09 February 2016

Update

# ImmuPharma

## Funding in place to complete Phase III trials for Lupuzor™

**Price**
26.25p

**TDIM**
IMM

**Market Cap**
£22.6m

**Net Cash**
£4.2m

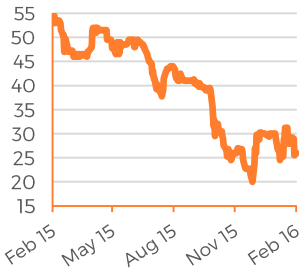
**Free Float**
63%

**Avg Daily Volume**
60k

**Broker**
Panmure Gordon

**Listing**
AIM

**Share Price Performance**




Source: Bloomberg

ImmuPharma is a pharmaceutical development company listed on Aim since 2006. The company is focussing on developing novel medicines in specialist markets with unmet needs.

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### Successful fundraising to raise in aggregate £8.3m before expenses

**ImmuPharma has announced the successful completion of a fundraising, which has conditionally raised in aggregate £8.3m before expenses, by way of a placing and subscription at a price of 26p. The fundraising was well supported by existing shareholders as well as introducing new investors. In addition Simbec-Orion, the international CRO conducting the Lupuzor™ Phase III trial and all of the Directors of the Company participated in the placing. The placing of 14.9m new shares will raise £3.9m with the subscription of 17.0m new shares by Lanstead Capital LP raising £4.4m. A value payment of 0.85m new shares will also be issued to Lanstead. Of the subscription proceeds £0.66m (15%) will be retained by ImmuPharma with the remaining c£3.76 m being pledged to Lanstead under a Sharing Agreement. Lanstead will make monthly settlements over a period of 18 months with the proceeds determined by a measured market price prior to each settlement and compared to a benchmark price of 34.6667p. If the measured market price exceeds the benchmark price, the Company will receive more than 100% of the settlement due, on a pro rata basis. If the measured market price is below the benchmark price ImmuPharma will receive less than 100% of the settlement also on a pro rata basis. This will allow the Company to benefit from a rising share price. Completion of the above placing and subscription is conditional on shareholder approval at a general meeting to be held on 22 February 2016.**

| Year to | Sales | PBT | EPS | Net Cash | P/E | EV/EBITDA | Yield |
|---|---|---|---|---|---|---|---|
| 31 Dec | £m | £m | p | (£m) | (x) | (x) | (%) |
| FY14A | 0.2 | -3.3 | -3.4 | 5.4 | 0.0 | 0.0 | 0.0 |
| FY15E | 0.0 | -4.1 | -4.7 | 1.1 | 0.0 | 0.0 | 0.0 |
| FY16E | 0.0 | -4.2 | -4.7 | -3.1 | 0.0 | 0.0 | 0.0 |

### Proceeds will be used to fund the pivotal Phase III trials for Lupuzor™

The net proceeds will be principally used to complete the pivotal Phase III trials for Lupuzor™, the Company's lead drug candidate. These trials have already commenced with ImmuPharma's development partner Simbec-Orion. Patient recruitment has started in the United States and is expected to commence shortly in Europe. Further milestones include first patient dosing and completion of the recruitment of 200 patients in 2016 and it is currently estimated that top-line data from the trial will be announced in the second half of 2017, with further value.

### Successful outcome of Lupuzor™ trial should generate significant upside for investors

Lupuzor™ is a potential novel treatment for lupus, a life threatening auto-immune disease. Available drugs have either serious side effects or limited effectiveness whereas Lupuzor™ has shown the potential to halt the disease's progression in a substantial proportion of patients. The drug has been awarded the 'gold standard' by the US FDA of a special protocol assessment and fast track status due to its strong efficacy and safety profile. A successful outcome will open up significant opportunities for ImmuPharma with options including a global licensing deal, asset sale or taking the drug commercialisation with appropriate partners, whichever route is taken has the potential to generate significant shareholder value.

# The Lupus Market

There are an estimated five million people globally suffering from Lupus, with approximately 1.5 million patients in the US, Europe and Japan (Source: Lupus Foundation of America). Current 'standard of care' treatments, including steroids and immunosuppressants, can potentially have either serious side effects for patients or limited effectiveness, with over 60 per cent. of patients not adequately treated. GSK's Benlysta is the first Lupus drug approved in over 50 years and paves the path to market for Lupuzor™. Based on conservative estimates, and taking into account that Benlysta is priced currently at approximately $35,000 per patient per year, Lupuzor™ would be entering a market with the potential for multi-billion dollar sales.

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