

November 26, 2021

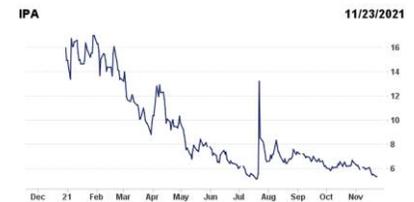
ImmunoPrecise (IPA)

Recent Industry Buy-outs Highlight Stock Value

Company Update

- ▶ The antibody discovery space is heating up with a number of recent buyouts this fall, all at healthy valuations. Buyers have included Twist Bioscience (TWST, Not Rated), Repligen (RGEN, NR) and Danaher (DHR, Buy) and prices have ranged from \$150 million to \$9.6 billion with valuation metrics ranging from 13x-19x estimated 2022E revenues, all highlighting the relative value of IPA now at 5x estimated 2022E revenues after recent share price declines, perhaps triggered by year-end tax-loss selling. We maintain our Buy rating on IPA shares and \$12.00 price target based on average price revenue multiples for 2021 and 2022 for comparable companies and representing over 100% potential share price appreciation for investors.
- ▶ Earlier this week Twist Bioscience (TWST, NR) announced its acquisition of **Abveris**, a privately-held Boston-based provider of antibody discovery and characterization services for \$150 million in stock (except for \$10 million in cash) plus \$40 million in potential one-year earn-outs to be paid for in stock. Twist forecasts that Abveris will post \$10-\$12 million in revenues in their fiscal 2022E (ending September 2022), representing about 100% annual growth, implying a valuation of 12x-15x advance 12-month revenues for the deal.
- ▶ Earlier this year, Repligen (RGEN, NR) announced its acquisition of privately-held **Avitide**, a privately-held affinity ligand protein discovery and development firm based in New Hampshire, for \$150 million, half in stock and half in cash. No earn-outs were disclosed for the purchase, but Repligen estimated that Avitide would post \$10 million in revenues for 2022, about double its sales in 2021, for a valuation of 15x estimated revenues for next calendar year. Also, earlier this year Danaher (DHR, Buy) closed the much larger acquisition of **Aldevron** from private equity firm EQT AB for \$9.6 billion in cash. Danaher estimated that Aldevron, which manufactures plasmid DNA, mRNA and other proteins for use in biologic therapeutics and vaccines, would grow its revenues by 20% next year to \$500 million, representing a valuation multiple of 19x-20x revenues for 2022E.
- ▶ All these recent transactions point to burgeoning interest in and significant financial commitments made to the monoclonal antibody and biologics areas of drug discovery and development and highlight IPA's relative market value at the present time. We maintain our Buy rating and \$12 price target on IPA shares.

Rating:	Buy
Current Price	\$5.35
Price Target	\$12.00
52-Wk Range	\$5.05 - \$33.34
Shares Outstanding (mm)	19.3
Market Cap (mm)	\$103
Enterprise Value (mm)	\$63
Average Volume (000s)	46
Net Cash/Share	\$1.70
Book Value	\$2.32
Sector Weight	Overweight



FY Apr		Q1	Q2	Q3	Q4	Total	P/E	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		4.5x
	2021A	\$3.8A	\$4.8A	\$4.5A	\$4.9A	\$17.9A		4.0x
	2022E	\$4.6A	\$5.0E	\$5.3E	\$5.6E	\$20.5E		3.2x

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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.

Conclusion and Stock Valuation

IPA's shares have fallen off recently after reaching all-time highs 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, and reflecting a steady increase in value leading up to that peak 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 maintaining our Buy rating on IPA shares 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 more than 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.

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Firm-Wide Stock Ratings Distribution

As of September 30, 2021

	All Covered Companies		Investment Banking Clients	
Buy	252	84%	75	25%
Hold	44	15%	1	0%
Sell	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 November 26, 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.

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