

7 MARCH 2023

ORANO NUCLEAR COLLABORATION

Unexpected boost from radiopharmaceutical opportunity

Ticker IMM.L
Share price 2.5p
Market cap £8.3m
Net cash/(debt) £1.2m

Next event Final results

Share price performance 1 yr



Source: London Stock Exchange

Company Description

ImmuPharma is a UK-based biopharma company focused on the development of innovative drugs to treat serious medical conditions with high unmet medical need. The company has a US development and commercial deal with Avion Pharma for its most advanced product, Lupuzor, for the treatment of lupus.

Board & Management

CEO - Tim McCarthy
COO - Dr Tim Franklin
NED & Head of IR: - Lisa Baderoon
NED - Dr Sanjeev Pandya

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While the main focus of ImmuPharma is the development of Lupuzor™ for the treatment of systemic lupus erythematosus (SLE, or lupus) with Avion Pharmaceuticals (Avion), it also has a number of potential products lying dormant that were identified as part of its historical R&D activities. An approach by Orano Group (Orano), a leading international corporation in the field of nuclear energy, has led to a collaboration agreement, initially for 12 months, to identify dual-technology radiopharmaceuticals with potential to target cancer cells. The current market for therapeutic radiopharmaceuticals is estimated at \$600m, dominated by a single product. Any ImmuPharma-Orano product of a similar size in future would represent a significant unexpected bonus for ImmuPharma.

- **Initial collaboration:** An agreement has been signed to investigate the potential to combine the peptide technology of ImmuPharma with the nuclear technology of Orano to generate therapeutic radiopharmaceuticals for the treatment of cancer. ImmuPharma's team in Bordeaux (ImmuPharma Biotech) will collaborate with Orano and the Cancer Research Centre of Lyon (CRCL) to identify molecules that can carry a radioactive entity.
- **Next steps:** From historical research, ImmuPharma already has a number of potential drug candidates in its portfolio, which will be assessed over the next 12 months' by the combined team to identify molecules that can be linked to a radioisotope. Any potential new cancer therapeutic will be subject to a full licensing agreement between ImmuPharma and Orano in preparation for further development by Orano.
- **Therapeutic radiopharmaceuticals:** Market expectations for radiopharmaceutical growth prospects are high, but the vast majority of this market is for diagnostics. The current market for therapeutic radiopharmaceuticals is estimated to be ca.\$600m, with this figure dominated by one product – Lutathera for neuroendocrine tumours – with 2022 sales of \$471m, highlighting the opportunity for a successful outcome from this collaboration.
- **Orano Group:** Based in France, Orano is a leading international nuclear energy group, with expertise across the whole spectrum of nuclear activity, from exploration to recycling. Orano Med is its medical subsidiary, focused on combining biotechnology and nuclear science to develop a new generation of targeted therapies against cancer using the unique properties of lead-212 (²¹²Pb).
- **Investment summary:** With ImmuPharma focusing all its efforts and cash resources on Lupuzor, this news was totally unexpected. The collaboration highlights a situation seen with many small companies whereby historical R&D activities have resulted in potential R&D opportunities that are lying dormant due to the need to focus resources. Anything arising from this collaboration would be a bonus for ImmuPharma and will carry minimal additional cost. Orano has paid a small upfront to and any suitable candidates will be subject to licensing agreements for further development by Orano.

Summary earnings outlook

Yr to December 31 (£m)	2019	2020	2021	2022E	2023E
Sales	0.08	0.13	0.12	-	-
R&D spend	(2.66)	(2.37)	(3.65)	(1.80)	(1.20)
EBITDA (adj)	(6.19)	(5.42)	(5.05)	(2.51)	(1.93)
EBIT (adj)	(6.28)	(5.59)	(5.16)	(2.62)	(2.04)
Pre-Tax Profit (adj)	(6.74)	(7.25)	(5.28)	(2.61)	(2.04)
Pre-Tax Profit (reported)	(6.74)	(7.25)	(8.94)	(3.49)	(2.04)
EPS (basic adj, p)	(3.99)	(3.43)	(1.80)	(0.75)	(0.54)
Net cash/(debt)	2.79	6.24	2.16	1.43	0.25

Source: Company data, Stanford Capital Partners estimates.

COMPANY INFORMATION

Country of Incorporation: England and Wales

Company Registration Number: 3929567

Main Country of Operation: France

Registered Office: One Bartholomew Close, London, EC1A 7BL, UK

Website: www.ImmuPharma.co.uk

BOARD OF DIRECTORS & SENIOR MANAGEMENT

BOARD OF DIRECTORS

Chief Executive Officer	Tim McCarthy
Chief Operating Officer	Dr Tim Franklin
Head of IR and NED	Lisa Baderon
Senior independent NED	Dr Sanjeev Pandya

Source: Company data, Stanford Capital Partners estimates.

ImmuPharma obtains its scientific expertise through its close relationship with senior scientists based at CNRS in Strasbourg, Bordeaux and Paris.

SCIENTIFIC TEAM

Professor Sylviane Muller*	Research Director at CNRS
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*Co-founder of ImmuPharma France

Source: Company data, Stanford Capital Partners estimates.

COMPANY ADVISORS

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NOMAD	SPARK Advisory Partners Limited
Joint Broker	Stanford Capital Partners Limited
Joint Broker	Si Capital Limited
Public and Investor Relations	investors@ImmuPharma.com
Solicitors	BDB Pitmans
Auditors	Evelyn Partners LLP (formerly Nexia Smith & Williamson)
Registrar	Computershare Investor Services PLC

Source: Company data, Stanford Capital Partners estimates.

SHARE CAPITAL

On 6 March 2023, there were 333,403,115 Ordinary shares of 10p nominal value in issue. In addition, there were 11.1m options (6.4m exercisable) and 146.32m warrants in issue.

MAJOR SHAREHOLDERS

Directors	2,722,425	0.82%
Lanstead Capital Investors LP	36,307,599	10.9%
Luca & Associates AG	22,000,000	6.6%
Alora Pharmaceuticals LLP (parent of Avion)	10,909,091	3.3%

Source: Company reports.

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