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

FINAL RESULTS ANNOUNCEMENT
for the twelve months ended 31 December 2020

ImmuPharma PLC (LSE:IMM), **(Euronext Growth Brussels: ALIMM)**, ("ImmuPharma" or the "Company"), the specialist drug discovery and development company, is pleased to announce its final results for the twelve months ended 31 December 2020 (the "Period").

Key Highlights (including post Period review)

- Stable financial performance over the Period
  - Cash balance of £5.9m (31 December 2019: £1.4m)
  - Derivative financial asset of £1.2m (31 December 2019: £2.3m)
  - Incanthera financial asset of £1.8m (£0.7m at 31 December 2019) and warrants financial asset of £0.6m (£Nil at 31 December 2019)
  - Convertible loan notes of £0.6m (£Nil at 31 December 2019)
  - Loss for the period of £6.9m (31 December 2019: £6.1m)
  - Research and development expenses of £2.4m (31 December 2019: £2.7m)
  - Administrative expenses of £1.8m (31 December 2019: £1.8m)
  - Share based expense of £1.6m (31 December 2019: £2m)
  - Finance cost of £1.7m (31 December 2019: £0.5m) due to loss on derivative financial asset
  - Basic and diluted loss per share of 3.43p (31 December 2019: 3.99p)
  - £1.5m subscription agreement through the issue of 15,000,000 new ordinary shares - March 2020
  - Funds raised from US healthcare investors of £2.4m/$3m (face value) - June 2020
  - US healthcare investors converted part of their loans into equity, resulting in 7,437,226 ordinary shares issued in 2020
  - Placing of new ordinary shares of £6.5m (gross) – September 2020

'Autoimmunity': Lupuzor™

- Licence and development agreement with Avion Pharmaceuticals progress:
  - Avion has had a number of progressive discussions with the FDA over 2020 culminating in a Type 'A' meeting on 4 December 2020
  - Based on positive guidance and feedback from FDA there is now a clear regulatory pathway to commence the Phase III trial in H2 2021
  - Avion and ImmuPharma will develop and validate a bioanalytical assay in order to confirm the unique pharmacokinetic profile of Lupuzor™, prior to the commencement of the Phase III study
  - Final guidance meeting between Avion and the FDA anticipated in Q2 2021
  - Discussions continue with potential partners for Lupuzor™ outside of US in key territories
- Proof of Concept study planned for Lupuzor™ in CIDP patients – potential Orphan Drug designation

Other program developments through Ureka Pharma SAS

- Three therapy areas: Anti-Infectives, Metabolism and Cancer - these programs include:
  - Anti-Infective: BioAMB (Anti-Fungal) - lead optimisation completion
  - Metabolism: BioGlucagon - rescue therapy for low sugar events in diabetes
  - Cancer: Nucant, IPP-204106
  - All programs provide potential future partnering opportunities

Incanthera plc, oncology specialist where ImmuPharma retains 13.37% shareholding

- Listed on Aquis Stock Exchange in February 2020
- Successful study results for 'Sol', its skin cancer technology and positive data from Sensitisation study

Audited Annual Report and Accounts

- The Annual Report for the year ended 31 December 2020, will today be published on the Company's website. Copies of this Report, including the Notice of Annual General Meeting, will be posted to shareholders in the near future. To view the Report please go to: www.immupharma.co.uk.

Commenting on the statement and outlook Tim McCarthy, Chairman, said: *"Despite the continuing disruption of the Covid -19 pandemic, we remain focused, in collaboration with our partner Avion, on expediting Lupuzor™ into a new optimised, international Phase III study in Lupus patients in H2 2021. The most recent positive feedback from the FDA confirms our envisaged roadmap forward.*

"In parallel, we continue to progress our other R&D programs which includes our anti-fungal BioAMB therapy, which has the potential of progressing quickly through initial bio-equivalence trials. Discussions for potential partnering opportunities are continuing. These initiatives create further opportunities in the medium to long term.

"In response to strong investor interest last year, we were delighted to welcome new and returning institutional and private investors as part of three successful capital raisings. This has created a robust financial position with an anticipated cash runway until the end of 2023.

"As we move our key asset, Lupuzor™ into a new international optimised Phase III trial and continue to progress our development pipeline, the investment thesis of ImmuPharma continues to strengthen and we look forward to providing further value enhancing progress updates over the next period to create long term shareholder value for our shareholders.

"Finally, the Board would like to take this opportunity to thank its shareholders, new and longstanding, for their continued support as well as its staff, corporate and scientific advisers and our partners including, CNRS and Avion."

Market Abuse Regulation (MAR) Disclosure

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION AS STIPULATED UNDER THE UK VERSION OF THE MARKET ABUSE REGULATION NO 596/2014 WHICH IS PART OF ENGLISH LAW BY VIRTUE OF THE EUROPEAN (WITHDRAWAL) ACT 2018, AS AMENDED. ON PUBLICATION OF THIS ANNOUNCEMENT VIA A REGULATORY INFORMATION SERVICE, THIS INFORMATION IS CONSIDERED TO BE IN THE PUBLIC DOMAIN.

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	
Stanford Capital Partners (Joint Broker)	+44 (0) 203 815 8880
Patrick Claridge, John Howes	
SI Capital (Joint Broker)	+44 (0) 1483 413500
Nick Emerson	
4Reliance (Euronext Growth Listing Sponsor)	+32 (0) 2 747 02 60
Jean-Charles Snoy	
Degroof Petercam (Liquidity Provider)	+32 (0) 2 287 95 34
Erik De Clippel	
Backstage Communication	
Olivier Duquaine	+32 (0) 477 504 784
Gunther De Backer	+32 (0) 475 903 909

ImmuPharma plc

Chairman's Report

The first half of 2020 saw a number of key developments for ImmuPharma, despite the disruptions caused by the Covid-19 global pandemic. These included progress within our flagship Lupuzor™ program, expansion of the R&D pipeline, particularly within our peptide platform technologies and securing strategic investments.

During the second half of 2020, ImmuPharma successfully raised, in response to investor demand, additional funding of £6.5m (gross), bringing the total funds raised for the year to £10.2m (gross). Additionally, ImmuPharma obtained further clarity regarding the Phase III clinical trial for Lupuzor™, working alongside its partner, Avion Pharmaceuticals. In parallel, outside of the US, ImmuPharma continued to explore opportunities with other potential commercial partners for Lupuzor™ and also within the Company's extended pipeline.

Lupuzor™ – Opportunity and next steps

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 efficacy, with over 60 per cent of patients not adequately treated.

ImmuPharma believes Lupuzor™ has the potential to be a novel specific drug therapy for the treatment of Lupus by specifically modulating the immune system and halting disease progression in a substantial proportion of patients.

Lupuzor™ has a unique mechanism of action that modulates the activity of CD4 T-cells which are involved in the cell-mediated immune response which leads to the lupus disease. Lupuzor™, taken over the long term, as indicated in earlier stage clinical trials, has the potential to prevent the progression of lupus rather than just treating its symptoms, with the rest of the immune system retaining the ability to work normally.

The Board is confident that there are a number of routes to market for Lupuzor™, including corporate collaborations. Such a collaboration was successfully completed at the end of November 2019, resulting in a signed exclusive Trademark, License and Development Agreement with Avion Pharmaceuticals LLC ("Avion") in the US. Positive discussions with a number of potential commercial partners for Lupuzor™ in key territories outside of the US are continuing.

Lupuzor™ and Avion Pharmaceuticals

On 28 November 2019, ImmuPharma and Avion Pharmaceuticals ("Avion") signed an exclusive Trademark, License and Development Agreement for Lupuzor™, with Avion agreeing to fund a new international Phase III trial and commercialising Lupuzor™ in the US. Since then, both companies have been working closely on the clinical trial design and strategy, bolstered by consultation with an eminent group of key opinion leaders. This tripartite Phase III protocol development approach provided thorough and detailed support for developing the most relevant clinical trial for Lupuzor™ in systemic lupus erythematosus ("SLE") patients. Data and results from the first Phase III clinical study were analysed and considered in detail and, as a result, a new optimised international Phase III study protocol has been finalised.

Regulatory progress was announced in November 2020, whereby the FDA offered to accept submission for a Type 'A' Meeting Request, following which Avion submitted a full dossier on 6 November 2020 through the FDA Type 'A' route.

On 9 February 2021 ImmuPharma provided a progress update to the market in respect to the feedback post the 'Type A' meeting between the FDA and Avion. Based on the positive guidance and feedback from FDA, it was confirmed that there is now a clear regulatory pathway to commence the Phase III trial in H2 2021, fully funded by Avion, estimated to be around $25 million investment. As part of this feedback, Avion and ImmuPharma will develop and validate a bioanalytical assay in order to confirm the unique pharmacokinetic profile of Lupuzor™, prior to the commencement of the Phase III study. This will be presented at the final guidance meeting between Avion and the FDA currently scheduled for Q2 2021 as well as confirming the previously submitted data on study design, clinical end points and the pathway to approval.

Meanwhile, ImmuPharma has initiated the production of a new batch of Lupuzor™ clinical trial material specifically for the Phase III trial and it can be confirmed that this will be ready for the start of the trial.

Centre National de la Recherche Scientifique (CNRS)

ImmuPharma continues to have important collaboration arrangements with the Centre National de la Recherche Scientifique ("CNRS"), the French National Council for Scientific Research and the largest basic research organisation in Europe. This is where Lupuzor™ was invented by Prof. Sylviane Muller, former Research Director at the CNRS. Through this partnership, the CNRS will be entitled to receive from ImmuPharma, low double-digit royalty payments of funds received by ImmuPharma from Avion through the Licence and Development Agreement.

Pipeline Overview

ImmuPharma's pipeline includes novel peptide-based therapeutics within four therapy areas: Autoimmunity; Anti-Infectives; Metabolism and Cancer.

Autoimmunity / Lupuzor™ / Forigerimod / P140 Platform

Lupuzor™, is also known by its chemical name *'Forigerimod' or 'P140'*. Outside of Lupuzor™ for lupus, ImmuPharma is exploring opportunities of expanding into other autoimmune indications that are directly linked to Lupuzor's™' unique mechanism of action, chaperone mediated autophagy (CMA). The first example of CMA action has been demonstrated in lupus with an excellent safety profile.

Certain autoimmune indications, outside of lupus, have the potential for Orphan Drug designation. One disease of key interest to ImmuPharma's team is Chronic Inflammatory Demyelinating Polyneuropathy ("CIDP"). CIDP is a neurological disorder targeting the body's nerves. Further assessment continues with the objective of moving CIDP forward into a Proof of Concept study, based on the strong data already gained within ImmuPharma's lupus dossier.

Elro and Ureka combined to form Ureka Pharma SAS

On 1 January 2020, the Company combined its two subsidiaries, Ureka Pharma SAS ('Ureka') and Elro Pharma SARL ('Elro') into one entity Ureka Pharma SAS ("Ureka Pharma"). The intention was to maximise value from the combined entity through scale and synergies, whilst retaining an interest in any future commercial success. There are three therapy areas within Ureka: Anti-Infectives, Metabolism and Cancer.

Anti-Infectives

ImmuPharma has started exploring opportunities in research and development of anti-fungal and anti-viral programs.

Within anti-fungal, ImmuPharma has developed BioAMB, a novel peptide-based drug that offers a potential improvement on Amphotericin-B ("AMB"). AMB is one of the few effective treatments for many serious and life-threatening fungal infections (aspergillosis) caused by the aspergillus family of fungi.

Although highly effective against aspergillus, the existing AMB products are reserved for use after the azole (synthetic) class of drugs due to their poor safety and tolerability profile. The leading AMB, 'Ambisome' is known to cause serious kidney toxicity in 14-15% of patients. ImmuPharma's BioAMB target profile is to achieve a superior safety and tolerability profile compared to Ambisome.

Sales of Ambisome in 2020 were $436 million. The next step for ImmuPharma is to progress the lead optimised candidate through the relevant pre-clinical safety and efficacy studies in animals in comparison to existing AMB products. Following this, there is potential to go immediately into a bioequivalence study in humans and submission for marketing approval. Discussions for potential partnering opportunities continue.

Within anti-viral, we have been investigating the application of the Ureka peptide technologies, which suggests the potential to create effective anti-fusion peptides with the goal to prevent virus entry into the host cells, which may lead to novel peptide based anti-viral therapies. Further exploratory work continues on this program.

Metabolism | 'BioGlucagon'

BioGlucagon, is a potential new rescue therapy for low sugar events in diabetes. Existing glucagon products have poor solubility and are inconvenient with variable dosing due to poor solubility creating risks for patients. BioGlucagon has 100% solubility, can be formulated in pre-filled syringe pens and could be used in insulin pumps. The next step is opening up partnering discussions.

Metabolism & Urelix™ technology

This therapy area has been developing lead compounds from its novel and patented peptide technology platform Urelix™. The laboratories are based at the Institut Europeen de Chimie 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 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. This proof of technical capability was published in Nature Communications in 2019.

Further applications of the Urelix™ technology include protein/protein interactions, notably in cancer, and improvement of marketed efficacious peptides allowing additional long lasting patent protection, paving the way for a life cycle management franchise.

Cancer

ImmuPharma's Nucant cancer program, IPP-204106, is focused on combination cancer therapy approaches. The molecule has also shown promising results in ophthalmology (age-related macular degeneration) models. Partnering discussions will be explored.

Capital Subscription

On 30 March 2020 ImmuPharma announced subscriptions to raise £1.5 million (the "Subscriptions") through the issue of 15,000,000 new ordinary shares of 10 pence each in ImmuPharma ("Ordinary Shares") (the "Subscription Shares") at a price of 10p per Ordinary Share ("Issue Price").

The Subscriptions comprised a £200,000 subscription from Dr Robert Zimmer, (Director, President & Chief Scientific Officer of ImmuPharma) through Luca and Associates AG ("Luca") (a company to which he is connected) and a further £1.3 million subscription with Lanstead Capital Investors LP ("Lanstead"), an institutional investor and substantial shareholder, together with a related Sharing Agreement, to raise in aggregate £1.5 million before expenses.

The £1.3 million gross proceeds of the Lanstead subscription was followed by the sharing agreement with Lanstead (the "Sharing Agreement") 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 ImmuPharma's share price and provides the opportunity for ImmuPharma to benefit from a positive future share price performance.

The Company also agreed to issue Lanstead 650,000 ordinary shares in connection with entering into the Sharing Agreement.

The new subscription from Lanstead followed the £2.66 million investment from Lanstead secured in June 2019.

Chairman's Report (continued)

On 8 September 2020, as a consequence of the convertible security deeds and option deeds with L1 Capital Global Opportunities Master Fund ("L1") and Lind Global Macro Fund LP ("Lind"), the benchmark price referred to in the two Lanstead sharing agreements has increased from 13.33p to 20p. The varied benchmark price of 20p applied to 13 monthly settlements remaining under the sharing agreement dated 26 June 2019 and 22 monthly settlements under the sharing agreement dated 30 March 2020.

Investment from US healthcare investors

On 10 June 2020 ImmuPharma entered into agreements with two specialist US healthcare investors for a total investment of up to $6.30 million (£4.94 million) comprising an issue of unsecured convertible securities ("Securities") and associated options to purchase shares in ImmuPharma Plc in the future. ImmuPharma issued $3 million (£2.35 million) in face value of Securities to L1 and Lind, managed by The Lind Partners, LLC ("the Investors") with a maturity period of 18 months. The Securities were issued for the gross proceeds of $2.7 million (£2.15 million).

According to the agreement, at any time, during the maturity period, the Investors may convert their Securities (in whole or in part) to 13,086,619 ordinary shares in the Company, in aggregate, at a price of 17.96p ("Conversion Price"), which is equivalent to 120% of the Volume Weighted Average Price ("VWAP") of the ordinary shares for 9 June 2020. During the maturity period, the Company may require the investors to convert their securities to ordinary shares, if the VWAP on each of at least 20 consecutive trading days shall be equal to or have exceeded 35.92p (200% of the Conversion Price).

Should ImmuPharma raise additional funds, the Investors may require the Company to repurchase any unconverted Securities, to the value of up to 25% of the gross proceeds of the financing, at 105% of face value.

Should any securities remain unconverted on 10 December 2021 the Company will repurchase, from the Investors, the outstanding face value of the unconverted Securities.

In addition, the Investors have been granted 15,703,942 Options in the Company, which may be exercised at any time up to 3 years, with an exercise price the same as the Conversion Price, which, if all exercised, would amount to $3.60 million (£2.82 million).

On 2 September 2020, as a consequence of the placement of new ordinary shares of £6.5 million (before expenses), pursuant to the terms of the convertible security deeds ("CSD") dated 10 June 2020 with each of Lind and L1: (i) the conversion price stated in the CSD (previously 17.96p) has been adjusted downwards to the placing price of 11p, meaning that, upon conversion in full of the CSD, 21,369,354 new ordinary shares (subject to adjustment at the time of conversion by reference to the sterling – US dollar exchange rate at the time) would be issued in aggregate to L1 and Lind (compared to 13,086,619 previously); and (ii) under the terms of the option deeds, both the option exercise price and the number of shares subject to the options will vary. In aggregate, following the placing, 25,640,254 ordinary shares (compared to 15,703,942 previously) will be subject to the option deeds at an option exercise price of 11p per share.

On 3 September 2020 L1 converted in total $150,000 (plus accrued but unpaid interest) of the convertible security. The conversion price was 11p per share resulting in the issue by the Company of 1,045,046 new ordinary shares of 10p each in the Company.

On 9 September 2020 L1 converted in total $200,000 (plus accrued but unpaid interest) of the convertible security. The conversion price was 11p per share resulting in the issue by the Company of 1,429,938 new ordinary shares of 10p each in the Company.

On 10 September 2020, Lind Global Macro Fund, LP converted $150,000 of the convertible security issued pursuant to the convertible security deed dated 10 June 2020. The conversion price is 11p per share resulting in the issue by the Company of 1,026,750 new ordinary shares of 10p each in the Company.

On 22 September 2020, following the share placing by ImmuPharma plc on 2 September 2020, in accordance with the terms of the convertible security deed, Lind has requested repayment of part of its convertible security. The amount repaid amounted to $1,068,762.

On 23 November 2020, L1 converted in total $200,000 (plus accrued but unpaid interest) of the convertible security. The conversion price was 11p per share resulting in the issue by the Company of 1,430,510 new ordinary shares of 10p each in the Company.

On 24 November 2020, Lind converted in total $355,112.50 (plus accrued but unpaid interest) of the convertible security. The conversion price was 11p per share resulting in the issue by the Company of 2,504,982 new ordinary shares of 10p each in the Company. All of the convertible security issued to Lind has now been repaid or converted.

Placement of £6.5m

On 2 September 2020 the Company announced that due to investor demand, it had successfully raised £6.5 million, (before expenses) via an oversubscribed placing of 59,090,909 new ordinary shares of 10p each in the Company at a price of 11p per share.

Interest in Incanthera plc

In September 2018, ImmuPharma signed a Heads of Terms agreement with Incanthera Ltd ("Incanthera") regarding a potential collaboration on the Nucant program. Discussions were ultimately terminated.

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. This investment represented a holding of approximately 15% in Incanthera in 2018.

On 26 February 2020 Incanthera entered into a Share Exchange Agreement with its shareholders, whereby each shareholder in Incanthera agreed to exchange their original shares for shares in the new Company – Incanthera Plc, resulting in the allotment of 48,564,280 ordinary shares.

On 28 February 2020, Incanthera's shares were admitted to trading on Aquis Stock Exchange ("AQSE", formerly NEX Exchange) under the ticker (TIDM: INC). Following Admission to trading, ImmuPharma retained 7,272,740 (from 363,637 held previously, subject of 1:20 sub-division) ordinary shares in Incanthera, representing 15% of Incanthera's enlarged issued ordinary share capital.

ImmuPharma also has 7,272,740 warrants options in Incanthera plc at an exercise price of 9.5p pence, being the price at which new shares have been issued in the Placing accompanying Incanthera's listing ("Issue Price").

In addition, ImmuPharma entered into a Subscription Agreement with Incanthera. Under the Subscription Agreement, ImmuPharma subscribed £250,000 for 2,631,579 new Ordinary Shares in Incanthera. Following the execution of the subscription, announced on 29 September 2020, ImmuPharma held 9,904,319, new Ordinary Shares, equating to 15.35% of Incanthera's enlarged share capital of 64,544,121 ordinary shares.

On the 23 March 2021 Incanthera raised £1,144,650 through the issue of 9,538,750 new placing shares. As a result, ImmuPharma's shareholding in Incanthera currently stands at 13.37%. As a major shareholder ImmuPharma remains supportive of Incanthera and its diverse oncology pipeline.

Incanthera recently announced that a new refined formulation of Sol, its lead product for skin cancer and other topical indications, demonstrated statistically significant greater dermal delivery compared with four known oral delivery comparator products.

ImmuPharma plc

Chairman's Report (continued)

Grant of Share Options and Warrants

On 25 November 2020, ImmuPharma approved the grant of options over a total of 9,625,000 ordinary shares of 10p each in the Company ("Ordinary Shares") to Directors, employees and consultants representing 3.8% of ImmuPharma's Ordinary Shares and total voting rights.

Upon the recommendation of the Company's remuneration committee, the Company has granted the Options pursuant to the Company's Share Option Plan which was adopted on 30 March 2017.

The exercise price for the Options is 20p being a 54% premium to the closing middle market share price of 13p on 25 November 2020. The Options will vest after three years and are exercisable between three and ten years from the date of grant.

On 30 March 2020, in connection with its services in relation to the Lanstead subscription, the Company has issued warrants over 915,205 Ordinary Shares with an exercise price of 10 pence per share to Stanford Capital Partners Limited ("SCP"), the Company's broker. These warrants have an exercise period of 10 years.

On 2 September 2020, in connection to the services related to £6.5m placing, each of Company's brokers; SCP and SI Capital Limited ("SI") received warrants over 1,213,920 of ImmuPharma's Ordinary Shares with an exercise price of 11p per share. These warrants have an exercise period of 10 years.

Current Activities and Outlook

Despite the continuing disruption of the Covid -19 pandemic, we remain focused, (in collaboration with our partner Avion) on expediting Lupuzor™ into a new optimised, international Phase III study in Lupus patients in H2 2021. The most recent positive feedback from the FDA confirms our envisaged roadmap forward.

In parallel, we continue to progress our other R&D programs which includes our anti-fungal BioAMB therapy, which has the potential of progressing quickly through initial bio-equivalence trials. Discussions for potential partnering opportunities are continuing. These initiatives create further opportunities in the medium to long term.

In response to strong investor interest last year, we were delighted to welcome new and returning institutional and private investors as part of three successful capital raisings. This has created a robust financial position with an anticipated cash runway until the end of 2023.

As we move our key asset, Lupuzor™ into a new international optimised Phase III trial and continue to progress our development pipeline, the investment thesis of ImmuPharma continues to strengthen and we look forward to providing further value enhancing progress updates over the next period to create long term shareholder value for our shareholders.

Finally, the Board would like to take this opportunity to thank its shareholders, new and longstanding, for their continued support as well as its staff, corporate and scientific advisers and our partners including CNRS and Avion.

Tim McCarthy
Non-Executive Chairman

ImmuPharma plc

Financial Review

The financial results of the ImmuPharma Group in this report cover the year ended 31 December 2020. The Group principal activity is that of research and development of novel drugs to treat serious medical conditions.

Income Statement

The operating loss for the year ended 31 December 2020 was £5.6 million, down from £6.3 million for the year ended 31 December 2019. The research and development expenditure was £2.4 million, down from £2.7 million in 2019. Covid-19 disruption to laboratory work was the main reason for this reduction. Administrative expenses were £1.8 million (2019: £1.8 million). The total fair value gain of £1.5 million (2019: fair value loss of £1.3 million) comprises of the following components: fair value gain on Incanthera's shares of £852k (2019: fair value loss of £1,309k) and fair value gain on Incanthera's warrants of £626k (2019: £nil). This has been charged to Statement of Comprehensive Income. Finance income has decreased from £64k in 2019 to £41k in 2020. Finance costs amounted to £1.7 million, up from £527k in 2019, caused largely by the loss on the Lanstead derivative financial asset. Total comprehensive loss for the year was £5.3 million, a decrease from £7.0 million in 2019.

Statement of Financial Position

The Group cash and cash equivalents at 31 December 2020 amounted to £5.9 million with the increase related to successful fundraising activities in 2020 (2019: £1.4 million). The convertible loan notes amounted to £635k (2019: £nil), following the issue of two convertible loans as discussed on pages 5-6. The total value of the financial asset equated to £2.4 million, comprising of shares in Incanthera of £1.8 million (2019: £0.7 million) and warrants in Incanthera of £0.6 million (2019: £nil). At 31 December 2020 the Lanstead derivative financial asset amounted to £1.2 million (2019: £2.3 million). The decrease was caused by the increase to the share benchmark price from 13.33p to 20p and only 9 months remaining of the June 2019 Lanstead ("the Sharing Agreement") term.

Results

The Group recorded a loss for the year of £6.9 million (2019: £6.1 million). Basic and diluted loss per share was 3.43p (2019: 3.99p). In accordance with the Group's loss making position, no dividend is proposed.

Total Voting Rights

The Company had a total of 250,221,297 ordinary shares in issue at 31 December 2020 with each share carrying the right of one vote.

Treasury Policy

The policy continues to be that surplus funds of the Group are held in interest-bearing bank accounts on short or medium maturities, until commitments to future expenditure are made, when adequate funds are released to enable future expenditure to be incurred. The Group's Treasury Policy and controls are straightforward and approved by the Board.

Financial Strategy

The overall strategy is to maintain a tight control over cash resources whilst enabling continued progress of the Company's development assets.

On behalf of the Board
Dimitri Dimitriou
Director

ImmuPharma plc

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Year ended 31 December 2020 £	Year ended 31 December 2019 £
Continuing operations			
Revenue		126,667	77,925
Other operating income		-	119,901
Research and development expenses		(2,372,834)	(2,664,550)
Administrative expenses		(1,764,897)	(1,831,395)
Share based expense		(1,578,368)	(1,983,525)
Operating loss		(5,589,432)	(6,281,644)
Finance costs		(1,697,832)	(526,734)
Finance income		41,089	64,014
Loss before taxation		(7,246,175)	(6,744,364)
Tax		386,248	620,774
Loss for the year		(6,859,927)	(6,123,590)
Attributable to:			
Equity holders of the parent company		(6,859,927)	(6,123,590)
Loss per ordinary share			
Basic and diluted	2	(3.43)p	(3.99)p

ImmuPharma plc

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020

	Year ended 31 December 2020	Year ended 31 December 2019
	£	£
Loss for the financial period	(6,859,927)	(6,123,590)
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss:		
Fair value gain/(loss) on investment	851,772	(1,309,090)
Fair value gain on warrants	625,576	-
Total items that will not be reclassified subsequently to profit or loss	1,477,348	(1,309,090)
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	42,207	438,810
Total items that may be reclassified subsequently to profit or loss	42,207	438,810
Other comprehensive income/(loss) for the period	1,519,555	(870,280)
Total comprehensive loss for the period	(5,340,372)	(6,993,870)

ImmuPharma plc

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

	31 December 2020 £	31 December 2019 £
Non-current assets		
Intangible assets	484,042	478,960
Property, plant and equipment	411,606	206,744
Derivative financial asset	174,488	843,147
Financial assets	2,418,258	690,910
Total non-current assets	3,488,394	2,219,761
Current assets		
Trade and other receivables	161,998	153,609
Derivative financial asset	1,016,635	1,456,714
Cash and cash equivalents	5,862,057	1,364,840
Current tax asset	386,590	606,157
Total current assets	7,427,280	3,581,320
Current liabilities		
Financial liabilities - borrowings	(6,939)	(26,778)
Trade and other payables	(619,037)	(505,089)
Convertible loan notes	(634,902)	-
Total current liabilities	(1,260,878)	(531,867)
Net current assets	6,166,402	3,049,453
Net assets	9,654,796	5,269,214
EQUITY		
Ordinary shares	25,022,130	16,736,093
Share premium	27,237,329	27,187,316
Merger reserve	106,148	106,148
Other reserves	3,255,536	1,430,337
Retained earnings	(45,966,347)	(40,190,680)
Total equity	9,654,796	5,269,214

The financial statements were approved by the Board of Directors and authorised for issue on 28 April 2021 They were signed on its behalf by:

Robert Zimmer
Director

Dimitri Dimitriou
Director

ImmuPharma plc
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

	Share capital £	Share premium £	Merger reserve £	Other reserves - Acquisition reserve £	Other reserves - Translation reserve £	Other reserves - Equity shares to be issued £	Other reserves - Convertible option reserve £	Retained earnings £	Total equity £
At 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 year	-	-	-	-	-	-	-	(6,123,590)	(6,123,590)
Exchange differences on translation of foreign operation	-	-	-	-	438,840	-	-	-	438,810
Transactions with owners:									
Share based payments	-	-	-	-	-	1,983,525	-	-	1,983,525
New issue of equity capital	2,789,349	-	-	-	-	-	-	-	2,789,349
Costs of new issue of equity capital	-	(132,829)	-	-	-	-	-	-	(132,829)
Fair value loss on investments	-	-	-	-	-	-	-	(1,309,090)	(1,309,090)
At 31 December 2019	16,736,093	27,187,316	106,148	(3,541,203)	(1,350,687)	6,322,227	-	(40,190,680)	5,269,214
Loss for the financial year	-	-	-	-	-	-	-	(6,859,927)	(6,859,927)
Exchange differences on translation of foreign operations	-	-	-	-	42,207	-	-	-	42,207
Transactions with owners:									
Share based payments	-	-	-	-	-	1,751,369	-	-	1,751,369
Equity component of convertible loan notes	-	-	-	-	-	-	31,623	-	31,623
New issue of equity capital	8,286,037	665,281	-	-	-	-	-	-	8,951,318
Costs of new issue of equity capital	-	(615,268)	-	-	-	-	-	(393,088)	(1,008,356)
Fair value gain on investments	-	-	-	-	-	-	-	851,772	851,772
Fair value gain on share warrants	-	-	-	-	-	-	-	625,576	625,576
At 31 December 2020	25,022,130	27,237,329	106,148	(3,541,203)	(1,308,480)	8,073,596	31,623	(45,966,347)	9,654,796
Attributable to:-									
Equity holders of the parent company	25,022,130	27,237,329	106,148	(3,541,203)	(1,308,480)	8,073,596	31,623	(45,966,347)	9,654,796

ImmuPharma plc

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Year ended 31 December 2020 £	Year ended 31 December 2019 £
Cash flows from operating activities			
Cash used in operations	3	(3,879,936)	(4,963,710)
Tax received		606,157	746,369
Interest paid		(55,622)	(4,045)
Net cash used in operating activities		(3,329,401)	(4,221,386)
Investing activities			
Purchase of property, plant and equipment		(360,290)	(107,111)
Interest received		41,089	5,743
Purchase of investments		(250,000)	-
Net cash used in investing activities		(569,201)	(101,368)
Financing activities			
Decrease in bank overdraft		(184)	(14)
Loan repayments		(21,256)	(89,205)
Settlements from Sharing Agreement		1,292,393	414,930
Gross proceeds from issue of new share capital		8,000,000	2,656,520
Share capital issue costs		(702,133)	-
Funds deferred per Sharing Agreement		(1,300,000)	(2,656,520)
Gross proceeds from issue of convertible loan notes		2,152,252	-
Convertible loan notes issue costs		(235,552)	-
Convertible loan notes repaid		(815,166)	-
Net cash generated from financing activities		8,370,354	325,711
Net increase/(decrease) in cash and cash equivalents		4,471,752	(3,997,043)
Cash and cash equivalents at beginning of year		1,364,840	4,911,448
Effects of exchange rates on cash and cash equivalents		25,465	450,435
Cash and cash equivalents at end of year		5,862,057	1,364,840

ImmuPharma plc

1 BASIS OF PREPARATION

The financial information set out in this announcement does not comprise the Group's statutory accounts as defined in section 434 of the Companies Act 2006 for the year ended 31 December 2020 or 31 December 2019.

The financial information has been extracted from the statutory accounts for the years ended 31 December 2020 and 31 December 2019. The auditors reported on those accounts; their reports were unqualified and did not contain a statement under either Section 498(2) or Section 498(3) of the Companies Act 2006 in respect of the years ended 31 December 2020 and 31 December 2019. For the year ended 31 December 2020 it did include an emphasis of matter paragraph relating to the carrying value of Parent Company's investment in subsidiaries and receivables due from group undertakings. For the year ended 31 December 2019, it did include an emphasis of matter paragraphs relating to going concern and the carrying value of Parent Company's investment in subsidiaries and receivables due from group undertakings. The Group's statutory accounts for the year ended 31 December 2019 have been delivered to the Registrar of Companies, whereas those for the year ended 31 December 2020 will be delivered to the Registrar of Companies following the Company's Annual General Meeting.

The accounting policies are consistent with those applied in the preparation of the statutory accounts for the year ended 31 December 2019 and interim results for the period ended 30 June 2020, which have been prepared in accordance with International Financial Reporting Standards ('IFRS').

The financial information is for the year ended 31 December 2020 and the comparatives are for the year ended 31 December 2019.

The Group's statutory accounts incorporate the financial statements of ImmuPharma plc and other entities controlled by the company ("the subsidiaries"). The control principle in IFRS 10 sets out the following three elements of control: power over the investee; exposure, or rights, to variable returns from involvement with the investee; and. the ability to use power over the investee to affect the amount of those returns. The financial statements of these other entities cease to be included in the Group financial statements from the date that control ceases.

2	LOSS PER SHARE - Group	Year ended 31 December 2020 £	Year ended 31 December 2019 £
	Loss		
	Loss for the purposes of basic loss per share being net loss after tax attributable to equity shareholders	(6,859,927)	(6,123,590)
	Number of shares		
	Weighted average number of ordinary shares for the purposes of basic earnings per share	200,176,156	153,452,385
	Basic loss per share	(3.43)p	(3.99)p
	Diluted loss per share	(3.43)p	(3.99)p

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

3 CASH USED IN OPERATIONS

	Group 31 December 2020 £	Group 31 December 2019 £
Operating loss	(5,589,432)	(6,281,644)
Depreciation and amortisation	170,954	88,038
Share-based payments	1,578,368	1,983,525
(Increase)/decrease in trade and other receivables	(8,380)	177,878
Increase/(decrease) in trade and other payables	113,926	(408,818)
(Gain)/loss on foreign exchange	(145,372)	(522,689)
Cash used in operations	(3,879,936)	(4,963,710)