

Cash injection for ImmuPharma

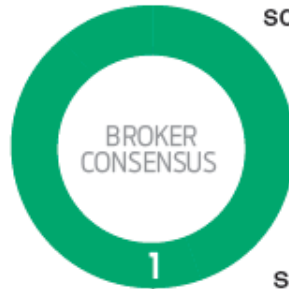
Bullish sign as directors back big fundraise to support important tests

MARK DUNNE

FIVE DIRECTORS OF drug developer ImmuPharma (IMM:AIM) have invested their own money as part of a wider £8.3 million fundraise to support clinical trials of its Lupuzor drug which aims to treat life threatening auto immune disease Lupus.

The chief executive, chairman, chief science officer (CSO) and two non-executive directors have agreed to buy a combined £355,000 worth of shares at 26p. The bulk of the money is being put forward by co-founder and CSO Robert Zimmer who will own just over 20% of the group following the placing, which is being put to a shareholder vote on 22 February.

Lupuzor, which ImmuPharma owns having not licensed it to a larger player, has been given fast track status by US regulator the Food & Drug Administration (FDA), which will hopefully speed up the decision on whether the treatment will be allowed to be sold in the US. The Fast Track



scheme has been designed to accelerate getting treatments to market where there is no effective treatment available.

The 10% discounted cash call does illustrate the dilution threat that is par for the close for shareholders in this type of pre-revenue biotech. Nor should it come as a surprise. Interim results to 30 June 2015 showed the company burning through £1.81 million of cash in the period, leaving £3.29 million on the books, but the accelerated trial process may have also increased cash consumption in the second half.

Results from Lupuzor's final clinical trial are due at the end of 2017. ImmuPharma has four other drugs in the pipeline, two technology platforms and around 70 patents.

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