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ImmuPharma PLC
("ImmuPharma" or the "Company")

INTERIM RESULTS ANNOUNCEMENT
for the six months ended 30 June 2019

ImmuPharma PLC (LSE:IMM), ("ImmuPharma" or the "Company"), the specialist drug discovery and development company, is pleased to announce its interim results for the six months ended 30 June 2019 (the "Period").

Key Highlights (including post Period review)

Financials

- Stable financial performance over the Period
  - Cash balance of £2.3 million as at 30 June 2019 (31 December 2018: £4.9 million)
  - Derivative financial asset of £1.9 million as at 30 June 2019 (31 December 2018: nil)
  - Loss for the period of £3.9 million (30 June 2018: £4.1 million)
  - Research and development expenses of £1.4 million (30 June 2018: £2.5 million)
  - Basic and diluted loss per share of 2.80p (30 June 2018: 2.94p)
  - Subscription agreement with Lanstead Capital Investors LP raising approximately £2.66 million
    - Lanstead retains a holding of over 16% in ImmuPharma

Lupuzor™

- Open label extension study – Following the completion of Lupuzor™'s Phase III clinical trial in January 2019, ImmuPharma undertook an open label extension study. Analysis of results from Lupuzor's™ 'extension' open label study were announced on 28 June 2019
  - 62 eligible patients enrolled throughout the US and Europe completing a 24-week treatment period
  - Primary endpoint successfully achieved confirming the safety profile of Lupuzor™
  - No 'serious adverse events' related to Lupuzor™ reported
  - Insights into the Phase III data allow an optimised Lupuzor™ phase III design to progress
- Exploration within the P140 platform for different auto-immune indications outside of lupus continues

Other program developments

- Within our two further platforms, Ureka Sarl (Peptide) and Elro Pharma (Nucant) , ImmuPharma continues to explore options to license, divest or 'spin-off' the technologies to unlock future potential and enhance value to shareholders
- The peer reviewed research journal 'Nature Communications' paper published on the proprietary technology Urelix™ from Ureka - Superior GLP-1 analogues pave way for peptide types across many therapy areas
- Negotiations with Incanthera Limited on the Nucant cancer programme and broader collaboration discussions terminated - ImmuPharma retains a 15% shareholding in Incanthera

Industry reports

- The Life Sciences Division published an initiation research note on ImmuPharma in May 2019

Commenting on the statement and outlook Tim McCarthy, Chairman, said: *"With further analysis gained from our Phase III results, together with our extension study successfully meeting its endpoint confirming its safety profile, we are focused on progressing Lupuzor™ into a further Phase III trial. Our plans to create further shareholder value within our Peptide Platform (Ureka) and Nucant (Elro Pharma) continue. We look forward to reporting on these developments. We would also like to take this opportunity to thank our shareholders, scientific advisors, corporate collaborators and the CNRS."*

This announcement contains inside information for the purposes of Article 7 of Regulation (EU) 596/2014. ("MAR")

For further information please contact:

ImmuPharma PLC (www.immupharma.com)	+ 44 (0) 207 152 4080
Tim McCarthy, Chairman	
Dimitri Dimitriou, Chief Executive Officer	
Lisa Baderoon, Head of Investor Relations	+ 44 (0) 7721 413496
SPARK Advisory Partners Limited (NOMAD)	+44 (0) 203 368 8974
Neil Baldwin	
Vassil Kirtchev	
Stanford Capital Partners (Joint Broker)	+44 (0) 203 815 8880
Patrick Claridge, John Howes	
SI Capital (Joint Broker)	+44 (0) 1483 413500
Nick Emerson	

ImmuPharma plc
Chairman's Statement

INTERIM HIGHLIGHTS

The first half of 2019 saw a number of developments for ImmuPharma including the announcement of results for the open label extension study for Lupuzor™.

On 26 June 2019, the Company announced that it entered into a subscription agreement with Lanstead Capital Investors LP ('Lanstead'), an institutional investor, together with a sharing agreement, raising approximately £2.66 million.

Lupuzor™ Phase III open label extension results and next steps

Following on from Lupuzor™'s pivotal Phase III trial that was completed in 2018, in June 2019, the Company announced the results of Lupuzor™'s open label extension study. There were 62 patients enrolled in the study throughout the US and Europe who completed a 24-week treatment period. The primary endpoint was successfully achieved confirming the safety profile of Lupuzor™ with no serious adverse events reported. Insights provided by the study allow an optimised Lupuzor™ phase III design to progress.

The open label extension study followed the pivotal Phase III clinical trial for Lupuzor™, the results of which were announced in April 2018. The Phase III trial was a double-blind, randomised, placebo-controlled trial. The study involved patients being dosed for one year, receiving 0.2mg once per month subcutaneously. 293 patients were screened illustrating the demand from physicians for a new, safe and effective treatment for lupus. Of these, the required 202 patients were successfully recruited and randomised (dosed). Patients participated in the trial in 7 countries across 28 sites.

The clinical trial was undertaken primarily by Simbec-Orion, an international clinical research organisation, who specialises in rare and orphan conditions and has previous direct experience in lupus trials. This was a pivotal study designed to demonstrate the safety and efficacy of Lupuzor™.

Lupuzor™ demonstrated a superior response rate over placebo (52.5% vs 44.6% "responders") in the primary analysis on the Full Analysis Set of all 202 patients. However, due to the high response rate in the placebo group, this superior response did not allow statistical significance to be reached ($p = 0.2631$) and the trial's primary end point was not met.

Across the whole study population, in those patients who had anti-dsDNA autoantibodies, Lupuzor™ demonstrated a superior response rate over placebo (61.5% vs 47.3%, $p = 0.0967$). Although these results were not statistically significant, further data analysis demonstrated that in the Europe cohort (130 patients) Lupuzor™ plus standard of care showed statistically significant reductions in disease activity compared to placebo plus standard of care in 79 patients who were anti-dsDNA autoantibody positive (71.1% vs 48.8%, $p = 0.0218$).

The study confirmed the outstanding safety profile of Lupuzor™, with no serious adverse events reported.

Scientific literature indicates that approximately 60% - 70% of patients diagnosed for lupus are anti-dsDNA autoantibody positive. These proportions were seen in the Europe cohort (60.8% of patients) and could therefore be considered as representative of the overall lupus population.

In those patients who were anti-dsDNA autoantibody negative, there was almost no difference in disease activity reduction between the active group and the comparator group. Anti-dsDNA autoantibodies are a recognised biomarker for Systemic Lupus Erythematosus.

This finding indicates that the activity of Lupuzor™ could be correlated with the presence of anti-dsDNA autoantibodies in lupus patients. ImmuPharma believes that predictive biomarkers, such as anti-dsDNA autoantibodies, could allow identification of patients that are more likely to respond positively to treatment with Lupuzor™.

Lupuzor™ next steps

ImmuPharma believes there are still a number of pathways to market for Lupuzor™ and, as such, continues to consult with regulatory advisors on these activities. The prime objective of any strategy would be to maximise shareholder return.

ImmuPharma also maintains a focus on exploring opportunities within the P140 platform for different auto-immune indications outside of lupus, based on encouraging pre-clinical data.

ImmuPharma has also taken steps toward the implementation of a Managed Access Program for Lupuzor™. Recognising that lupus is a disease with significant unmet medical need and given the advanced level of clinical trial investigation completed, ImmuPharma would like to meet demand for access to Lupuzor™ through clinicians. These plans have been postponed while alternative options are explored.

Ureka

The Group's subsidiary Ureka sarl ('Ureka') has been developing lead compounds from its novel and patented peptide technology platform Urelix™. Ureka is based at the Institut Europeen de Chimnie et Biologie (IECB) in Bordeaux, France which is under the joint authority of the CNRS, Inserm and the University of Bordeaux.

Urelix™ is focusing on oligourea foldamers as a tool to improve the pharmaceutical properties of peptides. One of the first focus areas of Ureka has been GLP-1 analogues for the treatment of Type II diabetes and NASH (Non-Alcoholic-Steato-Hepatitis) as proof of concept for its technology. In February 2019, the peer reviewed scientific research journal 'Nature Communications' published a paper on Ureka's technology.

As announced in May 2019, the Company is pursuing plans to combine the Ureka and Elro subsidiaries. The intention is to maximise value from the combined entity whilst retaining an interest in any future commercial success.

Nucant Platform

A number of options have been under review to develop the Company's Nucant cancer programme.

In September 2018, the Company signed a Heads of Terms agreement with Incanthera ("Incanthera") regarding a potential collaboration on the Nucant program. At the same time, ImmuPharma invested £2 million to purchase 363,637 shares at £5.50 per share in Incanthera and received warrants for a further 363,637 shares at £5.50. In May 2019, following a period of wide-ranging discussions, ImmuPharma announced that discussions regarding a clinical development collaboration with Incanthera Limited had ceased. The Company continues to be supportive of Incanthera and retains a 15% shareholding.

Following a review of options for progressing this program, ImmuPharma is pursuing a strategy to combine Elro with the Group's Ureka subsidiary.

Lanstead Capital Subscription

On 26 June 2019, the Company announced that it entered into a subscription agreement with Lanstead Capital Investors LP ("Lanstead"), an institutional investor, together with a related sharing agreement ("Sharing Agreement"), raising approximately £2.66 million. Lanstead subscribed for 26,565,200 new ordinary shares of 10 pence each in the Company at an issue price of 10 pence per Subscription Share to raise gross proceeds of approximately £2.66 million, representing approximately 19% of the Company's existing share capital (the "Subscription"). The subscription represents a further supportive investment in the Company by Lanstead following the £4.43 million investment in February 2016, from which the Company ultimately received just over £5.0 million from Lanstead including the additional funds received through the Sharing Agreement over time.

The £2.66 million gross proceeds of the Subscription were pledged by the Company pursuant to the Sharing Agreement with Lanstead. The Sharing Agreement, details of which are contained in the Notes to the Interim Accounts, entitles the Company to receive back those proceeds on a *pro rata* monthly basis over a period of 24 months, structured to commence two months following the admission to AIM of the Subscription Shares, subject to adjustment upwards or downwards each month depending on the Company's share price at the time. The Sharing Agreement provides the opportunity for the Company to benefit from positive future share price performance.

The Company also agreed to issue Lanstead 1,328,290 ordinary shares in connection with entering into the Sharing Agreement.

Financial Review

ImmuPharma's cash balance at 30 June 2019 was £2.3 million (£4.9 million at 31 December 2018, £9.0 million at 30 June 2018). As a result of the Lanstead Subscription and Sharing Agreement, the Company had a derivative financial asset of £1.9 million at 30 June 2019 (30 June 2018: £nil). Basic and diluted loss per share were 2.80p and 2.80p respectively (30 June 2018: 2.94p and 2.94p). In line with the Company's current policy, no interim dividend is proposed.

Operating loss for the Period was £3.3 million (£4.1 million for the six months ended 30 June 2018). Research and development expenditure in the Period was £1.4 million (£2.5 million for the six months ended 30 June 2018) reflecting primarily the expenditure related to the Lupuzor™ Phase III clinical trial. Administrative expenses were £0.9 million during the Period (£1.0 million for the six months ended 30 June 2018). The share based expense was £1.0 million (£0.8 million for the six months ended 30 June 2018). Finance costs for the Period were £842k (£29k for the six months ended 30 June 2018). This primarily arose due to the calculation of fair value of the Lanstead Sharing Agreement based on the Company's share price at 30 June 2019. The restatement to fair value will be calculated at the end of each accounting period during the course of the Sharing Agreement and will vary according to the Company's share price performance.

Given the stage of ImmuPharma's development, the fact that losses have continued to be made is to be expected since there is minimal revenue and business activity is concerned with significant investment in the form of clinical development expenditure, in addition to maintaining the infrastructure of the Company.

Current Activities and Outlook

The Board has been focused on delivering a business strategy which provides the optimum route forward for ImmuPharma and its shareholders, based on its current assets, resources and knowhow. In the medium term, we remain focussed on achieving the full regulatory approval of Lupuzor™ which we believe has the potential to be a ground breaking drug for lupus patients with blockbuster potential in commercial terms.

Our Ureka subsidiary and Nucant programme have been part of our portfolio for a number of years. We are equally excited by the potential of both. We believe the strategy we are pursuing with the merger of Ureka and Elro will create enhanced value for shareholders going forward.

The Board would like to thank its shareholders for their support as well as its staff, corporate and scientific advisers including Simbec-Orion and the CNRS (Centre Nationale de la Recherche Scientifique) for their continued collaboration.

Tim McCarthy
Chairman

ImmuPharma plc

CONSOLIDATED INCOME STATEMENT
FOR THE PERIOD ENDED 30 JUNE 2019

	Note	Unaudited 6 months ended 30 June 2019 £	Audited Year ended 31 December 2018 £	Unaudited 6 months ended 30 June 2018 £
Continuing operations				
Revenue	1	11,737	81,281	73,392
Research and development expenses		(1,362,933)	(4,697,284)	(2,455,490)
Administrative expenses		(931,761)	(1,660,408)	(992,085)
Share based expense		(1,005,101)	(1,803,769)	(775,135)
Operating loss		(3,288,058)	(8,080,180)	(4,149,318)
Finance costs	4	(842,293)	(4,783)	(29,425)
Finance income		4,257	129,808	6,077
Loss before taxation		(4,126,094)	(7,955,155)	(4,172,666)
Tax		225,250	748,606	110,237
Loss for the period		(3,900,844)	(7,206,549)	(4,062,429)
Attributable to:				
Equity holders of the parent company		(3,900,844)	(7,206,549)	(4,062,429)
Loss per ordinary share				
Basic and diluted	2	(2.80)p	(5.19)p	(2.94)p

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2019

	Unaudited 6 months ended 30 June 2019 £	Audited Year ended 31 December 2018 £	Unaudited 6 months ended 30 June 2018 £
Loss for the financial period	(3,900,844)	(7,206,549)	(4,062,429)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations	75,594	(88,256)	29,459
Total items that may be reclassified subsequently to profit or loss	75,594	(88,256)	29,459
Other comprehensive income/(loss) for the period	75,594	(88,256)	29,459
Total comprehensive loss for the period	(3,825,250)	(7,294,805)	(4,032,970)

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019

	Note	Unaudited 30 June 2019 £	Audited 31 December 2018 £	Unaudited 30 June 2018 £
Non-current assets				
Intangible assets		500,077	483,039	481,667
Property, plant and equipment		133,714	164,661	120,675
Financial asset		2,000,000	2,000,000	-
Derivative financial asset	4	1,014,592	-	-
Total non-current assets		3,648,383	2,647,700	602,342
Current assets				
Trade and other receivables		257,216	331,487	1,174,720
Cash and cash equivalents		2,258,951	4,911,448	9,015,630
Current tax asset		978,921	767,121	-
Derivative financial asset		857,298	-	-
Total current assets		4,352,386	6,010,056	10,190,350
Current liabilities				
Financial liabilities – borrowings		(96,961)	(98,340)	(138,214)
Trade and other payables		(444,398)	(913,907)	(737,035)
Total current liabilities		(541,359)	(1,012,247)	(875,249)
Net current assets		3,811,027	4,997,809	9,315,101
Non-current liabilities				
Financial liabilities - borrowings		-	(22,470)	(61,209)
Net assets		7,459,410	7,623,039	9,856,234
EQUITY				
Ordinary shares		13,946,744	13,946,744	13,946,744
Share premium		27,320,145	27,320,145	27,320,143
Merger reserve		106,148	106,148	106,148
Other reserves		2,745,217	(991,998)	(1,902,921)
Retained earnings		(36,658,844)	(32,758,000)	(29,613,880)
Total equity		7,459,410	7,623,039	9,856,234

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2019

	Share capital £	Share premium £	Merger reserve £	Other reserves - Acquisition reserve £	Other reserves - Translation Reserve £	Other reserves - Equity shares to be issued £	Other reserves- New equity shares to be issued £	Retained Earnings £	Total equity £
At 1 January 2018	13,252,299	18,728,519	106,148	(3,541,203)	(1,701,241)	2,281,427	-	(25,551,451)	3,574,498
Loss for the financial period	-	-	-	-	-	-	-	(4,062,429)	(4,062,429)
Exchange differences on translation of foreign operations	-	-	-	-	29,459	-	-	-	29,459
New issue of equity capital	694,445	9,305,555	-	-	-	-	-	-	10,000,000
Cost of new issue of equity capital	-	(713,931)	-	-	-	-	-	-	(713,931)
Share based payments	-	-	-	-	-	1,028,637	-	-	1,028,637
At 30 June 2018	13,946,744	27,320,143	106,148	(3,541,203)	(1,671,782)	3,310,064	-	(29,613,880)	9,856,234
At 1 January 2018	13,252,299	18,728,519	106,148	(3,541,203)	(1,701,241)	2,281,427	-	(25,551,451)	3,574,498
Loss for the financial year	-	-	-	-	-	-	-	(7,206,549)	(7,206,549)
Exchange differences on translation of foreign operations	-	-	-	-	(88,256)	-	-	-	(88,256)
Transactions with owners: Share based payments	-	-	-	-	-	2,057,275	-	-	2,057,275
New issue of equity capital	694,445	9,305,555	-	-	-	-	-	-	(10,000,000)
Cost of new issue of equity capital	-	(713,929)	-	-	-	-	-	-	(713,929)
At 31 December 2018 & 1 January 2019	13,946,744	27,320,145	106,148	(3,541,203)	(1,789,497)	4,338,702	-	(32,758,000)	7,623,039
Loss for the financial period	-	-	-	-	-	-	-	(3,900,844)	(3,900,844)
Exchange differences on translation of foreign operations	-	-	-	-	75,594	-	-	-	75,594
Transactions with owners: Share based payments	-	-	-	-	-	1,005,101	-	-	1,005,101
New shares to be issued	-	-	-	-	-	-	2,656,520	-	2,656,520
At 30 June 2019	13,946,744	27,320,145	106,148	(3,541,203)	(1,713,903)	5,343,803	2,656,520	(36,658,844)	7,549,410
Attributable to:-									
Equity holders of the parent company	13,946,744	27,320,145	106,148	(3,541,203)	(1,713,903)	5,343,803	2,656,520	(36,658,844)	7,549,410

ImmuPharma plc

CONSOLIDATED STATEMENT OF CASHFLOWS FOR THE PERIOD ENDED 30 JUNE 2019

	Note	Unaudited 6 months ended 30 June 2019 £	Audited Year ended 31 December 2018 £	Unaudited 6 months ended 30 June 2018 £
Cash flows from operating activities				
Cash used in operations	3	(2,687,173)	(5,606,138)	(3,150,500)
Tax		-	889,787	213,724
Interest paid		(1,581)	(4,783)	(2,423)
Net cash used in operating activities		(2,688,754)	(4,721,134)	(2,939,199)
Investing activities				
Purchase of property, plant and equipment		(4,502)	(102,880)	(7,946)
Purchase of investments		-	(2,000,000)	-
Interest received		4,257	12,491	6,077
Net cash used in investing activities		(245)	(2,090,389)	(1,869)
Financing activities				
(Decrease)/increase in bank overdraft		(110)	(72)	(122)
Loan repayments		(23,739)	(138,809)	(58,615)
Gross proceeds from issue of new share capital		-	10,000,000	10,000,000
Share capital issue costs		-	(713,929)	(713,931)
Net cash generated from financing activities		(23,849)	9,147,190	9,227,332
Net increase in cash and cash equivalents		(2,712,848)	2,335,667	6,286,264
Cash and cash equivalents at start of period		4,911,448	2,729,468	2,729,468
Effects of exchange rates on cash and cash equivalents		60,351	(153,687)	(102)
Cash and cash equivalents at end of period		2,258,951	4,911,448	9,015,630

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NOTES TO THE CONSOLIDATED INTERIM ACCOUNTS FOR THE PERIOD ENDED 30 JUNE 2019

1 ACCOUNTING POLICIES

Basis of preparation

The interim financial information in this report has been prepared using accounting policies consistent with IFRS as adopted by the European Union. IFRS is subject to amendment and interpretation by the International Accounting Standards Board (IASB) and the IFRS Interpretations Committee and there is an ongoing process of review and endorsement by the European Commission. The financial information has been prepared on the basis of IFRS to be adopted by the European Union and applicable as at 31 December 2019. The Group has chosen not to adopt IAS 34 "Interim Financial Statements" in preparing the interim financial information.

The accounting policies applied are consistent with those that were applied to the financial statements for the year ending 31 December 2018, with the exception of IFRS 16 "Leases" which is a new standard applicable for the year ending 31 December 2019. The adoption of the new standard did not have a material impact on the interim financial information set out in this report.

Non-Statutory accounts

The financial information set out in this interim report does not constitute the Group's statutory accounts, within the meaning of Section 434 of the Companies Act 2006. The statutory accounts for the year ended 31 December 2018 have been filed with Registrar of Companies. The auditors reported on those accounts; their report was unqualified, did not contain a statement under either Section 498 (2) or Section 498 (3) of the Companies Act 2006 but did include an emphasis of matter paragraph relating to the uncertainty over the fair value of the investment in Incanthera Limited. The financial information for the 6 months ended 30 June 2019 and 30 June 2018 is unaudited.

Copies of this statement will be available on the Company's website – www.immupharma.com.

2 LOSS PER SHARE

	Unaudited 6 months ended 30 June 2019 £	Audited Year ended 31 December 2018 £	Unaudited 6 months ended 30 June 2018 £
Loss			
Loss for the purposes of basic and diluted loss per share being net loss attributable to equity shareholders	(3,900,844)	(7,206,549)	(4,062,429)
Number of shares			
Weighted average number of ordinary shares for the purposes of basic loss per share	139,467,430	138,839,576	138,201,316
Basic loss per share	(2.80)p	(5.19)p	(2.94)p
Diluted loss per share	(2.80)p	(5.19)p	(2.94)p

There is no difference between basic loss per share and diluted loss per share as the share options and warrants are anti-dilutive.

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NOTES TO THE CONSOLIDATED INTERIM ACCOUNTS FOR THE PERIOD ENDED 30 JUNE 2019

(Continued)

3 CASH USED IN OPERATIONS

	Unaudited 6 months ended 30 June 2019 £	Audited Year ended 31 December 2018 £	Unaudited 6 months ended 30 June 2018 £
Operating loss	(3,288,058)	(8,080,180)	(4,149,318)
Depreciation & amortisation	50,946	133,080	81,424
Share based payments	1,005,101	2,057,275	1,028,637
Decrease in trade & other receivables	72,517	404,725	358,921
(Decrease)/increase in trade & other payables	(469,509)	15,151	(189,656)
(Decrease)/increase in provisions	-	(253,506)	(253,506)
Gain/(loss) on foreign exchange	(58,170)	117,317	(27,002)
Cash used in operations	(2,687,173)	(5,606,138)	(3,150,500)

ImmuPharma plc

NOTES TO THE CONSOLIDATED INTERIM ACCOUNTS FOR THE PERIOD ENDED 30 JUNE 2019

(Continued)

4 DERIVATIVE FINANCIAL ASSET

In June 2019, as part of a placing that raised, in aggregate, £2.66 million (before expenses) from new and existing shareholders, the Company issued 26,565,200 new ordinary shares to Lanstead Capital LP ('Lanstead') at a price of 10p per share for £2.66 million. All of the shares with full voting rights were allotted to Lanstead on 2 July 2019. The Company simultaneously entered into a Sharing Agreement with Lanstead for 100% of these shares with a reference price of 13.33p per share. The Sharing Agreement is for a 24 month period. The actual consideration is variable depending upon the Company's share price. The Sharing Agreement is treated as a derivative financial asset and valued at fair value through the income statement with reference to the Company's share price as at the end of the accounting period.

On 2 July 2019, the Company also issued, in aggregate, a further 1,328,290 new ordinary shares to Lanstead as a value payment in connection with the Share Subscription and the Sharing Agreement.

At the end of the accounting period the amount receivable is restated to fair value based upon the share price of the Company at that date. Any change in the fair value of the derivative financial asset is reflected in the income statement. As at 30 June 2019, the Company completed a calculation of fair value of the derivative financial asset that resulted in a finance loss of £785k which was recorded in the income statement. The restatement to fair value will be calculated at the end of each accounting period during the course of the Sharing Agreement and will vary according to the Company's share price performance.