

Research Update

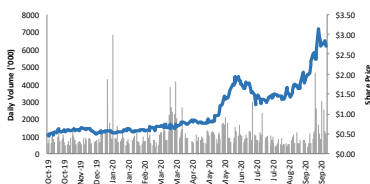
October 8, 2020

Rating:	BUY	(Unchanged)
Target Price:	\$3.00	(Unchanged)
Last Price:	\$2.70	
Ticker:	IPA-V	

Market Data	
Target return (incl. dist.):	11.1%
Dividend/yield:	\$0.00 / 0.0%
Shares outstanding (M):	80.0
Market capitalization (\$M):	216
Enterprise value (\$M):	215
52-week range (\$):	0.45 - 3.14
Fiscal year end:	Apr. 30, 2020
Average weekly volume:	563,773
Currency (unless otherwise indicated):	CAD

Forecast summary	F19A	F20E	F21E	F22E
Revenue (\$M)	10.9	14.1	20.0	21.0
Previous		14.0	20.6	n/a
Adj. EBITDA (\$M)	-3.1	-0.1	3.1	2.9
Previous		0.1	0.4	n/a
EPS (\$)	(0.12)	(0.07)	(0.02)	(0.02)
Previous		-0.1	0.0	n/a

Key trading multiples	F19A	F20E	F21E	F22E
EV/Revenue	19.7x	15.3x	10.8x	n/a
EV/adj. EBITDA	n/a	n/a	70.2x	n/a



	Q1	Q2	Q3	Q4	YE
Revenue (\$M)					
F2019	2.9	2.7	2.7	2.6	10.9
F2020	2.7	3.2	4.0	4.1	14.1
F2021	3.8	4.7	5.6	5.8	20.0
F2022	4.8	5.6	6.2	5.9	22.6
Adj. EBITDA (\$M)					
F2019	(0.3)	(0.7)	(0.4)	(1.7)	(3.1)
F2020	(0.5)	(0.1)	0.5	0.0	(0.1)
F2021	0.9	0.7	0.7	0.7	3.1
F2022	0.7	0.7	0.7	0.7	2.9
EPS (\$)					
F2019	(0.02)	(0.02)	(0.02)	(0.06)	(0.12)
F2020	(0.03)	(0.02)	(0.01)	(0.01)	(0.07)
F2021	(0.01)	(0.01)	(0.01)	(0.01)	(0.02)
F2022	(0.01)	(0.01)	(0.01)	(0.01)	(0.02)

shaded values above are iAS forecasts

Company Profile

ImmunoPrecise (IPA) is a full-service, end-to-end, Contract Research Organization (CRO). A CRO is a company that supports the biotechnology, pharmaceutical and medical devices industries in the form of research on an outsourced, contracted basis. IPA's CRO services include, but are not limited to, target design and antigen modeling, immunization, antibody discovery, characterization and optimization and manufacturing and account for 95% of the Company's revenue.

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IPA Provides Update on Cellphone Based COVID Diagnostic Test

Event

Today, before market open IPA announced advancements in its B Cell Select™ platform for a home-based SARS-CoV-2 diagnostic test.

Highlights

- The home-based option for diagnostic testing.** In May, IPA announced a partnership with the University of Victoria to develop a real-time cell phone based COVID-19 diagnostic test that uses saliva for the detection and screening of SARS-CoV-2. Using a cell phone camera and application, the test will change color upon binding to SARS-CoV-2 proteins. The results of the test will then be uploaded on a database and can provide health authorities with immediate information about the number of infections by geographic zone. The diagnostic test has shown proof of concept and has been further validated using human samples containing the SARS-CoV-2 antigen.
- Recap on other programs - PolyTope™ formulation.** In early March, IPA announced the details of the development of a PolyTope™ monoclonal antibody (mAb) therapy that can be used as a prophylactic vaccine for high risk patients. Cocktail therapies are widely believed to be a promising approach to the SARS-CoV-2 virus. IPA's formulation is the only cocktail that includes three or more antibodies that work in a synergistic fashion to enhance and improve the capability of protecting and treating COVID-19 patients. It is currently the most comprehensive antibody cocktail that is being brought forward.
- Recap on other programs – LiteVax collaboration.** In collaboration with LiteVax BV (Private), IPA is initiating pre-clinical vaccine trials against SARS-CoV-2. The vaccine design is based upon data obtained through IPA's SARS-CoV-2 therapeutic programs as well as through IPA's collective SARS studies. Together with LiteVax's adjuvant technology, which is designed to enhance the host's immune response, the collaborators believe this will be a successful single-low-dose vaccine against SARS-CoV-2. Pre-clinical results are expected in November.
- Model updates.** We have made no major adjustments at this time.

Valuation & Bottom Line

IPA announced today it is advancing its home-based diagnostic test. This diagnostic test is a collaborative effort with the University of Victoria that leverages IPA's B Cell Select™ platform and can use saliva, a cellphone application and cell phone camera to detect and screen for SARS-Cov-2. The test has shown proof of concept and has been further validated using human samples. Together with its other COVID-19 programs, IPA continues to make stride in its effort to provide the market with treatment options for COVID-19. Our target price is determined by the average of two valuation approaches, namely a Price-to-Book and a TEV/Total Revenue valuation. We are maintaining our target of \$3.00 and maintaining our Buy Recommendation.

Valuation & Recommendation

Valuation Summary

Our target price is determined by the average of two valuation approaches, namely a Price-to-Book and a TEV/Total Revenue valuation. When taking an average of the two valuation approaches, we arrive at our revised \$3.00/share target price.

Price to Book. Using a P/B multiple of 9.0x, IPA historical 5-year average is ~6.8x, we are giving the additional two turns on IPA's historical 5-year average for our P/B multiple to reflect the upside potential of Talem Therapeutics. Our implied share price for IPA is \$2.42/share.

TEV/Total Revenue. We utilized a 12.5x TEV/Total Revenue multiple, we have increased our multiple to reflect the higher growth potential beyond the 2022 earnings. Our TEV/Total Revenue is reflected by an average of the following peer companies: Bionano Genomics Inc. (BNGO-OQ, Not Rated), Fusion Antibodies (LON: FAB), Genscript Biotech (HKG: 1548), Syngene International (NSE: SYNGENE), WuXi Biologics (HKG: 2269), ICON plc (NASDAQ: ICLR) and Evotec AG (ETR: EVT), which have increased by two turns on average in the past month. We have also included Voyager Therapeutics (NASDAQ: VYGR) and expect to be adding additional companies with pharma-like business models that will better reflect Talem Therapeutics. Our implied share price for IPA is \$3.47/share.

The average of the two valuation approaches brings us to our \$3.00/share target price.

Exhibit 1: IPA Comps

Company	Ticker	Close	Mkt Cap (\$M)	Debt+Pref (\$M)	Ent. Value (\$M)	-----Revenue-----			-----EV/Revenue-----		
						2020E	2021E	2022E	2020E	2021E	2022E
Bionano Genomics Inc.	BNGO-OQ	0.61	80	3	83	8	20	35	10.5x	4.1x	2.4x
Fusion Antibodies Plc	FAB-L	158.00	40	(1)	39	n/a	n/a	n/a	n/a	n/a	n/a
Genscript Biotech	1548-HK	13.00	24,960	(22,667)	2,293	n/a	n/a	n/a	n/a	n/a	n/a
Ectotec SE	EVTG-DE	22.26	3,320	218	3,538	474	543	615	7.5x	6.5x	5.8x
ICON plc	ICLR-O	206.70	10,880	(246)	10,634	2,719	3,055	3,314	3.9x	3.5x	3.2x
WuXi Biologics	2269-HK	205.80	279,530	(36,180)	243,350	5,319	7,554	10,668	45.8x	32.2x	22.8x
Syngene International Ltd.	STNN-NS	553.80	219,650	(2)	219,648	20,089	22,601	26,865	10.9x	9.7x	8.2x
Voyager Therapeutics	VYGR-O	11.42	430	(232)	198	106	71	103	1.9x	2.8x	1.9x
Totals / Average			538,890	(59,106)	479,780	28,715	33,845	41,600	13.4x	9.8x	7.4x
ImmunoPrecise Antibodies Ltd (IAS)	IPA-V	2.70	220.00	(5.3)	214.7	14	20	21	15.3x	10.7x	10.2x

Source: iA Securities, Refinitiv

Exhibit 2: Valuation and Target Price

Price To Book Valuation	
Book Value of Equity (2021)	\$ 19,449,729
Price to Book Value Multiple	9.0x
Equity Value	\$ 175,047,561
Shares Outstanding (end of Q4/21E)	72,414,998
Implied Share Price	\$2.42

TEV/Total Revenue Valuation	
Total Revenue (F2021)	\$ 19,959,773
Mean TEV/Total Revenue Multiple as per comp set	12.5x
Enterprise Value	\$ 249,497,159
Less: Net Debt	\$ 4,472,725
Plus: Cash and Equivalents	\$ 6,602,840
Equity Value	\$ 251,627,274
Shares Outstanding (end of Q4/21E)	72,414,998
Implied Share Price	\$3.47

Average Valuation	\$2.95
Target Price (Rounded)	\$3.00

Source: iA Securities

Investment Recommendation Rating System

Strong Buy:	Expected to provide a substantial return over the next 12 months, with a lower level of risk than comparable investments.
Buy:	Expected to provide a reasonably positive return over the next 12 months.
Speculative Buy:	Expected to provide a positive return over the next 12 months, but with a high level of risk, or based on a future uncertain event.
Hold:	Expected to remain in a trading range near the current share price for the next 12 months.
Sell:	Expected to deliver a negative return over the next 12 months.
Under Review:	Currently available information is inadequate to provide an investment rating.
Tender:	Investors should tender their shares to the current offer.

Company Related Disclosures

Issuer Company	Ticker	Exch.	Disclosures
ImmunoPrecise Antibodies Ltd.	IPA	V	-

See legend of Disclosures on next page.

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