ImmuPharma plc

INTERIM RESULTS

FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2023

ImmuPharma plc

Chairman's Statement

The first part of 2023 was a period of further progress for ImmuPharma, as we continued to focus on progressing our late-stage pipeline assets specifically, within our P140 autoimmune platform.

Most recently in June, the Company announced that, after receiving comprehensive guidance from the Food and Drug Administration ("FDA") on the new Phase 2/3 adaptive clinical trial protocol for the lead programme for the treatment of patients with systemic lupus erythematosus ("SLE/Lupus"), it is moving forward with the study, together with its US partner Avion Pharmaceuticals ("Avion").

Positive progress was also announced in May for a second high medical need disease, chronic idiopathic demyelinating polyneuropathy ("CIDP"). The Company received positive feedback from the FDA at a pre-IND meeting for a late-stage Phase 2/3 adaptive clinical program in patients, which is a further debilitating auto-immune condition within the Company's P140 platform.

In parallel with advancements in the late-stage clinical developments, the Company is also actively in discussions with a number of potential commercial partners for programmes across the Company's development portfolio.

Lupuzor™/P140 – opportunity and next steps

There are an estimated five million people suffering from Lupus, with approximately 5 million patients in the US, Europe and Japan (Source: Lupus Foundation of America). The prevalence in China may be 2-3 times that seen in the US. 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™/P140 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 most Lupus patients. It has a unique mechanism of action and is not an immunosuppressant like other drugs. Lupuzor™/P140 normalises the over-activity of T-cells which are involved in the immune response leading to Lupus disease. Lupuzor™ taken over the long term may have 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.

A new major opportunity for P140 is CIDP, a rare acquired autoimmune disorder of peripheral nerves. It is a neurological disorder characterized by progressive weakness and impaired sensory function in the legs and arms. CIDP is a potential orphan drug indication which would provide patent life extension of 7 years post-approval.

The Board is confident that there is a route to market for P140 in Lupus and CIDP including further corporate collaborations.

Lupuzor™ Phase 2/3 Adaptive Study

As announced in June 2023, following the receipt of comprehensive guidance from the FDA, in conjunction with our US partner Avion, a Phase 2/3 adaptive clinical trial of P140 (Lupuzor™) in patients with Lupus will commence in H2 2023.

The trial design and protocol is substantially different from previous clinical trials that ImmuPharma has completed and includes maintaining subcutaneous dosing but at much higher concentrations and significant changes to patient inclusion criteria and primary and secondary clinical endpoints.

The detailed protocol and key elements of the clinical trial design will be communicated at a later stage once the details of the trial are available on clinicaltrials.gov (a comprehensive database of privately and publicly funded clinical studies conducted around the world).

Lupus ABC Consortium

The FDA's Center for Drug Evaluation and Research ("CDER") has partnered with the Lupus Research Alliance ("LRA") to launch the Lupus Accelerating Breakthroughs Consortium ("Lupus ABC"), a first-of-its-kind public-private partnership focused on addressing challenges impacting Lupus clinical trial success.

Lupus ABC will convene people living with Lupus, medical societies, industry, academic clinical researchers and scientists, FDA, and other federal agencies to address scientific hurdles that are beyond the capacity of any single entity. By connecting those with lived experience with all parties involved in Lupus treatment research, CDER hopes to advance the development of urgently needed treatments for Lupus.

This can only be extremely good news for Lupus patients worldwide, including ImmuPharma, our partners and our peers, in bringing new safe Lupus drugs to the market, sooner rather than later.

CIDP / P140

For P140 in CIDP we announced in April 2023 that we had received confirmation from the FDA for a pre- Investigational New Drug ("PIND") meeting date of 16 May 2023, to consider a Phase 2/3 adaptive trial study protocol.

In May 2023, ImmuPharma received positive guidance from FDA following the PIND meeting that confirms the route for a Phase 2/3 adaptive clinical study of P140 in CIDP.

The FDA feedback recognises that P140 is suitable to be studied in another disease indication in addition to SLE and this strongly supports the underlying science and mechanism of action of P140 across several auto-immune/inflammatory diseases and is a significant breakthrough for the P140 platform.

The Phase 2/3 adaptive clinical trial will be the first pivotal stage study of P140 in patients with CIDP: a rare neurological disease with high medical need.

An IND application is now being prepared for submission to the FDA, incorporating all guidance points. An application for Orphan Drug status for CIDP will be also submitted in parallel to the full IND application.

The CIDP market is expected to reach global sales of US$2.7bn by 2029.

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: BioAMB and BioCin, which we believe have the best commercial opportunity and speed to market. These programs are based on existing drugs that have been used for decades so the PK, efficacy and safety of those drugs is well understood. They will also be patent protected.

- 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, vancomycin, used in high medical need cases and in many cases the last line of defense. BioCin has the potential to offer improved safety and administration benefits.

Pipeline Overview

Our therapeutic focus is on two core areas; Autoimmunity/Inflammation and Anti-infection. We also look for valuable deals for non-core assets as evidenced by a collaborative deal, signed in March 2023, with Orano SA on ImmuPharma's peptide technology as a vector for cancer radiotherapy. The initial collaboration is for 12 months, and a small undisclosed upfront payment was paid to ImmuPharma.

Commercial Activities

Management has established discussions with new potential corporate partners across the P140 platform and anti-infective programmes. The drive to conclude further commercial and partnering deals will be accelerated over this next period and which is now bolstered by the recently announced new Board appointments.

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.

Interest in Incanthera Plc

As at 30 June 2023, ImmuPharma had a 12.7% 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 in Incanthera at an exercise price of 9.5p. As most recently announced in August 2023, the term of these Warrants has been extended by 12 months to 6 September 2024.

As announced in Incanthera's interim report in December 2022, the Company continues to concentrate upon furthering discussions to capitalise on the potential for various applications of its skincare portfolio for commercial success.

As a major shareholder, ImmuPharma remains supportive of Incanthera.

Capital subscription post period end

The Company has undertaken a successful fundraising post period ended; see the separate announcement issued today.

Current Activities and Outlook

"We continue to make positive progressive steps for ImmuPharma. As a Board, we remain focused on bringing our two key late stage P140 clinical assets in Lupus and CIDP through their final clinical trials and to the market.

The drive to conclude further commercial and partnering deals will be accelerated over this next period and which is now bolstered by the recently announced new Board appointments.

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."

Tim McCarthy
Chairman & Chief Executive Officer

31 August 2023

ImmuPharma plc

CONSOLIDATED INCOME STATEMENT
FOR THE PERIOD ENDED 30 JUNE 2023

	Note	Unaudited 6 months ended 30 June 2023	Audited Year ended 31 December 2022	Unaudited 6 months ended 30 June 2022
		£	£	£
Continuing operations				
Revenue		69,959	-	-
Research and development expenses		(828,767)	(2,022,507)	(1,042,917)
Administrative expenses		(412,277)	(846,571)	(555,600)
Share based expense		(127,327)	(159,874)	(70,994)
Operating loss		(1,298,412)	(3,028,952)	(1,669,511)
Finance costs	6	(931)	(1,455,966)	(176,665)
Finance income		162,286	(28,585)	16,364
Loss before taxation		(1,137,057)	(4,456,333)	(1,829,812)
Tax		289,691	648,902	166,024
Loss for the period		(847,366)	(3,807,431)	(1,663,788)
Attributable to:				
Equity holders of the parent company		(847,366)	(3,807,431)	(1,663,788)
Loss per ordinary share				
Basic and diluted	2	(0.25)p	(1.26)p	(0.58)p

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2023

	Unaudited 6 months ended 30 June 2023 £	Audited Year ended 31 December 2022 £	Unaudited 6 months ended 30 June 2022 £
Loss for the financial period	(847,366)	(3,807,431)	(1,663,788)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
Fair value loss on investment	(54,474)	(519,977)	(614,068)
Fair value loss on warrants	7,421	(206,279)	(206,411)
Total items that will not be reclassified subsequently to profit or loss	(47,053)	(726,256)	(820,479)
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations	(18,897)	79,104	16,350
Total items that may be reclassified subsequently to profit or loss	(18,897)	79,104	16,350
Other comprehensive loss for the period	(65,950)	(647,152)	(804,129)
Total comprehensive loss for the period	(913,316)	(4,454,583)	(2,467,917)

ImmuPharma plc
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

	Note	Unaudited 6 months ended 30 June 2023 £	Audited Year ended 31 December 2022 £	Unaudited 6 months ended 30 June 2022 £
Non-current assets				
Intangible assets		463,207	473,892	471,534
Property, plant and equipment		332,992	389,716	330,835
Financial asset		642,526	689,579	595,355
Derivative financial asset	4	36,466	82,563	196,488
Total non-current assets		1,475,191	1,635,750	1,594,212
Current assets				
Trade and other receivables		705,867	723,583	114,450
Cash and cash equivalents		210,584	667,813	170,922
Current tax asset		624,429	695,297	595,205
Derivative financial asset	4	272,388	252,258	400,306
Total current assets		1,813,268	2,338,951	1,280,883
Current liabilities				
Financial liabilities – borrowings		-	(111)	(230)
Trade and other payables		(1,551,071)	(1,451,213)	(858,291)
Total current liabilities		(1,551,071)	1,451,324)	(858,521)
Net current assets		262,197	887,627	422,362
Net assets		1,737,388	2,523,377	2,016,574
EQUITY				
Ordinary shares	5	28,982,676	28,982,676	28,498,94
Share premium		28,788,377	28,788,377	27,237,329
Merger reserve		106,148	106,148	106,148
Other reserves		5,869,926	5,761,496	5,240,503
Retained earnings		(62,009,739)	(61,115,320)	(59,065,900)
Total equity		1,737,388	2,523,377	2,016,574

ImmuPharma plc
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2023

	Ordinary shares £	Share premium £	Merger Reserve £	Other reserves - Acquisition Reserve £	Other reserves - Translation Reserve £	Other reserves -Share based payment reserve £	Other reserves – Warrant reserve £	Retained Earning £s	Total Equity £
At 1 January 2022	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
Loss for the financial period	-	-	-	-	-	-	-	(1,663,788)	(1,663,788)
Exchange differences	-	-	-	-	16,350	-	-	-	16,350
Share based payments	-	-	-	-	-	70,994	-	-	70,994
Fair value loss on investments	-	-	-	-	-	-	-	(614,068)	(614,068)
Fair value loss on warrants	-	-	-	-	-	-	-	(206,411)	(206,411)
At 30 June 2022 unaudited	28,498,494	27,237,329	106,148	(3,541,203)	(1,328,307)	8,761,013	1,349,000	(59,065,900)	2,016,574
At 1 January 2022	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
Loss for the financial year	-	-	-	-		-		(3,807,431)	(3,807,431)
Exchange differences	-		-	-	79,104	-	-	-	(79,104)
Share based payments	-	-	-	-	-	159,874	-	-	159,874
New issue of equity capital	484,182	1,866,727	-	-	-	-	-	-	2,350,909
Cost of new issue of equity capital	-	(165,679)	-	-	-	-	-	-	(165,679)
Fair value loss on investments	-	-	-	-	-	-	-	(519,977)	(519,977)
Fair value loss on warrants	-	-	-	-	-	-	-	(206,279)	(206,279)
Issue of warrants		(150,000)					369,359	-	219,359
At 31 December 2022 & 1 January 2023 audited	28,982,676	28,788,377	106,148	(3,541,203)	(1,265,553)	8,849,893	1,718,359	(61,115,320)	2,523,377
Loss for the financial period	-	-	-	-	-	-	-	(847,366)	(1,663,788)
Exchange differences	-	-	-	-	(18,897)	-		-	16,350
Share split	-								-
Share based payments	-	-	-	-	-	127,327	-	-	70,994
Fair value loss on investments	-	-	-	-	-	-	-	(54,475)	(614,068)
Fair value gain on warrants	-	-	-	-	-	-	-	7,421	(206,411)
At 30 June 2023 unaudited	**28,982,676**	**28,788,377**	**106,148**	**(3,541,203)**	**(1,284,450)**	**8,977,220**	**1,718,359**	**(62,009,739)**	**1,737,388**

ImmuPharma plc

CONSOLIDATED STATEMENT OF CASHFLOWS FOR THE PERIOD ENDED 30 JUNE 2023

	Note	Unaudited 6 months ended 30 June 2023 £	Audited Year ended 31 December 2022 £	Unaudited 6 months ended 30 June 2022 £
Cash flows from operating activities				
Cash used in operations	3	(990,977)	(3,224,906)	(1,966,598)
Tax received		338,992	879,877	343,246
Interest paid		(932)	(2,036)	(922)
Net cash used in operating activities		(652,917)	(2,347,065)	(1,624,274)
Investing activities				
Purchase of property, plant and equipment		-	(106,009)	-
Interest received		1,464	28,585	63
Net cash (used in)/generated from investing activities		1,464	(77,424)	63
Financing activities				
Decrease in bank overdraft		(109)	-	-
New loans/(loan repayments)		-	-	(470)
Settlements from Sharing Agreement		184,951	362,500	143,273
Gross proceeds from issue of new share capital		-	2,350,909	-
Share capital issue costs		-	(165,679)	-
Funds deferred per Sharing Agreement		-	(1,000,000)	-
Net cash generated from financing activities		184,842	1,547,730	142,803
Net (decrease) in cash and cash equivalents		(466,612)	(876,759)	(1,481,408)
Cash and cash equivalents at start of period		667,813	1,649,374	1,649,374
Effects of exchange rates on cash and cash equivalents		9,382	(104,802)	2,956
Cash and cash equivalents at end of period		210,583	667,813	170,922

ImmuPharma plc

NOTES TO THE CONSOLIDATED INTERIM ACCOUNTS FOR THE PERIOD ENDED 30 JUNE 2023

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 2022. 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 2022.

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 2022 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 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.

2 LOSS PER SHARE

	Unaudited 6 months ended 30 June 2023 £	Audited Year ended 31 December 2022 £	Unaudited 6 months ended 30 June 2022 £
Loss			
Loss for the purposes of basic and diluted loss per share being net loss attributable to equity shareholders	(847,366)	(3,807,431)	(1,663,788)
Number of shares			
Weighted average number of ordinary shares for the purposes of basic loss per share	333,403,115	302,912,903	284,984,933
Basic loss per share	(0.25)p	(1.26)p	(0.58)p
Diluted loss per share	(0.25)p	(1.26)p	(0.58)p

There is no difference between basic loss per share and diluted loss per share as the share options and warrants are anti-dilutive. Deferred shares are excluded from the loss per share calculation as they have no attributable earnings.

ImmuPharma plc

NOTES TO THE CONSOLIDATED INTERIM ACCOUNTS FOR THE PERIOD ENDED 30 JUNE 2023

(Continued)

3 CASH USED IN OPERATIONS

	Unaudited 6 months ended 30 June 2023 £	Audited Year ended 31 December 2022 £	Unaudited 6 months ended 30 June 2022 £
Operating loss	(1,298,417)	(3,028,952)	(1,669,511)
Depreciation & amortisation	58,787	117,563	86,639
Share based payments	127,327	159,874	288,826
Decrease/(increase) in trade & other receivables	17,716	(132,392)	312,749
Increase/(decrease) in trade & other payables	99,858	(296,384)	(725,313)
Gain / (loss) on foreign exchange	3,752	(45,554)	7,271
Cash used in operations	(990,977)	(3,224,906)	(1,966,598)

4 Derivative Financial Asset

As part of the placement completed in March 2020, the Company issued 13,000,000 new ordinary shares to Lanstead Capital Investors L.P. ("Lanstead") at a price of 10p per share for an aggregate subscription price of £1.3m before expenses. In December 2021, the Company issued 20,000,000 new ordinary shares to Lanstead at a price of 11p per share to raise £2.2m before expenses. In the placement completed in August 2022, the Company issued 20,000,000 new ordinary shares to Lanstead at a price of 5p per share to raise £1m gross. All Subscriptions proceeds were pledged under Sharing Agreements, under which Lanstead made and will continue to make, subject to the terms and conditions of the respective Sharing Agreement, monthly settlements to the Company that are subject to adjustment upwards or downwards depending on the Company's share price performance.

In December 2021 and August 2022 the Company also issued 1,400,000 new ordinary shares consecutively to Lanstead as value payments in connection with the Share Subscriptions and the Sharing Agreements. Monthly settlements under the Sharing Agreement from March 2020 completed in June 2022. The settlements from remaining Sharing Agreements (December 2021 and August 2022) will continue until 2024, completing in March 2024 and August 2024 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 2023, the Company completed a calculation of fair value of the derivative financial asset that resulted in a finance gain of £142,439 (£174,742 loss at 30 June 2022), 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 each Sharing Agreement and will vary according to the Company's share price performance.

ImmuPharma plc

NOTES TO THE CONSOLIDATED INTERIM ACCOUNTS FOR THE PERIOD ENDED 30 JUNE 2023

(Continued)

5 Issued share capital

At 30 June 2023, the Company had no limit on its authorised share capital.

Allotted, called up and fully paid	30 June 2023 No.	31 December 2022 No.	30 June 2023 £	31 December 2022 £
At start of year:				
Ordinary shares of £0.10 each				
Ordinary shares of £0.01 each	333,403,115	284,984,933	3,334,032	2,849,849
Deferred shares of £0.09 each	284,984,933	284,984,933	25,648,644	25,648,644
Movements during period:				
Shares issued on 23 December 2021				
Shares issued on 16 August 2022	-	42,418,182	-	424,183
Shares issued on 30 August 2022	-	1,000,000	-	10,000
Shares issued on 5 September 2022	-	2,000,000	-	20,000
Shares issued on 13 September 2022	-	3,000,000	-	30,000
At end of the period	618,388,048	618,388,048	28,982,676	28,982,676

6. Subsequent events

Successful fundraising, see separate announcement issued today