Jan 08, 2025

Healthcare

MAIA

NYSE

Rating

Outperform

Unchanged

Current Price

$2.38

Target Price

$14.00

Market Capitalization

60.3M

Shares Outstanding

25.3M

Float

16M

Institutional Holdings

21%

12-Month Low/High

$0.99/$5.99

Average 90-Day Volume

204320

Fiscal Year End

12/31

Revenues ($ MIL)

Period	2022A	2023E	2024E
Q1	0.0	0.0A	0.0E
Q2	0.0	0.0A	0.0E
Q3	0.0	0.0E	0.0E
Q4	0.0	0.0E	0.0E
	0.0	0.0E	0.0E

EPS ($)

Period	2022A	2023E	2024E
Q1	(0.50)	(0.38)A	(0.45)E
Q2	(0.40)	(0.35)A	(0.50)E
Q3	(0.48)	(0.39)E	(0.47)E
Q4	(0.37)	(0.43)E	(0.50)E
	(1.75)	(1.55)E	(1.92)E

MAIA Biotechnology

MAIA Announces Supply Agreement For Second Phase 2 Trial With Three New Indications

Agreement With BeiGene Covers THIO-102 In 3 Indications. MAIA announced a clinical supply agreement with BeiGene to use its checkpoint inhibitor, Tevimbra (tislelizumab) in combination with THIO in the upcoming Phase 2 THIO-102 trial. The trial will test THIO with tislelizumab in three tumor types. MAIA will avoid the expense of the drug while BeiGene will see clinical data from its PD-1 inhibitor, a recent entry to the market.

The Phase 2 THIO-101 Is On Schedule As THIO-101 Preparations Begin. The Phase 2 THIO-101 trial testing the combination of THIO with Libtayo (cemiplimab, an anti-PD-1 checkpoint inhibitor from Regeneron) in non-small cell lung cancer (NSCLC) is in its final stages. Interim results over the past year have shown meaningful improvements in overall survival (OS) and several other clinical measures of efficacy. Long term patient data is expected in 2H25.

THIO-102 Is Schedule To Start In 1H25. A pivotal Phase 2 trial will test the drug combination with tislelizumab in hepatocellular carcinoma (HCC), small cell lung cancer (SCLC) and colorectal cancer (CRC). Solid tumors could be added. MAIA has been granted Orphan drug designation (ODD) for HCC and SCLC indications, which may allow smaller patient numbers.

The BeiGene Agreement Looks Similar To The THIO-101 Supply Agreement With Regeneron. Although the complete agreement was not disclosed, MAIA retains all development and commercial rights for THIO. There are no restrictions or exclusivity, allowing MAIA to develop THIO in any indications with other PD-1 inhibitors. Tislelizumab received US approval in March 2024, making it a recent entry into the checkpoint inhibitor market. The clinical study could give BeiGene clinical data to help tislelizumab marketing efforts.

Conclusion. We see the agreement as an important milestone in starting the trial and expanding indications for THIO. MAIA retained all development and commercial rights and is free to make additional partnerships with other companies. We are reiterating our Outperform rating and $14 price target.

Equity Research

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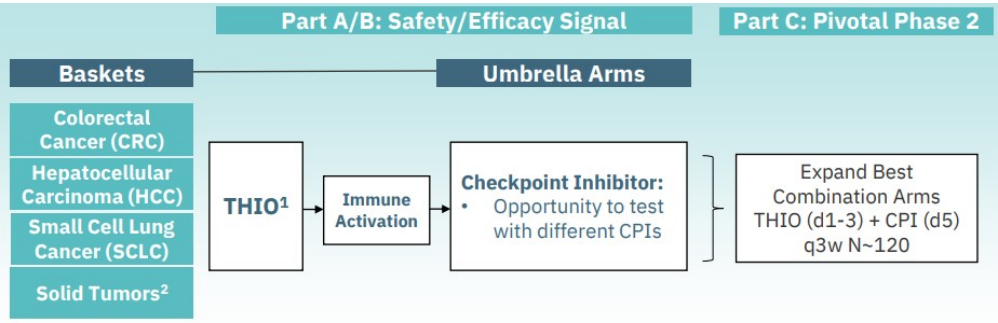
Refer to the last two pages for Analyst Certification & Disclosures

Agreement With BeiGene Covers THIO-102 In 3 Indications. MAIA announced a clinical supply agreement with BeiGene to use its checkpoint inhibitor, Tevimbra (tislelizumab) in combination with THIO in the upcoming Phase 2 THIO-102 trial. This trial will test THIO with tislelizumab in three tumor types, with a fourth possibly added. This agreement allows MAIA to avoid the expense of the drug, while BeiGene will see additional data from clinical use of its PD-1 inhibitor.

The Phase 2 THIO-101 Is On Schedule As THIO-101 Preparations Begin. The Phase 2 THIO-101 trial testing the combination of THIO with Libtayo (cemiplimab, an anti-PD-1 checkpoint inhibitor from Regeneron) in non-small cell lung cancer (NSCLC) is in its final stages. Interim results over the past year have shown meaningful improvements in overall survival (OS) and several other clinical measures of efficacy. Long term patient data is expected in 2H25.

THIO-102 Is Schedule To Start In 1H25. THIO-102 has been designed as a single arm pivotal Phase 2 trial to test THIO in combination with tislelizumab in three indications, hepatocellular carcinoma (HCC), small cell lung cancer (SCLC) and colorectal cancer (CRC). Solid tumors may also be added. MAIA has been granted Orphan drug designation (ODD) for HCC and SCLC indications, which may allow smaller patient numbers.

Exhibit 1. Current Design of the Phase 2 THIO-102 Trial. The THIO-102 trial has been designed as an open-label trial to evaluating safety and efficacy of THIO in combination with a PD-1 checkpoint inhibitor. The solid tumors may include breast, prostate, gastric, ovarian, or other solid tumors. With Orphan designation for HCC and SCLC, as well as the supply agreement with BeiGene for tislelizumab, the design can be finalized and the trial initiated.



Source: MAIA Biotechnology, Inc.

The BeiGene Agreement Looks Similar To The Previous THIO-101 Supply Agreement With Regeneron. MAIA will conduct and fund the trial, with BeiGene providing tislelizumab for treatment. Although the complete agreement was not disclosed, MAIA retains all development and commercial rights for THIO. There are no restrictions or exclusivity, allowing MAIA to develop THIO in the same or other indications with other PD-1 inhibitors. Although tislelizumab is approved in 11 indications in China, it received US approval in March 2024. This makes it a recent entry into the PD-1 checkpoint inhibitor market dominated by Merck's Keytruda (pembrolizumab) and becoming crowded with new entrants. Additional data from these studies use could give BeiGene clinical data to help tislelizumab marketing efforts.

MAIA Was Recently Awarded A Pediatric Rare Disease Designation. In December 2024, THIO received a rare pediatric disease (RPD) designation for use in treating pediatric-type diffuse high-grade gliomas (PDHGG). As discussed in our Research Note on December 18, the designation makes MAIA eligible for a Priority Review Voucher (PRV) upon approval. The PRV can be redeemed for priority review for a different new drug application or sold to another company. During 2024, PRVs have been sold for between $100 million and $158 million. Separately, MAIA has also received Orphan drug designation in glioblastoma.

Conclusion. We see the agreement as an important milestone in starting the trial and expanding indications for THIO. MAIA retained all development and commercial rights and is free to make additional partnerships with other companies. We are reiterating our Outperform rating and $14 price target.

Company Profile

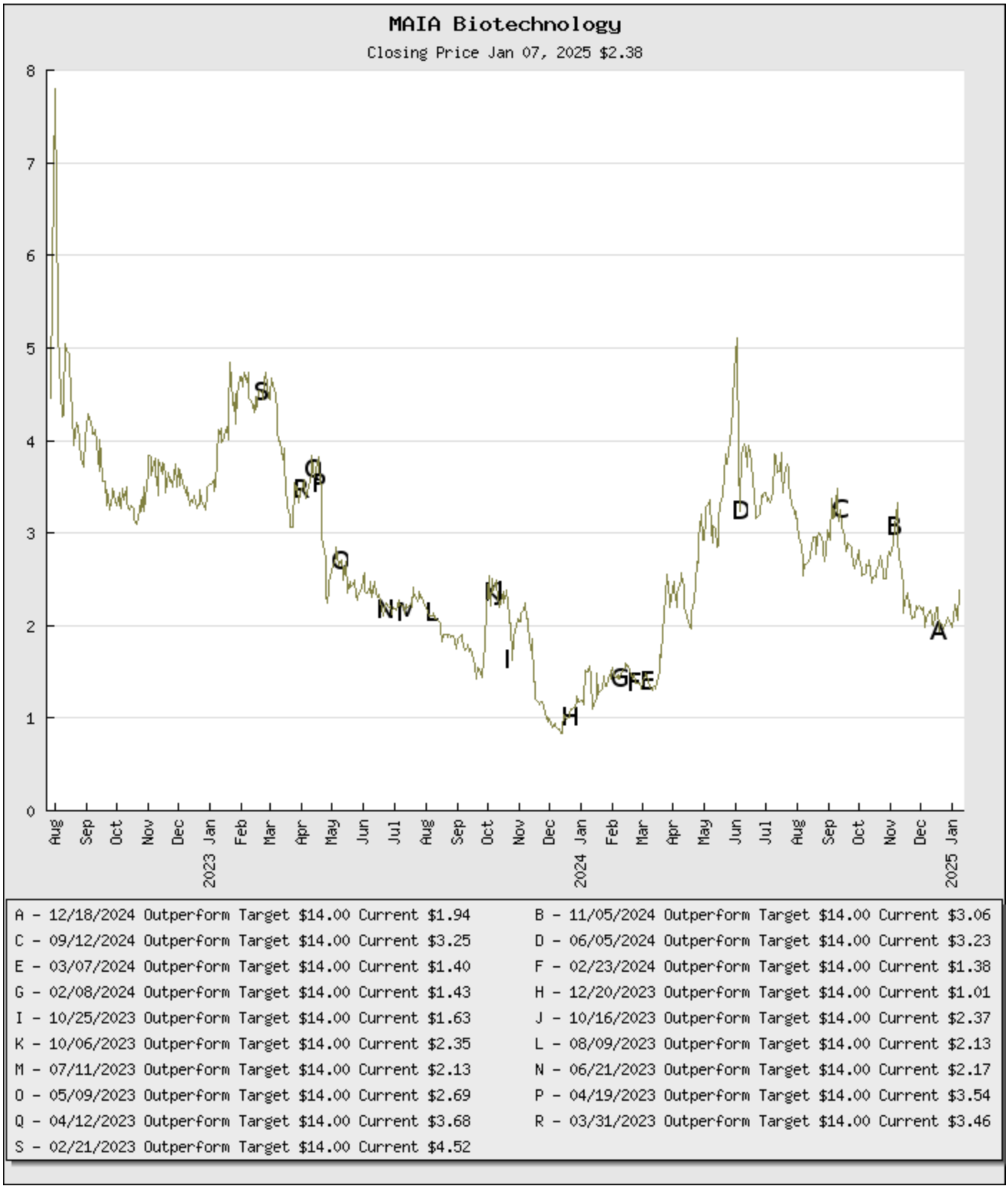
MAIA Biotechnology is a clinical-stage biotechnology company developing telomere-targeting drugs to treat cancer. The lead product, THIO, is a modified nucleoside in a Phase 2 trial for non-small cell lung cancer in combination with Libtayo (cimiplimab, from Regeneron). A second trial in other tumor types is planned for later in 2023.

Fundamental Analysis

In our analysis, we give MAIA Biotechnology a rating of 4.0 checks out of 5 checks. This falls in the upper half of our "above average" range. Our positive fundamental rating is based on the company's position in the oncology and immuno-oncology fields which are expected to continue their growth in sales and market share. Management has extensive experience in research and development, with with a track record of developing successful products in the pharmaceutical industry. For further explanation of our fundamental analysis, please refer to the disclosures at the end of this report.

Valuation Summary

Our Outperform rating and valuation are based on our FY2027 EPS estimate of $2.70, discounted at 30% per year with a multiple of 15X for a price target of $14 per share. This correlates with a market valuation of about $170 million, which we believe is justified for a novel immunotherapy drug serving several large patient populations and several orphan drug indications.


MAIA Biotechnology
Closing Price Jan 07, 2025 $2.38
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A - 12/18/2024 Outperform Target $14.00 Current $1.94
B - 11/05/2024 Outperform Target $14.00 Current $3.06
C - 09/12/2024 Outperform Target $14.00 Current $3.25
D - 06/05/2024 Outperform Target $14.00 Current $3.23
E - 03/07/2024 Outperform Target $14.00 Current $1.40
F - 02/23/2024 Outperform Target $14.00 Current $1.38
G - 02/08/2024 Outperform Target $14.00 Current $1.43
H - 12/20/2023 Outperform Target $14.00 Current $1.01
I - 10/25/2023 Outperform Target $14.00 Current $1.63
J - 10/16/2023 Outperform Target $14.00 Current $2.37
K - 10/06/2023 Outperform Target $14.00 Current $2.35
L - 08/09/2023 Outperform Target $14.00 Current $2.13
M - 07/11/2023 Outperform Target $14.00 Current $2.13
N - 06/21/2023 Outperform Target $14.00 Current $2.17
O - 05/09/2023 Outperform Target $14.00 Current $2.69
P - 04/19/2023 Outperform Target $14.00 Current $3.54
Q - 04/12/2023 Outperform Target $14.00 Current $3.68
R - 03/31/2023 Outperform Target $14.00 Current $3.46
S - 02/21/2023 Outperform Target $14.00 Current $4.52

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Noble intends to seek compensation for investment banking services and non-investment banking services (securities and non-securities related) within the next 3 months.

Noble is not a market maker in the Company.

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The fundamental assessment rating system is designed to provide insights on the company's fundamentals both on a macro level, which incorporates a company's market opportunity and competitive position, and on a micro/company specific level. The micro/company specific attributes include operating & financial leverage, and corporate governance/management. The number of check marks that a company receives is designed to provide a quick reference and easy determination of the company's fundamentals based upon the following five attributes of the company (weighting reflects the importance of each attribute in the overall scoring of company's fundamental analysis):

Attribute	Weighting
Corporate Governance/Management	20%
Market Opportunity Analysis	20%
Competitive Position	20%
Operating Leverage	20%
Financial Leverage	20%

For each attribute, the analysts score the company from a low of zero to a high of ten based upon the analysis described below. The final rating and resulting check marks is a result of dividing the overall score (out of 100%) by ten.

Rating	Score	Checks
Superior	9.1 to 10	Five Checks
Superior	8.1 to 9	Four & A Half Checks
Above Average	7.1 to 8	Four Checks
Above Average	6.1 to 7	Three & A Half Checks
Average	5.1 to 6	Three Checks
Average	4 to 5	Two & A Half Checks
Below Average	3 to 3.9	Two Checks
Below Average	2 to 2.9	One & A Half Checks
Low Quality	0 to 1.9	One Check

While these are the attributes currently used for the analyst's fundamental analysis, the attributes and weighting may be reviewed, updated with additional attributes, and/or changed in the future based on discussions with the analysts and recommendations from the Director of Research.

Following is the description of each attribute in the fundamental analysis.

Corporate Governance/Management

We believe that a review of corporate governance and assessment of the senior management are important tools to determine investment merit. Good corporate governance aligns management with the interests of stakeholders. As such, analysts are to rank the company on the basis of good corporate governance principles that may include rules and procedures, board composition and staggered term limits, rights and responsibilities, corporate objectives, monitoring of actions and policies, and accountability. In addition, analysts will assess issues with controlling shareholders and whether decisions have been made in the past that were in the interests of all shareholders. In addition, management will be assessed based on industry experience, expertise, and/or track record.

High ranking example: Board and management that is aligned with the interests of shareholders with incentives based on stock price appreciation and with an experienced management team known for exceptional shareholder returns.

Low ranking example: Concentrated ownership without independent directors that do not necessarily align with all shareholders' interests.

The Market Opportunity Analysis

In this review, the analyst assesses the company's macro environment as a measure of understanding the industry. Factors considered include the size and growth potential of the industry under various economic conditions, the emerging demands in the market, technological benefits/disruptions, competition, geographical opportunities, and customer demands/needs, and an assessment of supply and distribution channels. In addition, the analyst will review legal and regulatory trends, as well as potential shifts in consumer or social behavior and natural environment changes.

High rank example: A company in an industry that is growing revenues well above GDP rates (which are on average 2% plus) and/or may have unmet or under-served needs in a rapidly growing market opportunity.

Low rank example: A mature industry that is in secular decline and likely to grow below GDP rates.

Competitive Position

The evaluation of the company's competitive position is another macro environment attribute designed to measure the relevance, market share, position and value proposition, and sustainable differentiations of the company and its products/services within its industry. Ease of entry into the industry and the ability of other well-funded players to potentially enter the market would be determined. As such, the assessment would consider the company's strengths and advantages of its products/services against weaknesses and limitations. This may include the company's current brand awareness, pricing and cost structure, current market strategies and geographic penetration that may affect demand for its products/services. In addition, the company's competitors would be evaluated.

High rank example: An analyst would consider the company's product to be superior to its competitors and that should allow the company to gain market share.

Low rank example: A company with a "me-too" product that does not have any significant technology advantages in an industry that has low barriers to entry.

Operating Leverage

Simplistically, operating leverage is determined by the operating income relative to changes in revenue. The analyst will calculate the impact on sensitivity on gross margins and variable costs to determine operating leverage. The analyst will take into account the ability of the company to cut fixed and variable costs in a challenged revenue environment and technological changes that may impact operating expenses. In addition, the analyst is to assess corporate strategies that include capital investment, which may be required for sustainable revenue growth, marketing expenses, and the company's ability to attract and retain talent and/or employees. The analyst should focus on the revenue opportunity and determine the price elasticity of demand for the company's products or services. In other words, the analyst is to rank the company based on improved operating margins going forward on an absolute and relative basis.

High rank example: A company that has improving margins for the foreseeable future, with significant price elasticity.

Low rank example: A company that is in a challenged revenue environment with a fixed cost structure and limited ability to cut costs, indicating an outlook for declining margins.

Financial Leverage

A strict definition of financial leverage is total debt divided by total shareholder's equity. Financial leverage analysis is to determine the company's ability to improve shareholder value by means of utilizing its balance sheet to grow organically or to acquire assets. Analysts may look at the company's debt to cash flow leverage ratio, interest coverage ratios, or debt to equity ratios. In addition, the interest rate environment and the outlook for interest rates are a factor in determining the company's ability to manage financial leverage. Finally, the analyst is expected to determine the ability to service the debt given the industry and/or company profile, such as cyclicality, barriers to entry, history of bankruptcy, consistency in revenue and profit growth, or predictability in sales and profits and large cash reserves. The analyst is expected to take into account capital intensity of the company and the anticipated of capital allocation decisions.

High rank example: A company with predictable and growing revenue and cash flow with modest debt levels. This may indicate that the company could improve shareholder value through growth investments, including acquisitions, using debt financing.

Low rank example: A company in a cyclical industry in a late stage economic cycle that has above average debt leverage and is in an industry that has a history of financial challenges, including bankruptcies.

ANALYST CREDENTIALS, PROFESSIONAL DESIGNATIONS, AND EXPERIENCE

Senior Equity Research Analyst focusing on the Biotechnology and Specialty Pharmaceuticals industry. 16 years of industry experience. BA in Economics from Tulane University and an MBA from Columbia Business School. FINRA licenses 7, 24, 63, 86, 87

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NOBLE RATINGS DEFINITIONS	% OF SECURITIES COVERED	% IB CLIENTS
Outperform: potential return is >15% above the current price	86%	18%
Market Perform: potential return is -15% to 15% of the current price	14%	5%
Underperform: potential return is >15% below the current price	0%	0%

NOTE: On August 20, 2018, Noble Capital Markets, Inc. changed the terminology of its ratings (as shown above) from "Buy" to "Outperform", from "Hold" to "Market Perform" and from "Sell" to "Underperform." The percentage relationships, as compared to current price (definitions), have remained the same.

Additional information is available upon request. The recipient of this report who wishes further information regarding the subject company or the disclosure information mentioned herein, should contact by mail or phone.

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