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

INTERIM RESULTS ANNOUNCEMENT
for the six months ended 30 June 2021

ImmuPharma PLC (LSE:IMM), (**Euronext Growth Brussels: ALIMM)** ("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 2021 (the "Period").

Key Highlights (including post Period review)

Financials

- Financial performance in line with expectations over the Period
  - Cash balance of £4.2m as at 30 June 2021 (31 December 2020: £5.9m)
  - Loss for the period of £3.7m (30 June 2020: £3m)
  - Research and development expenses of £1.3m (30 June 2020: £0.9m)
  - Administrative expenses of £1.5m (30 June 2020: £1m)
  - Derivative financial asset of £0.2m as at 30 June 2021 (31 December 2020: £1.2m)
  - Incanthera financial asset of £1.2m (£1.8m at 31 December 2020) and warrants financial asset of £0.2m (£0.6m at 31 December 2020)
  - Convertible loan notes of £0.7m (£0.6m at 31 December 2020)
  - Share based expense of £0.3m (30 June 2020: £1m)
  - Basic and diluted loss per share of 1.46p (30 June 2020: 1.69p)

'Autoimmunity': P140

- Lupuzor™ (P140) – now entering a pharmacokinetic ("PK") study prior to the optimized Phase 3 study in lupus in conjunction with its licensing partner, Avion Pharmaceuticals.

- P140 for Chronic Inflammatory Demyelinating Polyneuropathy ("CIDP") a neurological disorder targeting the body's nerves. Active preparation for a phase 2/3 clinical study has now been initiated.

- Potential further clinical applications based on further preclinical investigation include asthma, Sjogrens syndrome, renal inflammation in diabetes and periodontitis.

'Anti-infection'

- BioAMB, a novel peptide-based drug that offers a potential improvement on the limiting side effects of current Amphotericin-B ("AMB") formulations. AMB is one of a last line of agents against serious and life-threatening fungal infections caused by the aspergillus family of fungi.

- BioCin**,** a novel peptide-based drug based on an existing potent antibacterial used in high medical need cases. BioCin has the potential to offer improved safety and/or administration benefits.

Board changes

- New Board established:

- Tim McCarthy appointed as Chief Executive Officer ("CEO")
- Dr Tim Franklin appointed as Chief Operating Officer ("COO").
- Non Executive Directors ("NED") appointed – Dr Sanjeev Pandya & Lisa Baderoon.

Commenting on the statement and outlook Tim McCarthy, Chairman & CEO, said:

"The last few months have seen significant changes in the leadership of the Company. This has been echoed in the Corporate Update, which we announced today, reflecting the positive steps being taken, to move ImmuPharma forward. We have created positive and constructive changes within the business, with a focus on delivery of product development, value added milestones and a much more commercially focussed corporate strategy. The new Board, together with the excellent team supporting us, are determined to progress the development and commercialisation of all the key assets in our portfolio and to build shareholder value.

In closing, the Board would like to take this opportunity to thank its shareholders for their continued patience and 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 UK LAW BY VIRTUE OF THE EUROPEAN UNION (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 & CEO	
Lisa Baderoon, Head of Investor Relations & NED	+ 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

A copy of the interim report is available on the Company's website www.immupharma.com and from the Company Secretary at registered address.

ImmuPharma plc

INTERIM RESULTS

FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2021

ImmuPharma plc

Chairman's Statement

INTERIM HIGHLIGHTS

The first half of 2021, up to the current date, has seen a number of key developments for ImmuPharma, including further progress within our flagship Lupuzor™ program in Lupus and changes in the Board of Directors.

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 3 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 3 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 3 clinical study were analysed and considered in detail and, as a result, a new optimised international Phase 3 study protocol has been finalised and approved on the 22 July 2021 by the US Food and Drug Administration ("FDA") (subject to prior successful completion of PK study).

In the first half of 2021 ImmuPharma provided progress updates to the market in respect to guidance meetings between the FDA and Avion.

As part of this feedback and as announced on 9 February 2021, the FDA requested that Avion and ImmuPharma develop and validate a bioanalytical assay in order to confirm the unique pharmacokinetic ("PK") profile of Lupuzor™.

On 24 June 2021 it was announced that following submission by Avion of the PK methodology study, the FDA would, by written response, approve the PK study around the end of July 2021.

On 12 August 2021 ImmuPharma announced that the FDA had approved the commencement of the PK study.

The PK study is a Phase 1 study to assess the presence of Lupuzor™ in the body after administration of a single dose. The study will be carried out in a total of up to 24 healthy male volunteers. Dependent on timing of patient recruitment, we anticipate that the PK study will take between 8-12 weeks to complete, from commencement.

Preparations will be made to commence the Phase 3 study, following completion of the PK study. For the continued late-stage program development, ImmuPharma and Avion, as part of a joint steering committee, agreed on a collaborative group consisting of a Board of Key Opinion Leaders ("KOLs") and a leading medical patient advocacy group. Collectively, this network, due to its in-depth knowledge of the lupus disease and their access to lupus patient groups, will be invaluable to the successful outcome of the Phase 3 trial, which is being fully funded by Avion, estimated to be around $25 million investment.

ImmuPharma will provide an update on the progress of the PK study once it has commenced.

Pipeline Overview

Most recently, the Board completed a full review of the R&D activities across the Group which resulted in the Board having the following conclusions:

There is a depth of scientific knowledge and innovation within the R&D team in Bordeaux and with the new scientific leadership we expect there to be a significant improvement in productivity and achievement of product development targets in the future. There is a need for a focus on those product developments (see below) which offer the highest probability of both scientific and commercial success. Management will concentrate more of their time on identifying and concluding commercial collaborations and licensing deals across the product portfolio.

Having assessed our current portfolio and resources, the focus will now be on Autoimmunity and Anti-infection and those product developments which offer near-term and commercially viable opportunities:

Autoimmunity

The increasing knowledge of P140's mode of action and its relevance to many autoimmune and inflammatory conditions provides a depth of disease states for ImmuPharma and its partners to explore in the near future. The therapeutic potential of P140 goes beyond just lupus, with Chronic Inflammatory Demyelinating Polyneuropathy ("CIDP") being the next step. This expanding insight is fundamentally driven by the excellent research partnership between the Company and Prof. Sylviane Muller, inventor of P140 and director of CNRS, France.

- Lupuzor™ (P140) – now entering a PK study prior to the optimized Phase 3 study in lupus.

- P140 for CIDP a neurological disorder targeting the body's nerves. Active preparation for a phase 2/3 clinical study has now been initiated.

- Further clinical applications based on further preclinical investigation include asthma, Sjogrens syndrome, renal inflammation in diabetes and periodontitis.

Anti-Infection

The innovative peptide technology at ImmuPharma Biotech has been a huge success and very recently has given rise to a number of novel development programs, out of which we have identified two core programs, in pre-clinical development; BioAMB and BioCin, which we believe have the best commercial opportunity and speed to market.

- BioAMB, a novel peptide-based drug that offers a potential improvement on the limiting side effects of current Amphotericin-B ("AMB") formulations. AMB is one of a last line of agents against serious and life-threatening fungal infections caused by the aspergillus family of fungi.

- BioCin**,** a novel peptide-based drug based on an existing potent antibacterial used in high medical need cases. BioCin has the potential to offer improved safety and/or administration benefits

Board Changes

In 2021 to date, the Company announced a number of key Board changes. In June 2021, Dr Robert Zimmer, co-founder of ImmuPharma and Chief Science Officer, retired to pursue other endeavours after 16 years of service. As a substantial shareholder in ImmuPharma and to demonstrate his continued support of the Company, Dr Zimmer entered into a lock-in agreement, to not dispose of shares in which he has an interest, for a period of three years or, if earlier than three years, the date of the reporting by the Company of the preliminary results of the next Phase 3 clinical trial of Lupuzor™.

On 16 July 2021, Dr Tim Franklin, Chief Operating Officer, was appointed to the Board of Directors. Tim has worked for ImmuPharma for over three years, initially as a consultant and more recently appointed as Chief Operating Officer in November 2020. His key responsibilities include working closely with ImmuPharma's product development team and scientific advisors, in addition to exploring business development opportunities with potential partners. These activities aim to progress the Company's drug development portfolio, both through in house development and partnering opportunities.

On 30 July 2021, as part of a Board Changes announcement, it was confirmed that Dimitri Dimitriou, co-founder and CEO of ImmuPharma, for over 16 years, had decided to step down from his position, in order to pursue a number of other external opportunities. Tim McCarthy, Chairman, has been appointed as CEO. The Company has initiated a process to identify a suitable person to take over as Non-Executive Chair of the Company and during this interim period Tim McCarthy will continue as Chairman.

Further, Dr Franco di Muzio, Senior NED and Dr Stéphane Méry, NED stepped down from the Board, following 14 and 6 years in these roles respectively.

In the same announcement, Dr Sanjeev Pandya was appointed as Senior Independent NED. In addition, Lisa Baderoon has been appointed to the Board as NED.

Interest in Incanthera Plc

ImmuPharma has a 13.37% interest in Oncology specialist, Incanthera plc, which trades on Aquis Stock Exchange ("AQSE") under the ticker (TIDM:INC).

ImmuPharma also has 7,272,740 warrants options in Incanthera 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.

As a major shareholder, ImmuPharma remains supportive of Incanthera.

Financial Review

ImmuPharma's cash balance at 30 June 2021 was £4.2 million (£5.9 million at 31 December 2020, £2.7 million at 30 June 2020). Financial asset related to investment in Incanthera plc amounted to £1.2 million (£1.8 million at 31 December 2020, £1.2 million at 30 June 2020) and warrants granted has resulted in amount of £0.2 million (£0.6 million at 31 December 2020 and £0.5 million at 30 June 2020), recognized under financial asset. As a result of the Lanstead Sharing Agreements, the Company had a derivative financial asset of £0.2 million at 30 June 2021 (£1.2 million at 31 December 2020, £2.5 million at 30 June 2020). The convertible loans liability amounted to £0.7 million (£0.6 million at 31 December 2020, £1.8 million at 30 June 2020). Trade and other payables liability amounted to £1.1 million at 30 June 2021 (£0.6 million at 31 December 2020, £0.2 million at 30 June 2020). The increase was mainly caused by Directors and Related Party departures. Basic and diluted loss per share were 1.46p and 1.46p respectively (30 June 2020: 1.69p and 1.69p). In line with the Company's current policy, no interim dividend is proposed.

Operating loss for the Period was £3.1 million (£2.9 million for the six months ended 30 June 2020). Research and development expenditure in the Period was £1.3 million (£0.9 million for the six months ended 30 June 2020). Administrative expenses were £1.5 million during the Period (£1.0 million for the six months ended 30 June 2020), with the increase being largely due to departure costs regarding Directors and Related Parties in the period, which were settled post period-end. The share based expense was £0.3 million (£1.0 million for the six months ended 30 June 2020). Finance costs for the Period were £0.9 million (£0.4 million for the six months ended 30 June 2020). This arose largely due to the calculation of fair value of the derivative financial asset – "Lanstead Sharing Agreements", which resulted in a finance loss of £0.8 million. Finance income for the Period was £0.1 million (£0.1 million for the six months ended 30 June 2020). It primarily arose due to foreign exchange gain in relation to intercompany receivables.

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 last few months have seen significant changes in the leadership of the Company. We have created positive and constructive changes within the business, with a focus on delivery of product development,

value added milestones and a much more commercially focussed corporate strategy. The new Board, together with the excellent team supporting us, are determined to progress the development and commercialisation of all the key assets in our portfolio and to build shareholder value.

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

Tim McCarthy
Non-Executive Chairman & CEO

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CONSOLIDATED INCOME STATEMENT
FOR THE PERIOD ENDED 30 JUNE 2021

	Note	Unaudited 6 months ended 30 June 2021 £	Audited Year ended 31 December 2020 £	Unaudited 6 months ended 30 June 2020 £
Continuing operations				
Revenue		23,531	126,667	62,207
Research and development expenses		(1,319,875)	(2,372,834)	(924,263)
Administrative expenses		(1,495,308)	(1,764,897)	(1,042,345)
Share based expense		(288,826)	(1,578,368)	(953,034)
Operating loss		(3,080,478)	(5,589,432)	(2,857,435)
Finance costs	4	(904,549)	(1,697,832)	(391,671)
Finance income		95,225	41,089	142,342
Loss before taxation		(3,889,802)	(7,246,175)	(3,106,764)
Tax		229,919	386,248	147,423
Loss for the period		(3,659,883)	(6,859,927)	(2,959,341)
Attributable to:				
Equity holders of the parent company		(3,659,883)	(6,859,927)	(2,959,341)
Loss per ordinary share				
Basic and diluted	2	(1.46)p	(3.43)p	(1.69)p

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2021

	Unaudited 6 months ended 30 June 2021 £	Audited Year ended 31 December 2020 £	Unaudited 6 months ended 30 June 2020 £
Loss for the financial period	(3,659,883)	(6,859,927)	(2,959,341)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
Fair value (loss)/gain on investment	(555,633)	851,772	472,728
Fair value (loss)/gain on warrants	(395,640)	625,576	481,357
Total items that will not be reclassified subsequently to profit or loss	(951,273)	1,477,348	954,085
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations	(20,357)	42,207	91,651
Total items that may be reclassified subsequently to profit or loss	(20,357)	42,207	91,651
Other comprehensive (loss)/income for the period	(971,630)	1,519,555	1,045,736
Total comprehensive loss for the period	(4,631,513)	(5,340,372)	(1,913,605)

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	Note	Unaudited 6 months ended 30 June 2021 £	Audited Year ended 31 December 2020 £	Unaudited 6 months ended 30 June 2020 £
Non-current assets				
Intangible assets		495,736	484,042	502,062
Property, plant and equipment		369,700	411,606	276,302
Financial asset		1,466,985	2,418,258	1,645,483
Derivative financial asset	4	-	174,488	760,011
Total non-current assets		2,332,421	3,488,394	3,183,858
Current assets				
Trade and other receivables		129,850	161,998	162,125
Cash and cash equivalents		4,248,412	5,862,057	2,713,903
Current tax asset		211,180	386,590	147,882
Derivative financial asset	4	160,436	1,016,635	1,774,001
Total current assets		4,749,878	7,427,280	4,797,911
Current liabilities				
Financial liabilities – borrowings		(914)	(6,939)	(30,376)
Trade and other payables		(1,113,465)	(619,037)	(237,541)
Convertible loans		(655,811)	(634,902)	(236,647)
Total current liabilities		(1,770,190)	(1,260,878)	(504,564)
Net current assets		2,979,688	6,166,402	4,293,347
Non-current liabilities				
Convertible loans	5	-	-	(1,598,795)
Net assets		5,312,109	9,654,796	5,878,410
EQUITY				
Ordinary shares		25,022,130	25,022,130	18,301,093
Share premium		27,237,329	27,237,329	27,122,305
Merger reserve		106,148	106,148	106,148
Other reserves		3,524,005	3,255,536	2,544,800
Retained earnings		(50,577,503)	(45,966,347)	(42,195,936)
Total equity		5,312,109	9,654,796	5,878,410

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2021

	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 2020	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 period	-	-	-	-	-	-	-	(2,959,341)	(2,959,341)
Exchange differences on translation of foreign operations	-	-	-	-	91,651	-	-	-	91,651
Share based payments	-	-	-	-	-	953,034	-	-	953,034
New issues of equity capital	1,565,000	-	-	-	-	-	-	-	1,565,000
Cost of new issue of equity capital	-	(65,011)	-	-	-	-	-	-	(65,011)
Equity component of convertible loan notes	-	-	-	-	-	-	69,778	-	69,778
Fair value gain on investments	-	-	-	-	-	-	-	472,728	472,728
Fair value gain on warrants	-	-	-	-	-	-	-	481,357	481,357
At 30 June 2020	18,301,093	27,122,305	106,148	(3,541,203)	(1,259,036)	7,275,261	69,778	(42,195,936)	5,878,410
At 1 January 2020	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
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
Cost 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 & 1 January 2021	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
Loss for the financial period	-	-	-	-	-	-	-	(3,659,883)	(3,659,883)
Exchange differences on translation of foreign operations	-	-	-	-	(20,357)	-	-	-	(20,357)
Share based payments	-	-	-	-	-	288,826	-	-	288,826
Fair value loss on investments	-	-	-	-	-	-	-	(555,633)	(555,633)
Fair value loss on warrants	-	-	-	-	-	-	-	(395,640)	(395,640)
At 30 June 2021	25,022,130	27,237,329	106,148	(3,541,203)	(1,328,837)	8,362,422	31,623	(50,577,503)	5,312,109
Attributable to:-									
Equity holders of the parent company	25,022,130	27,237,329	106,148	(3,541,203)	(1,328,837)	8,362,422	31,623	(50,577,503)	5,312,109

ImmuPharma plc

CONSOLIDATED STATEMENT OF CASHFLOWS FOR THE PERIOD ENDED 30 JUNE 2021

	Note	Unaudited 6 months ended 30 June 2021 £	Audited Year ended 31 December 2020 £	Unaudited 6 months ended 30 June 2020 £
Cash flows from operating activities				
Cash used in operations	3	(2,068,937)	(3,879,936)	(2,095,047)
Tax received		390,418	606,157	640,198
Interest paid		(1,444)	(55,622)	(1,373)
Net cash used in operating activities		(1,679,963)	(3,329,401)	(1,456,222)
Investing activities				
Purchase of property, plant and equipment		(48,014)	(360,290)	(83,239)
Purchase of intangibles		(4,756)	-	-
Interest received		215	41,089	100,825
Purchase of investments		-	(250,000)	-
Net cash (used in)/generated from investing activities		(52,555)	(569,201)	17,586
Financing activities				
Decrease in bank overdraft		5	(184)	(212)
New loans/(loan repayments)		(5,751)	(21,256)	1,942
Settlements from Sharing Agreement		261,116	1,292,393	655,065
Gross proceeds from issue of new share capital		-	8,000,000	1,500,000
Share capital issue costs		-	(702,133)	-
Funds deferred per Sharing Agreement		-	(1,300,000)	(1,300,000)
Gross proceeds from issue of convertible loan notes		-	2,152,252	1,905,220
Convertible loan notes issue costs		-	(235,552)	-
Convertible loan notes repaid		-	(815,166)	-
Net cash generated from/(used in) financing activities		255,370	8,370,354	2,762,015
Net increase/(decrease) in cash and cash equivalents		(1,477,148)	4,471,752	1,323,379
Cash and cash equivalents at start of period		5,862,057	1,364,840	1,364,840
Effects of exchange rates on cash and cash equivalents		(136,497)	25,465	25,684
Cash and cash equivalents at end of period		4,248,412	5,862,057	2,713,903

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NOTES TO THE CONSOLIDATED INTERIM ACCOUNTS FOR THE PERIOD ENDED 30 JUNE 2021

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 United Kingdom. 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 UK Endorsement Board. The financial information has been prepared on the basis of IFRS expected to be adopted by the United Kingdom and applicable as at 31 December 2021. 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 ended 31 December 2020.

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 2020 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 emphasis of matter paragraphs relating to the carrying value of Parent Company's investment in subsidiaries and receivables due from group undertakings. The financial information for the 6 months ended 30 June 2021 and 30 June 2020 is unaudited.

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

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NOTES TO THE CONSOLIDATED INTERIM ACCOUNTS FOR THE PERIOD ENDED 30 JUNE 2021
(Continued)

2 LOSS PER SHARE

	Unaudited 6 months ended 30 June 2021 £	Audited Year ended 31 December 2020 £	Unaudited 6 months ended 30 June 2020 £
Loss			
Loss for the purposes of basic and diluted loss per share being net loss attributable to equity shareholders	(3,659,883)	(6,859,927)	(2,272,823)
Number of shares			
Weighted average number of ordinary shares for the purposes of basic loss per share	250,221,297	200,176,156	174,969,760
Basic loss per share	(1.46)p	(3.43)p	(1.69)p
Diluted loss per share	(1.46)p	(3.43)p	(1.69)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 2021

(Continued)

3 CASH USED IN OPERATIONS

	Unaudited 6 months ended 30 June 2021 £	Audited Year ended 31 December 2020 £	Unaudited 6 months ended 30 June 2020 £
Operating loss	(3,080,478)	(5,589,432)	(2,857,435)
Depreciation & amortisation	86,639	170,954	43,903
Share based payments	288,826	1,578,368	953,034
Decrease/(increase) in trade & other receivables	29,964	(8,380)	(8,516)
Increase/(decrease) in trade & other payables	511,100	113,926	(267,550)
Gain/(loss) on foreign exchange	95,012	(145,372)	41,517
Cash used in operations	(2,068,937)	(3,897,936)	(2,095,047)

ImmuPharma plc

NOTES TO THE CONSOLIDATED INTERIM ACCOUNTS FOR THE PERIOD ENDED 30 JUNE 2021

(Continued)

4 Derivative Financial Asset

As part of the placement completed in June 2019, the Company issued 26,565,200 new ordinary shares to Lanstead Capital Investors L.P. ("Lanstead") at a price of 10p per share for an aggregate subscription price of £2.66 million before expenses. In an additional placement completed in March 2020, the Company issued 13,000,000 new ordinary shares to Lanstead at a price of 10p per share for an aggregate subscription price of £1.3 million before expenses. The Subscription proceeds were pledged under a Sharing Agreement under which Lanstead made and will continue to make, subject to the terms and conditions of that Sharing Agreement, monthly settlements to the Company that are subject to adjustment upwards or downwards depending on the Company's share price performance.

The Company also issued, in aggregate, a further 1,328,290 new ordinary shares in July 2019 and 650,000 new ordinary shares in March 2020 to Lanstead as value payments in connection with the Subscription and the Sharing Agreement. Monthly settlements under the Sharing Agreement will continue in 2021 and 2022, completing in September 2021 and June 2022 respectively.

At the end of the accounting period the amount receivable has been adjusted 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 2021, the Company completed a calculation of fair value of the derivative financial asset that resulted in a finance loss of £769,570 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.

5 Convertible Loan Notes

On 10 June 2020, the Company issued £2.4m/$3.0m (face value) convertible loan notes. The proceeds received equated to £2.2m/$2.7m (before expenses of £0.2m/$0.3m).

The value of liability component and the equity conversion component were determined at the date the instrument was issued. The fair value of the liability was calculated at the rate of interest for similar debt without the conversion option of 19.90%.

On initial recognition the value of the equity amounted to £56k and the liability amounted to £1,835k. At the period end the liability had a fair value of £656k.

The summary of the key terms of the loan notes is as follows.

Term	18 months
Conversion price	17.96p, which is equivalent to 120% of the Volume Weighted Average Price ("VWAP") of the ordinary shares for 09 June 2020. On 2 September 2020, (as the result of additional placing) the conversion price has been adjusted downwards to 11p.
Conversion by the Company	During the maturity period, 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).
Conversion by the Investors	At any time during the maturity period.
Security	All amounts failing due under the Convertible Loan Notes will be secured by debenture constituting a first-ranking fixed and floating charge over all the assets of

	the Company (the "Debenture").
Coupon & Payment	10% per annum, payable quarterly in arrears.
Redemption	The Convertible Loan Notes can be redeemed: -in the event of additional funds receipt by the Company, Investors have rights to repurchase any unconverted securities to the value of up to 25% of the gross proceeds of financing, at 105% of face value; -upon Nasdaq listing ImmuPharma can offer to redeem all or part of the unsecured convertible notes at 105% of face value plus accrued interest; -otherwise, automatically at the end of the term.

	Unaudited 6 months ended 30 June 2021 £	**Audited Year ended 31 December 2020 £**	**Unaudited 6 months ended 30 June 2020 £**
Balance brought forward	634,902	-	-
Value of loan at inception	-	2,153,824	2,153,824
Issue costs	-	(232,263)	(232,263)
Equity component	-	(31,623)	(69,778)
Value of shares converted	-	(799,846)	-
Repurchased to date	-	(815,166)	-
Exchange differences	(63,383)	(44,500)	(16,341)
Interest expense	84,292	199,190	-
(Gain)/Loss on revaluation	-	205,286	-
Balance carried forward	655,811	634,902	1,835,442

6 Subsequent events

On 16 July 2021, Dr Tim Franklin, Chief Operating Officer, was appointed to the Board of Directors.

On 29 July 2021, Dimitri Dimitriou, co-founder and CEO of ImmuPharma, for over 16 years, had decided to step down from his position. Tim McCarthy, Chairman, has been appointed as CEO.

On 29 July 2021, Dr Franco di Muzio, Senior NED and Dr Stéphane Méry, NED stepped down from the Board, following 14 and 6 years in these roles respectively.

On the same day, Dr Sanjeev Pandya was appointed as Senior Independent NED. In addition, Lisa Baderoon has been appointed to the Board as NED.