RNS: RELEASE **25 May 2022**

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

FINAL RESULTS ANNOUNCEMENT
for the year ended 31 December 2021

ImmuPharma PLC (LSE:IMM), ("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 2021 (the "Period").

Key Highlights (including post Period review)

- Loss for the Period of £8.2m (£6.9m at 31 December 2020)
- Research and development expenses of £3.7m (31 December 2020: £2.4m)
- Administrative expenses of £1.0m (31 December 2020: £1.8m)
- Exceptional items of £1.4m (31 December 2020: £Nil), representing corporate reorganisation costs
- Expected cost savings after corporate reorganisation (commencing from 2022) of approximately £1.1m per annum in committed overheads cost (excluding R&D project cost), a decrease of around 50%, including reduction of costs relating to Board and connected parties of £0.5m per annum
- Cash balance at 31 December 2021 of £1.6m (31 December 2020: £5.9m)
- Successful subscription and placing, raising in total £3.55m (gross) – December 2021
- Lanstead derivative financial asset of £0.9m (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 £Nil (£0.6m at 31 December 2020). Convertible loan notes repaid, totalling £0.8m (with accrued interest)

'Autoimmunity': Lupuzor™ ("P140")

- P140 Pharmokinetic ("PK") study successfully completed with key endpoints met. Subcutaneous injection of P140 in 200 mcg and 800 mcg doses showed a clear time and dose-related PK profile, detectable in the blood of human volunteers and applicable for all potential clinical dosing regiments of P140
- P140 was safe and well tolerated across all doses and in all subjects
- Discussions continue with potential partners for Lupuzor™ (P140) outside of US in key territories
- P140 for CIDP which is in active preparation for a phase 2/3 clinical study has now been initiated and specialist CRO appointed. Commercial partnering discussions ongoing

'Anti-Infection'

- BioAMB - further pre-clinical studies expected in second half of 2022. Commercial partnering discussions ongoing
- BioCin - further pre-clinical studies expected in second half of 2022

Commenting on the statement and outlook Tim McCarthy, CEO, said: *"2021 brought significant changes in the leadership of ImmuPharma. We have created positive and constructive developments within the business, with a focus on delivery of pipeline progression, meeting key future milestones and having a much more commercially driven corporate strategy.*

"With now a fully reviewed and assessed R&D development pipeline, we remain focused on bringing our two late-stage clinical assets, Lupuzor™ and P140 for CIDP closer to the market. Specifically, on Lupuzor™, our partner Avion, is committed to moving this program into Phase 3 as soon as possible, following final discussions with the FDA and based on the positive readout of the recent PK study. We are also focused on ensuring earlier stage assets, specifically within anti-infectives, progress, with a key strategy on securing partnering opportunities over the medium term.

We were delighted to secure the successful fundraising in late 2021, as it demonstrated that our corporate repositioning efforts, since the Board changes, were recognised by our existing shareholders and partner, Avion (Alora Pharmaceuticals).

"In closing, we look forward to sharing value enhancing newsflow over the next period, including progress within Lupuzor and our P140 platform. We would also like to thank our shareholders for their continuing support, particularly through the significant changes made over the last year, as well as our 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.

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Chairman's Report

2021 was a year of successful evolution and transition for ImmuPharma. Key board and management restructuring was at the heart of these changes. This was combined with a complete re-evaluation of our pipeline, focusing on the key assets, which we believe, can deliver long term shareholder value.

As echoed in recent statements, whilst being one of the most challenging periods we have been involved with at ImmuPharma, it has been one of the most exciting periods in the Company's history. This would not have been possible without the enormous amount of teamwork involved, from both the ImmuPharma team, its partners and collaborators.

At the epicentre of ImmuPharma throughout 2021, was the continued progress of our late-stage program, Lupuzor™, in conjunction with our US partner, Avion Pharmaceuticals ("Avion"), as we moved closer to commencing the pivotal Phase 3 study in 2022. During the second half of 2021, ImmuPharma started preparations for the commencement of the pharmacokinetic ("PK") study, as requested by the US Food and Drug Administration ("FDA"). The PK study has been successfully completed in April 2022.

In December 2021 we successfully raised £3.55m (gross), which was supported by our US partner, Avion and longstanding shareholder, Lanstead Capital. 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 does not suppress the immune system and which normalises the over-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 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 | Background

On 28 November 2019, ImmuPharma and 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 was approved on the 22 July 2021 by the FDA, subject to prior successful completion of the 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™/ P140. Principally to demonstrate that P140 shows a positive result within plasma at the subcutaneous level.

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 was carried out in a total of 24 healthy male volunteers.

Since the approval of the commencement of the PK study by the FDA, we worked with Avion and our specialist Contract Research Organisation ("CRO"), Simbec Orion in respect to this study. In preparing the study drug material, we have taken the opportunity to greatly improve the product characterisation and analytical method validations. This has resulted in a new proprietary synthesis of P140 which gives greater IP protection and lowers the cost of production.

P140 PK study has been successfully completed as announced on 13 April 2022, with all key endpoints requested by FDA being met. The key highlights from the study were summarised as below.

Subcutaneous injection of P140 (in both 200 microgram ("mcg") and 800 mcg doses (note: 1mcg = 1 millionth of a gram) showed a clear time and dose-related PK profile, which is detectable in the blood of human volunteers and applicable for all potential clinical dosing regiments of P140.

The final group of subjects completed dosing on 30 March 2022. This was a group of subjects that received an intravenous injection of a 800 mcg dose of P140, which showed successful measurement of the absolute bioavailability of the drug (as a control). In-line with all human dosing to date, P140 was safe and well tolerated across all doses and in all subjects.

Avion, our US partner, has been integral to the development, initiation and successful conclusion of this PK study.

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™ /P140 platform was invented by Prof. Sylviane Muller, Emeritus 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

In the second half of 2021, 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, Anti-infection and those product developments which offer near-term and commercially viable opportunities:

Autoimmunity & Inflammation

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 Emeritus Research Director CNRS, France. Key highlights within the progression of the P140 platform are summarized below:

- Lupuzor™ (P140) – successfully completed PK study prior to the commencement of the optimized Phase 3 study in lupus.

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

- P140 – Other indications. Further clinical applications based on further preclinical investigation include asthma, Sjogrens syndrome, renal inflammation in diabetes, periodontitis and gout.

- P140 – Second generation. Our pre-clinical team in Bordeaux, 'ImmuPharma Biotech' has commenced work to develop a pharmacologically improved version of P140, a second generation product that aims to further strengthen the IP position and provide therapies with different improved administration modalities, yet still maintaining P140 as the active moiety.

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 and poor administration regime 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 and in many cases the last line of defense. BioCin has the potential to offer improved safety and/or administration benefits.

Euronext de-listing

After careful review of our listing on the Euronext Growth Brussels Exchange ("Euronext"), it became apparent that the cost of the listing outweighed the benefits, as the vast majority of the trades in the Company's shares were conducted through our primary listing on AIM, rather than Euronext. Taking this into account and the best interests of shareholders, the Board made the decision to de-list from Euronext with the effective date of 18 October 2021.

Board changes and corporate reorganisation

During 2021, a number of key Board changes happened. In June 2021, Dr Robert Zimmer, co-founder of ImmuPharma and Chief Scientific 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, on 30 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 30 July 2021, Dr Sanjeev Pandya was appointed as Senior Independent NED. In addition, Lisa Baderoon was appointed to the Board as a NED.

The corporate reorganisation initiatives (including the Board changes) are expected to result, from 2022, in overall cost savings across the Group of approximately £1.1m per annum. This is a decrease of around 50% (compared to 2020), in the Company's committed overhead costs (excluding R&D project costs). Included in this overall cost saving are reductions in the costs relating to the Board and connected parties amounting to approximately £0.5m per annum.

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.

Convertible loan notes

On 15 December 2021, the Company repaid in full the remaining outstanding balance of $950,000 (£837,859) principal and $160,278 (£121,120) of accrued interest, the total of $1,110,278 (£958,979) due to L1 Capital Global Opportunities Master Fund ("L1").

By 15 December 2021, both convertible security deeds with L1 and Lind Global Macro Fund, LP ("Lind") have been repaid and/or converted.

L1 and Lind each have 12,820,127 Options in the Company, which may be exercised at any time up to 10 June 2023 with an exercise price of 11p, which, if all exercised, would amount to $3.60 million (£2.82 million).

Capital subscription

On 20 December 2021 ImmuPharma announced subscriptions and placing to raise in total £3.55m (before expenses) through the issue of 32,272,727 new ordinary shares of 10 pence each in ImmuPharma at a price of 11p per ordinary share ("Issue Price"). The Company has also entered into a sharing agreement ("Sharing Agreement") with Lanstead Capital Investors L.P. ("Lanstead"), see below.

The subscriptions comprised of 10,909,091 new ordinary shares by Alora Pharmaceuticals LLC ("Alora"), the parent company of Avion, to raise £1.2m and a further £2.2m subscription for 20,000,000 new ordinary shares with Lanstead Capital Investors LP ("Lanstead"), at an Issue Price of 11 pence per share, together with a related Sharing Agreement. The Chelverton Asset Management placing secured £150k for 1,363,636 new ordinary shares.

The £2.2 million gross proceeds of the Lanstead subscription was followed by the Sharing Agreement with Lanstead for 100% of these shares with a reference price of 14.6667p per share ("Benchmark Price"). The Sharing Agreement is for a 24 month period and the Company will receive 24 equal monthly settlements, as measured against Benchmark Price. 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 1,400,000 ordinary shares in connection with entering into the Sharing Agreement ("Value Payment Shares").

The Company also issued 90,909 and 1,000,000 new Ordinary Shares ("Fee Shares") at an issue price of 11 pence per share to SPARK and Stanford Capital Partners respectively, in lieu of fees.

The Issue Price of 11 pence represented a 80 percent premium to the closing mid-market price (of 6.1p) of the Ordinary Shares on 17 December 2021, the latest business date prior to the Subscriptions and Placing.

Warrants

On 23 December 2021, for each ordinary share subscribed for, as detailed above, two warrants were issued by ImmuPharma. The warrants are exercisable for 10 years at an exercise price of 11 pence. In total 64,545,454 warrants were issued under the Subscriptions and Placing.

Current Activities and Outlook

2021 brought significant changes in the leadership of the ImmuPharma. 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 driven corporate strategy.

With now fully reviewed and assessed R&D development programs, we remain focused on bringing our two late-stage clinical assets, Lupuzor™ and CIDP closer to the market, whilst ensuring earlier stage assets, specifically within anti-infectives progress, with a key focus on partnering opportunities.

We were delighted to secure the successful fundraising in late 2021, as it demonstrated that our corporate repositioning efforts, since the Board changes, were recognised by our existing shareholders and partner, Avion (Alora Pharmaceuticals).

In closing, we look forward to sharing value enhancing newsflow over the next period and we would like to thank our shareholders for their support as well as our staff, corporate and scientific advisers and our partners including, CNRS and Avion.

Tim McCarthy
Chairman & CEO

Financial Review

The financial results of the ImmuPharma Group in this report cover the year ended 31 December 2021. The Group's principal activity is that of research and development of novel drugs to treat serious medical conditions.

Income Statement and Statement of Comprehensive Income

The operating loss for the year ended 31 December 2021 was £6.6 million, up from £5.6 million for the year ended 31 December 2020. The research and development expenditure was £3.7 million, up from £2.4 million in 2020. P140 related expenditure was the main reason for this increase. Administrative expenses were £1.0 million (2020: £1.8 million). The operating loss for the year includes exceptional costs of £1.4m (2020: £Nil) in respect of corporate reorganisation, including the departures of Board members (including Dr Robert Zimmer and Dimitri Dimitriou) and respective settlement agreements.

Finance income has decreased from £41k in 2020 to £1k in 2021. Finance costs amounted to £2.4 million, up from £1.7 million in 2020, caused largely by the loss on the Lanstead derivative financial asset. The loss after tax for the year was £8.2 million, an increase from £6.9 million in 2020.

The amounts recognised directly in the Statement of Comprehensive Income include the total fair value loss of £1.0 million (2020: fair value gain of £1.5 million) which comprises the following components: fair value loss on shares held in Incanthera plc of £584k (2020: fair value gain of £852k) and fair value loss on Incanthera's warrants of £418k (2020: fair value gain of £626k). Total comprehensive loss for the year was £9.2 million, an increase from £5.3 million in 2020.

Statement of Financial Position

The Group cash and cash equivalents at 31 December 2021 amounted to £1.6 million (2020: £5.9 million) with the decrease caused by the research and development expenditure related to PK study, exceptional costs and repayment of convertible loan notes. The convertible loan notes liability has been repaid in full in 2021 totalling £838k (2020: £635k). Trade and other payables increased to £1.6 million (2020: £0.6 million) and was largely due to PK study related expenditure. The total value of the financial asset equated to £1.4 million, comprising of shares in Incanthera of £1.2 million (2020: £1.8 million) and warrants in Incanthera of £0.2 million (2020: £0.6 million). At 31 December 2021 the Lanstead derivative financial asset amounted to £0.9 million (2020: £1.2 million). The decrease was a result of the fair value calculation performed at year end, reflecting the decrease in ImmuPharma's share price.

Results

The Group recorded a loss for the year of £8.2 million (2020: £6.9 million). Basic and diluted loss per share was 3.25p (2020: 3.43p). In accordance with the Group's loss making position, no dividend is proposed.

Total Voting Rights

The Company had a total of 284,984,933 ordinary shares in issue at 31 December 2021 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

Tim McCarthy
Director

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Year ended 31 December 2021 £	Year ended 31 December 2020 £
Continuing operations			
Revenue		118,350	126,667
Research and development expenses		(3,650,400)	(2,372,834)
Exceptional items		(1,427,084)	-
Administrative expenses		(1,011,398)	(1,764,897)
Share based payment expense		(616,423)	(1,578,368)
Operating loss		(6,586,955)	(5,589,432)
Finance costs		(2,354,872)	(1,697,832)
Finance income		1,107	41,089
Loss before taxation		(8,940,720)	(7,246,175)
Tax		766,815	386,248
Loss for the year		(8,173,905)	(6,859,927)
Attributable to:			
Equity holders of the parent company		(8,173,905)	(6,859,927)
Loss per ordinary share			
Basic and diluted	2	(3.25)p	(3.43)p

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

	Year ended 31 December 2021	Year ended 31 December 2020
	£	£
Loss for the financial period	(8,173,905)	(6,859,927)
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss:		
Fair value (loss)/gain on investment	(584,355)	851,772
Fair value (loss)/gain on warrants	(418,068)	625,576
Total items that will not be reclassified subsequently to profit or loss	(1,002,423)	1,477,348
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	(36,177)	42,207
Total items that may be reclassified subsequently to profit or loss	(36,177)	42,207
Other comprehensive (loss)/income for the period	(1,038,600)	1,519,555
Total comprehensive loss for the period	(9,212,505)	(5,340,372)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	31 December 2021 £	31 December 2020 £
Non-current assets		
Intangible assets	477,553	484,042
Property, plant and equipment	352,996	411,606
Derivative financial asset	405,489	174,488
Financial assets	1,415,835	2,418,258
Total non-current assets	2,651,873	3,488,394
Current assets		
Trade and other receivables	427,199	161,998
Derivative financial asset	508,167	1,016,635
Cash and cash equivalents	1,649,374	5,862,057
Current tax asset	761,188	386,590
Total current assets	3,345,928	7,427,280
Current liabilities		
Financial liabilities - borrowings	(700)	(6,939)
Trade and other payables	(1,583,604)	(619,037)
Convertible loan notes	-	(634,902)
Total current liabilities	(1,584,304)	(1,260,878)
Net current assets	1,761,624	6,166,402
Net assets	4,413,497	9,654,796
EQUITY		
Ordinary shares	28,498,494	25,022,130
Share premium	27,237,329	27,237,329
Merger reserve	106,148	106,148
Other reserves	5,153,159	3,255,536
Retained earnings	(56,581,633)	(45,966,347)
Total equity	4,413,497	9,654,796

The financial statements were approved by the Board of Directors and authorised for issue on 24 May 2022
They were signed on its behalf by:

Tim McCarthy
Director

Tim Franklin
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Share capital	Share premium	Merger reserve	Other reserves – Acquisition reserve	Other reserves – Translation reserve	Other reserves – Share based payment reserve	Other reserves – Convertible option reserve	Other reserves – Warrant 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 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
Loss for the financial year	-	-	-	-	-	-	-	-	(8,173,905)	(8,173,905)
Exchange differences on translation of foreign operations	-	-	-	-	(36,177)	-	-	-	-	(36,177)
Transactions with owners:										
Share based payments	-	-	-	-	-	616,423	-	-	-	616,423
New issue of equity capital	3,476,364	322,727	-	-	-	-	-	-	(1,349,000)	2,450,091
Costs of new issue of equity capital	-	(322,727)	-	-	-	-	-	-	(121,581)	(444,308)
Fair value loss on investments	-	-	-	-	-	-	-	-	(584,355)	(584,355)
Fair value loss on share warrants	-	-	-	-	-	-	-	-	(418,068)	(418,068)
Settlement of convertible loans reserve	-	-	-	-	-	-	(31,623)	-	31,623	-
Issue of warrants	-	-	-	-	-	-	-	1,349,000	-	1,349,000
At 31 December 2021	28,498,494	27,237,329	106,148	(3,541,203)	(1,344,657)	8,690,019	-	1,349,000	(56,581,633)	4,413,497
Attributable to:-										
Equity holders of the parent company	28,498,494	27,237,329	106,148	(3,541,203)	(1,344,657)	8,690,019	-	1,349,000	(56,581,633)	4,413,497

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Year ended 31 December 2021 £	Year ended 31 December 2020 £
Cash flows from operating activities			
Cash used in operations	3	(5,222,446)	(3,879,936)
Tax received		392,217	606,157
Interest paid		(2,943)	(55,622)
Net cash used in operating activities		(4,833,172)	(3,329,401)
Investing activities			
Purchase of property, plant and equipment		(50,934)	(360,290)
Interest received		651	41,089
Purchase of investments		-	(250,000)
Net cash used in investing activities		(50,283)	(569,201)
Financing activities			
Decrease in bank overdraft		(211)	(184)
Loan repayments		(6,028)	(21,256)
Settlements from Sharing Agreement		328,495	1,292,393
Gross proceeds from issue of new share capital		3,550,000	8,000,000
Share capital issue costs		(132,350)	(702,133)
Funds deferred per Sharing Agreement		(2,200,000)	(1,300,000)
Gross proceeds from issue of convertible loan notes		-	2,152,252
Interest paid on convertible loan notes		(121,120)	
Convertible loan notes issue costs		-	(235,552)
Convertible loan notes repaid		(716,739)	(815,166)
Net cash generated from financing activities		702,047	8,370,354
Net increase/(decrease) in cash and cash equivalents		(4,181,408)	4,471,752
Cash and cash equivalents at beginning of year		5,862,057	1,364,840
Effects of exchange rates on cash and cash equivalents		(31,275)	25,465
Cash and cash equivalents at end of year (excluding overdraft)		1,649,374	5,862,057

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 2021 or 31 December 2020.

The financial information has been extracted from the statutory accounts for the years ended 31 December 2021 and 31 December 2020. 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 2021 and 31 December 2020. For the year ended 31 December 2021 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, and a reference to which the auditor drew attention by way of emphasis without qualifying their report in respect of going concern.

For the year ended 31 December 2020, it did include an emphasis of matter paragraphs relating to 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 2020 have been delivered to the Registrar of Companies, whereas those for the year ended 31 December 2021 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 2020 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 2021 and the comparatives are for the year ended 31 December 2020 and 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 2021 £**	**Year ended 31 December 2020 £**
	Loss		
	Loss for the purposes of basic loss per share being net loss after tax attributable to equity shareholders	(8,173,905)	(6,859,927)
	Number of shares		
	Weighted average number of ordinary shares for the purposes of basic earnings per share	251,164,361	200,176,156
	Basic loss per share	(3.25)p	(3.43)p
	Diluted loss per share	(3.25)p	(3.43)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 2021	Group 31 December 2020
	£	£
Operating loss	(6,586,955)	(5,589,432)
Depreciation and amortisation	114,119	170,954
Share-based payments	616,423	1,578,368
(Increase) in trade and other receivables	(265,201)	(8,380)
Increase in trade and other payables	896,798	113,926
(Gain)/loss on foreign exchange	2,370	(145,372)
Cash used in operations	(5,222,446)	(3,879,936)

4. ANNUAL REPORT

The annual report for the year ended 31 December 2021 will be posted to shareholders shortly, and will be made available on the Company's website www.immupharma.co.uk.