

ImmuPharma

53.5p

Lupuzor™ development partner demonstrates strong validation of asset as it moves into Phase III trials

- ImmuPharma has announced that it has entered into a Collaboration Agreement with Simbec-Orion Group Limited for the execution of the pivotal Phase III clinical trials for Lupuzor™.

ImmuPharma is to start the Phase III trials with this well-regarded, full service, international Clinical Research Organisation (CRO). Simbec-Orion is to invest a significant proportion of its fee, approximately £1.35m, in ImmuPharma shares, buying approximately 900,000 new ordinary shares at a price of 150p, a premium of 206% to the closing mid-market price on 21 January 2015.

This is seen as a strong endorsement of the Lupuzor™ asset both in terms of its validity and its prospective valuation. Lupuzor™ has been granted an updated Special Protocol Assessment (SPA), which allows for a reduced number of patients in the trial, thus reducing its time and cost, and Fast Track status, by the FDA. The group has a strong cash position and shareholder backing, which was demonstrated by the £3.4m fundraising completed in October 2014. It is expecting to maintain a steady cash position throughout the duration of 2015. The £50m equity finance facility with Darwin Strategic also provides the group with further financial flexibility to assist the group through Phase III trials and potentially through to commercialisation. The group is now in a strong position to maximise the value of the Lupuzor™ asset which could provide significant upside for investors.

- ImmuPharma has also received advance assurance from HM Revenue and Customs that it would qualify for Enterprise Investment Scheme (EIS) status.

EIS offers a range of tax reliefs to investors who invest in qualifying companies. These tax reliefs should give ImmuPharma access to the broadest range of potential investors and investment funds.

- Lupuzor™ has a unique mechanism of action

Lupuzor™ has a unique mechanism of action that moderates the immune system without attacking healthy cells or causing side effects. The drug has a strong safety and efficacy profile which has received a number of strong endorsements relating to its mode of action compared to conventional treatment. ImmuPharma has already established a world class Scientific Advisory Board to provide guidance and support for the trials and has manufactured the drug product, which will allow for an expedient start to the trials.



TIDM	IMM
Market Cap (£m)	47.0
Net cash (£m)	4.2
Free float (%)	63.0
Avg daily volume (3m)	65k
Broker	Panmure Gordon
Listing	AIM

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	Sales (£m)	PBT (£m)	EPS (p)	Net Cash (£m)	P/E (x)	EV/EBITDA (x)	Yield (%)
FY13a	0.0	-4.4	-4.5	5.4	0.0	0.0	0.0
FY14e	0.0	-4.5	-4.8	4.2	0.0	0.0	0.0
FY15e	0.0	-4.5	-4.9	0.7	0.0	0.0	0.0

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■ Pivotal Phase III study is final step before filing for approval with the FDA

The Collaboration Agreement with Simbec-Orion and the CRO's reinvestment of a significant proportion of its fees back into ImmuPharma shares provides a strong validation for the Lupuzor™ asset both in terms of validity and prospective valuation. Simbec-Orion has significant experience in late stage clinical development and is a specialist in rare and orphan conditions. Importantly it has previous direct experience in Lupus trials.

This 52 week, multi-regional, pivotal study is designed to demonstrate the safety and efficacy of Lupuzor™ and is the final step before filing for approval with the FDA and the European Medicines Agency. The Phase III trials are pivotal for Lupuzor™ and, if successful, the drug has a multi-billion dollar sales potential in a market of unmet needs. In co-developing the asset with a CRO, ImmuPharma is well placed to maximise the value of the Lupuzor™ asset for shareholders either through finding a commercialisation partner to enable the Group to retain the asset in commercialisation or through a late stage licensing deal.

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