.9x*	*2.2x*	*1.9x*	*1.6x*
P/E	*NA*	*NA*	*42.0x*	*18.4x*	*10.3x*	*6.4x*	*4.7x*	*3.8x*	*3.2x*

Source: Historical data – Company Information (Theratechnologies), Forecasts/Estimates – Leede Jones Gable

- As is conventional for Phase I oncology trials, the study will be open-label (patients will know they are receiving an experimental therapy and not a placebo) and so tumor response/survival data once available will necessarily be compared to published data for other therapies (perhaps even including docetaxel itself);
- Study protocol contemplates that up to 65 patients could be enrolled in the study, though Thera itself contemplates a lower number of 40 patients, a more realistic target for an initial Phase I oncology trial. The trial is projected to conclude by FQ222, which of course will depend on pace of initial enrollment and thus pace at which a suitable '1902 dosage range can be established for future patients. Timeline to conclusion seems a bit aggressive to us, but interim six-week CT imaging-confirmed tumor response data from the first 10-20 enrolled subjects could certainly be available by then;
- As is also conventional in Phase I testing, primary endpoints are mostly dosing- and safety-based, but we will of course be more focused on efficacy-based secondary endpoints like CT-confirmed tumor responses and over what timeframe. Survival or progression-free survival are not specifically indicated as endpoints, though we will be interested in any insights on this theme if available for initially-enrolled subjects.

Interestingly, the firm is working with clinical research organization (CRO) PPD (PPD-Q, NR). The latter is one of the few publicly-traded CROs that we track and one of the larger diversified organizations in this healthcare services niche, generating 9-12% average five-year CAGR on both revenue and EBITDA since 2015, and with EBITDA margin exhibiting reasonable stability at/near 19% during the F2018-2020 period. PPD claims expertise across virtually all medical markets and so does not claim to

have specific expertise in oncology/hematology, but still, the firm claims to have overseen >500 oncology studies that cumulatively enrolled >106,000 patients across virtually all oncology indications and so we believe that PPD's strong track record of profitable growth and brand recognition justifies its roll in Thera's pending Phase I '1902 program.

Exhibit 2. Valuation Summary for Theratechnologies

NPV, discount rate		10%	20%	30%	40%	50%	60%
Implied value per share		$12.80	$6.05	**$3.25**	$1.95	$1.28	$0.91
				Discounted Share Price end-of-F2021			
Price/earnings multiple, F2024	**P/E**	**10%**	**20%**	**30%**	**40%**	**50%**	**60%**
Implied share price[1]	10	$3.09	$2.18	$1.58	$1.18	$0.89	$0.69
	20	$6.18	$4.36	**$3.16**	$2.36	$1.78	$1.38
	30	$9.27	$6.54	$4.74	$3.54	$2.67	$2.07
EV/EBITDA multiple, F2024		**5.0x**	**10.0x**	**12.5x**	**15.0x**	**17.5x**	**20.0x**
Implied share price[1,2,3]		$1.39	$2.74	**$3.41**	$4.08	$4.76	$5.43
One-year Theratechnologies target price (US$)				**$3.27**			
One-year Theratechnologies target price (C$)				**$4.18**			

[1] *Based on F2024 fd, fully-taxed EPS forecast of US$0.45; EBITDA of US$74.5M; shares outstanding (fd) 97.0M; 30% discount rate in all methods*

[2,3] *EV incorporates pro forma cash of US$70.1M (FQ320 cash of US$26.8M, plus US$46.0M in new equity capital, less assumed financing costs), FQ320 LT debt of US$56.6M*

Source: Historical data – Company Information (Theratechnologies), Forecasts/Estimates – Leede Jones Gable

MD Anderson affiliation and oversight by a leading CRO (PPD) should ensure that pace of patient enrollment proceeds to interim data by mid-F2022. The trial's lead investigator will be MD Anderson Cancer Center-based oncologist Funda Meric-Bernstam (as of this writing, her name is misspelled in clinicaltrials.gov as 'Meric-Burnstam'), who has published extensively molecular/genomic profiling on multiple cancer forms, including bladder, breast, gall bladder, lung, and germ cell tumors just within the last few months. And thus this looks to us to be a strong medical professional to be driving Phase I activities forward. Interestingly, Dr. Meric-Bernstam was a co-author on a paper published last quarter in *Modern Pathology* that characterized biomarkers in TNBS, specifically expression of the TRPS1 gene, and so we believe that Thera's lead investigator simultaneously brings TNBS-specific expertise to the trial and its eventual data interpretation.

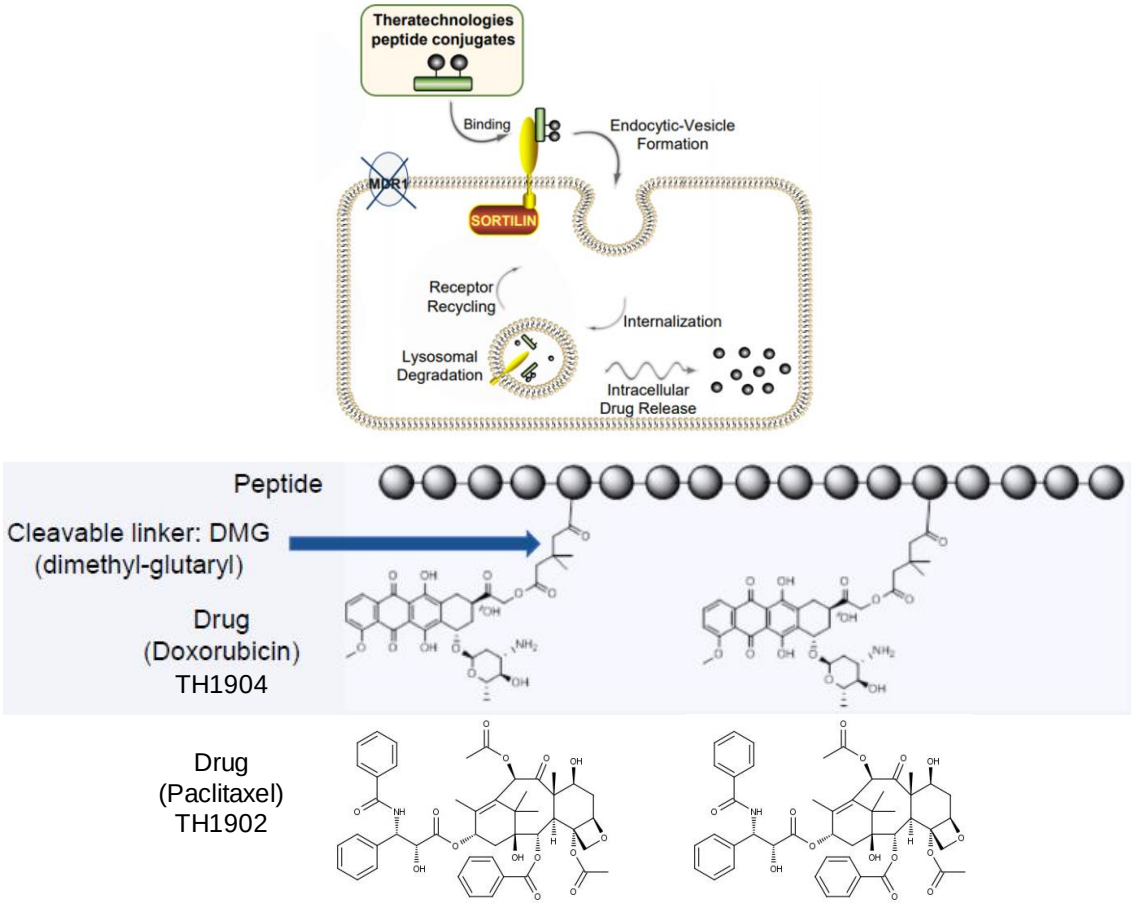
We stand by our positive view on how sortilin binding to its natural receptor SORT1 is a plausible way to instill tumor targeting to potent-but-systemically-toxic small molecule drugs. As we described in our TH note last month, our model does not yet factor in any TH1902-derived royalty revenue, at least not until Phase I data are available for our review and until it becomes clear what cancer indications '1902 will be targeting in future Phase II/III testing. But we have long been positive about the utility of sortilin/SORT1 receptor-ligand coupling as a way to target small-molecule anticancer agents like docetaxel (or doxorubicin in TH1904), particularly with so many different solid tumors showing clear and disease stage-specific SORT1 expression. Targeting docetaxel in this way is a prudent biochemical technique for mitigating systemic side effects that are common to anti-proliferative IV-administered small-molecule drugs, neurotoxicity for docetaxel and cardiotoxicity for doxorubicin chief among them.

Summary and valuation. We are encouraged by the FDA's recognition of TH1902's medical potential in targeting advanced solid tumor cancers through the Fast Track Status just conferred. We are of course several quarters away from any definitive Phase I insights into '1902s targeted anti-tumor and so we will for now stand by our previous valuation methodology that does not yet ascribe formal value to TH1902 or other sortilin peptide-modified small molecule anticancer agents (specifically TH1904, likely to target advanced ovarian cancer, as '1902 is in part through inclusion of ovarian cancer patients in the 40-65-patient Phase I study just described).

If we assume total R&D budget to sustain '1902 testing through to data of about $7-$10M, and then add this to Katana's acquisition value of $6.9M, cumulative paid-in capital for Phase I '1902 activities of $14M-$17M seems like a reasonable investment to us, in comparison to the market value that would frequently be ascribed to successfully-tested Phase I oncology assets (>$100M would be a floor and not a ceiling in our view for an Rx asset that has successfully navigated Phase I clinical risk). Accordingly, TH1902 is notionally contemplated in our investment thesis through our rating and through discount rates

we incorporate into our overall TH valuation, admittedly based mostly on downstream Egrifta and Trogarzo revenue/EBITDA projections.

Exhibit 3. Proposed Mechanism of Selective Tumor Targeting by Theratechnologies' Lead Sortilin Peptide-Conjugated Anti-Cancer Formulations TH1902 & TH1904 – TH1902 is the Docetaxel-Based Drug Advancing into Phase I Testing



Source: Theratechnologies investor presentation (Nov 2019); Taxol prescribing information (Bristol-Myers Squibb)

New clinical activities for TH1902 and Egrifta infuse a balance of risks and opportunities into our investment thesis while our foundational valuation remains based on Egrifta/Trogarzo commercial activities. As before, our valuation and model are predominantly based on medium-term economics for already-FDA-approved HIV lipodystrophy-targeted growth hormone-releasing factor analog drug Egrifta and multidrug-resistant HIV1 infection-targeted anti-CD4 mAb drug Trogarzo. Stable sales are expected from the former and modest growth is expected from the latter throughout our forecast period. Of course, we see solid upside in future Phase III testing for Egrifta in non-alcoholic fatty liver disease, for which the firm intends to expand its clinical market to include non-HIV1-infected subjects. This is an aggressive move since virtually all Phase II liver disease data have been derived from HIV1-infected individuals (all positive as published in 2014 in *JAMA* and last year in *Lancet HIV*, as we described before). But this could greatly expand Egrifta's market reach if the drug can show positive impact on liver fat deposition and on liver fibrosis stabilization in the proposed five-year 2,000-patient trial (though 18-month interim liver biopsy analysis on the first 900 patients enrolled is formally contemplated in study design). We expect to revisit fatty liver disease as a value-enhancing medical market for Egrifta as this program evolves.

Since our last update, Thera consummated a US$46M equity offering that leads us to revise calculated pro forma fully-diluted S/O embedded in our model to 97.0M from 80.3M previously, while elevating our pro forma cash calculation to US$70.1M from previously using FQ320 cash balance of US$26.8M previously. Because new capital provides substantial resources to now simultaneously advance '1902 Phase I testing through to definitive data and to substantially advance (though probably not complete) Phase III Egrifta/fatty liver disease testing, we believe we are justified in modestly adjusting the discount rate we embed into our NPV and discounted EBITDA/EPS-based valuation methodologies to 30% from 35% previously.

We continue to value TH based on NPV (30% discount rate as indicated) and multiples of our F2024 EBITDA/EPS forecasts (US$74.5M/US$0.45, with the latter adjusted downward from our last update based on elevated fd S/O), and in so doing, we derive a one-year PT for TH of US$3.27/C$4.18, which as before, we will round down to C$4.00. With TH trading at a measurable discount to our sustained PT, we continue to rate the stock as a BUY, with our PT corresponding to a one-year return of 33.3%.

On the milestone watch, we of course expect the aforementioned Phase I '1902 trial to commence in the next quarter or so, and for Phase III Egrifta/fatty liver disease testing to commence about a quarter after that. In the background, we will be simultaneously focused on how well Trogarzo sales continue to climb as EU sales roll out to buttress US sales already generated, and how well the drug performs in a now more competitive multidrug-resistant HIV1 infection market that includes ViiV's newly FDA-approved (in Jul/20) small-molecule anti-nucleoside drug fostemsavir/Rukobia. The drug received favorable regard in Europe from EMA's Committee for Medicinal Products for Human Use (CHMP) back in Dec/20 and it thus seems likely that Rukobia could establish some competitive pressure on Trogarzo in Europe as well, perhaps as early as this year.

Exhibit 3. Revenue Projections for Theratechnologies – Egrifta/Tesamorelin

Fiscal year-end November 30									
(US$000, unless otherwise stated)	*2019A*	*2020E*	*2021E*	*2022E*	*2023E*	*2024E*	*2025E*	*2026E*	*2027E*
Revenue projections, U.S./Canada									
AIDS prevalence (U.S./Canada)	1,360,000	1,384,000	1,408,000	1,432,000	1,456,000	1,480,000	1,504,000	1,528,000	1,552,000
Proportion of patients with HIV lipodystrophy	*20.3%*	*20.3%*	*20.3%*	*20.3%*	*20.3%*	*20.3%*	*20.3%*	*20.3%*	*20.3%*
Price per treatment per month (in US$)	$4,147	$4,147	$4,147	$4,147	$4,147	$4,147	$4,147	$4,147	$4,147
Price per treatment per year (in US$)	$49,765	$49,765	$49,765	$49,765	$49,765	$49,765	$49,765	$49,765	$49,765
Less: assumed mark-up from transfer price to CSOs (US$)	($9,953)	($9,953)	($9,953)	($9,953)	($9,953)	($9,953)	($9,953)	($9,953)	($9,953)
Net price to Thera per year (US$)	39,812	39,812	39,812	39,812	39,812	39,812	39,812	39,812	39,812
Share of Egrifta economics (%)	*100%*	*100%*	*100%*	*100%*	*100%*	*100%*	*100%*	*100%*	*100%*
Market penetration (%)	*0.36%*	*0.30%*	*0.38%*	*0.39%*	*0.40%*	*0.41%*	*0.42%*	*0.43%*	*0.44%*
Tesamorelin annual revenue, U.S./Canada (US$000)	$35,520	$33,541	$43,222	$45,116	$47,048	$49,019	$51,029	$53,078	$55,165
Implied number of patients treated per year	*714*	*674*	*869*	*907*	*945*	*985*	*1,025*	*1,067*	*1,109*
Revenue projections, Latin America (principally Brazil, Mexico)									
AIDS prevalence (Brazil, Mexico)	1,218,000	1,242,000	1,266,000	1,290,000	1,314,000	1,338,000	1,362,000	1,386,000	1,410,000
Proportion of patients with HIV lipodystrophy	*20.3%*	*20.3%*	*20.3%*	*20.3%*	*20.3%*	*20.3%*	*20.3%*	*20.3%*	*20.3%*
Price per treatment per month (US$)	$833	$833	$833	$833	$833	$833	$833	$833	$833
Price per treatment per year (US$)	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000
Less: assumed mark-up from transfer price (US$)	($2,000)	($2,000)	($2,000)	($2,000)	($2,000)	($2,000)	($2,000)	($2,000)	($2,000)
Net price to Thera per year (US$)	$8,000	$8,000	$8,000	$8,000	$8,000	$8,000	$8,000	$8,000	$8,000
Market penetration (%)	*0.00%*	*0.00%*	*0.00%*	*0.01%*	*0.02%*	*0.03%*	*0.03%*	*0.03%*	*0.03%*
Tesamorelin annual revenue, Latin America (US$000)	$0	$0	$0	$209	$426	$651	$663	$674	$686
Implied number of patients treated per year	*0*	*0*	*0*	*26*	*53*	*81*	*83*	*84*	*86*
Revenue projections, Europe									
AIDS prevalence (Europe)	932,000	956,000	980,000	1,004,000	1,028,000	1,052,000	1,076,000	1,100,000	1,124,000
Proportion of patients with HIV lipodystrophy	*28.6%*	*28.6%*	*28.6%*	*28.6%*	*28.6%*	*28.6%*	*28.6%*	*28.6%*	*28.6%*
Price per treatment per month (in US$)	$1,667	$1,667	$1,667	$1,667	$1,667	$1,667	$1,667	$1,667	$1,667
Price per treatment per year (in US$)	$20,000	$20,000	$20,000	$20,000	$20,000	$20,000	$20,000	$20,000	$20,000
Less: assumed mark-up from transfer price (US$)	($4,000)	($4,000)	($4,000)	($4,000)	($4,000)	($4,000)	($4,000)	($4,000)	($4,000)
Net price to Thera per year (US$)	$16,000	$16,000	$16,000	$16,000	$16,000	$16,000	$16,000	$16,000	$16,000
Market penetration (%)	*0.01%*	*0.01%*	*0.02%*	*0.03%*	*0.03%*	*0.03%*	*0.03%*	*0.03%*	*0.03%*
Tesamorelin annual revenue, Europe (US$000)	$0	$438	$898	$1,381	$1,414	$1,447	$1,480	$1,513	$1,546
Implied number of patients treated per year	*0*	*27*	*56*	*86*	*88*	*90*	*92*	*95*	*97*
Total US gross revenue (non-royalty) (US$000)	$35,520	$33,541	$43,222	$45,116	$47,048	$49,019	$51,029	$53,078	$55,165
Total RoW tesamorelin royalty revenue (US$000)	$0	$438	$898	$1,590	$1,840	$2,098	$2,142	$2,187	$2,232
Total Egrifta product revenue (US$000)	**$35,520**	**$33,979**	**$44,120**	**$46,705**	**$48,888**	**$51,117**	**$53,171**	**$55,265**	**$57,397**

Source: Historical data – Company Information (Theratechnologies), Forecasts/Estimates – Leede Jones Gable

Exhibit 4. Revenue Projections for Theratechnologies – Trogarzo/Ibalizumab

Fiscal year-end November 30 (US$000, unless otherwise stated)	2019A	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E
Ibalizumab, US									
Total multidrug-resistant HIV population, US	25,867	26,126	26,387	26,651	26,917	27,187	27,458	27,733	28,010
Proportion amenable to ibalizumab therapy	*40.0%*	*40.0%*	*40.0%*	*40.0%*	*40.0%*	*40.0%*	*40.0%*	*40.0%*	*40.0%*
Total prevalence, addressable MDR HIV market, US	10,347	10,450	10,555	10,660	10,767	10,875	10,983	11,093	11,204
Price per treatment per month (US$)	$8,000	$8,000	$8,000	$8,000	$8,000	$8,000	$8,000	$8,000	$8,000
Price per treatment per year (US$)	$96,000	$96,000	$96,000	$96,000	$96,000	$96,000	$96,000	$96,000	$96,000
Market penetration (%)	*2.6%*	*2.93%*	*6.0%*	*8.0%*	*10.0%*	*12.0%*	*14.0%*	*16.0%*	*18.0%*
Ibalizumab gross sales, US (US$000)	$27,696	$29,395	$60,796	$81,872	$103,363	$125,276	$147,617	$170,392	$193,608
Implied number of patients treated per year	*269*	*306*	*633*	*853*	*1,077*	*1,305*	*1,538*	*1,775*	*2,017*
Less: Ibalizumab transfer price paid to TaiMed (48% of gross sales; US$000)	($14,402)	($15,285)	($31,614)	($42,573)	($53,749)	($65,143)	($76,761)	($88,604)	($100,676)
Ibaluzumab net sales, US (US$000)	$13,294	$14,109	$29,182	$39,298	$49,614	$60,132	$70,856	$81,788	$92,932
Ibalizumab, EU									
Total multidrug-resistant HIV population, EU	38,852	39,240	39,633	40,029	40,429	40,833	41,242	41,654	42,071
Proportion amenable to ibalizumab therapy	*40.0%*	*40.0%*	*40.0%*	*40.0%*	*40.0%*	*40.0%*	*40.0%*	*40.0%*	*40.0%*
Total prevalence, addressable MDR HIV market, EU	15,541	15,696	15,853	16,012	16,172	16,333	16,497	16,662	16,828
Price per treatment per month (€)	€ 5,453	€ 5,453	€ 5,453	€ 5,453	€ 5,453	€ 5,453	€ 5,453	€ 5,453	€ 5,453
Price per treatment per year (€)	€ 65,440	€ 65,440	€ 65,440	€ 65,440	€ 65,440	€ 65,440	€ 65,440	€ 65,440	€ 65,440
Market penetration (%)	*0.0%*	*0.2%*	*1.0%*	*1.5%*	*2.5%*	*4.0%*	*5.0%*	*6.0%*	*7.0%*
Ibalizumab gross sales, EU (€000)	€ 0	€ 2,054	€ 10,374	€ 15,717	€ 26,457	€ 42,754	€ 53,977	€ 65,420	€ 77,087
Ibalizumab gross sales, EU (US$000)	$0	$2,472	$12,484	$18,913	$31,837	$51,449	$64,954	$78,725	$92,764
Implied number of patients treated per year	*0*	*31*	*159*	*240*	*404*	*653*	*825*	*1,000*	*1,178*
Less: Ibalizumab transfer price paid to TaiMed (48% of	€ 0	-€ 1,171	-€ 5,913	-€ 8,959	-€ 15,080	-€ 24,370	-€ 28,068	-€ 34,018	-€ 40,085
Ibaluzumab net sales, EU (€000)	€ 0	€ 883	€ 4,461	€ 6,758	€ 11,376	€ 18,384	€ 25,909	€ 31,402	€ 37,002
Ibalizumab net sales, EU (US$000)	$0	$1,063	$5,368	$8,133	$13,690	$22,123	$31,178	$37,788	$44,527
Ibalizumab gross sales, US/EU (US$000)	**$27,696**	**$31,449**	**$71,170**	**$97,588**	**$129,820**	**$168,030**	**$201,594**	**$235,812**	**$270,695**
Ibalizumab net sales to Thera, US/EU (US$000)	**$13,294**	**$15,172**	**$34,550**	**$47,431**	**$63,304**	**$82,255**	**$102,034**	**$119,576**	**$137,458**
Total product gross sales, US/EU (US$000)	**$63,216**	**$65,428**	**$115,290**	**$144,294**	**$178,707**	**$219,147**	**$254,765**	**$291,077**	**$328,091**
Total product net sales, US/EU (US$000)	**$48,814**	**$49,152**	**$78,671**	**$94,137**	**$112,192**	**$133,372**	**$155,205**	**$174,840**	**$194,855**
EBITDA (US$000)	**($130)**	**($1,597)**	**$20,717**	**$33,130**	**$50,648**	**$74,513**	**$97,101**	**$116,967**	**$136,481**
Net income (loss, fully-taxed, C$000)	($12,496)	($12,600)	$6,703	$15,267	$27,355	$43,821	$59,407	$73,115	$86,580
EPS (basic, fully-taxed, C$)	**($0.16)**	**($0.16)**	**$0.07**	**$0.16**	**$0.28**	**$0.45**	**$0.61**	**$0.75**	**$0.89**
Basic shares outstanding (000)	*76,953*	*77,013*	*93,741*	*93,741*	*93,741*	*93,741*	*93,741*	*93,741*	*93,741*
Fully-diluted shares outstanding (000)	*79,369*	*80,257*	*96,985*	*96,985*	*96,985*	*96,985*	*96,985*	*96,985*	*96,985*
Average annual USD:CDN exchange rate	*1.3000x*	*1.3000x*	*1.3000x*	*1.3000x*	*1.3000x*	*1.3000x*	*1.3000x*	*1.3000x*	*1.3000x*
Average annual EUR:USD exchange rate	*1.2034x*	*1.2034x*	*1.2034x*	*1.2034x*	*1.2034x*	*1.2034x*	*1.2034x*	*1.2034x*	*1.2034x*

Source: Historical data – Company Information (Theratechnologies), Forecasts/Estimates – Leede Jones Gable

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Speculative Buy	8	53.3%
Hold	1	6.7%
Sell	-	-
Tender	-	-
Under Review	-	-

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