Company No. 03929567

ImmuPharma plc

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

ImmuPharma plc

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ImmuPharma plc

Chairman's Report

The year 2024 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 technology platform. This positive progress, I am pleased to say, has continued into the first period of 2025.

In January 2025, we announced innovative groundbreaking advancements in our preclinical research program focused on P140 and the pathogenesis of autoimmune diseases. This new discovery, conducted by the Company's R&D subsidiary ImmuPharma Biotech, has yielded data that provides novel insights into autoimmune disease mechanisms. Importantly for our autoimmune therapy P140, these findings pave the way for earlier and more accurate diagnostics; identifying patients most likely to respond to P140 therapy; and improved monitoring of the patient's response to treatment with P140

In March 2025, we announced a significant milestone in evidencing for the first time key hypotheses in the unique mechanism of action ("MOA") of our P140 autoimmune technology platform. Importantly, these new discoveries highlight that: P140 has a unique MOA, P140 is non-immunosuppressive, and P140 is effective and safe.

The favourable impact of P140 on immune system homeostasis also supports P140 as a new potential standard of care for patients suffering from a multitude of autoimmune diseases, that are caused by the same underlying malfunction. This also agrees with many preclinical animal models of autoimmune diseases where P140 has clearly demonstrated efficacy.

Based on this recent progress and insights into P140's MOA and autoimmune disease, the Company is actively in discussions with a number of potential global commercial partners.

P140 - SLE New dose strategy, study design and MOA clarity

There are an estimated 1.5 million people suffering from SLE in the US (source: Lupus Foundation of America), and an estimated 5 million globally. The prevalence in China may be 3-4 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 P140 has the potential to be a novel specific drug therapy for the treatment of SLE by specifically restoring an imbalanced immune system and halting disease progression in many autoimmune diseases, of which SLE is a well-known example.

The P140 program was re-examined in 2021/22, and the Board decided that it required a completely different approach. The result of this was to redesign all future clinical studies creating a superior product offering and target product profile. The three pillars of strength and confidence in our new program are dose, design and MOA.

After three FDA guidance meetings in previous years, further human and animal pharmacokinetics studies and reconciliation with efficacy demonstrated in the animal models, it was concluded that the previous dose used in clinical studies was significantly too low. The new dose will be up to 20 times higher than the 200 micrograms used previously.

We expect no adverse events that could lead to product label warnings seen with all other approved drugs and standard of care. In addition, a key objective will be to taper the use of steroids which are currently the standard of care.

The lack of immunosuppression is explained by our refined MOA. All other molecules currently in development possess varying degrees of immunosuppression, which give rise to side effects and limit the dose that can be used to achieve efficacy.

The use of oral steroids in most SLE patients as standard of care (SoC) therapy is contrary to the action of P140 and will modify the efficacy of most drugs being tested. Therefore, because P140 restores the immune system to normal, there should be no need for steroid use. Consequently patients will have their oral steroid therapy adjusted down. Downward adjustment or 'titration' by the study physician, should be easier in the P140 treated group than the placebo group and as such will allow even greater delineation of benefit from P140.

New MOA evidence highlight:

- **P140 has a unique MOA:** The results provide direct evidence for the first time of a major key hypothesis of the unique MOA of P140.

- **P140 is non-immunosuppressive:** Unlike the most advanced therapies currently available for the treatment of autoimmune diseases, these findings indicate that P140 does not reduce or block the body's ability to mount a specific immune response.

- **P140 Immune Signature:** These findings confirm P140's potential as a safe and effective treatment for patients suffering from systemic lupus erythematosus (SLE).

These discoveries result from a new preclinical study designed by ImmuPharma Biotech's team and conducted at a world leading Laboratory in the USA. While detailed data will be released in due course, these findings allow ImmuPharma to further expand its intellectual property portfolio, with additional new patents, strengthening the commercial viability of the P140 technology platform.

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 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 and through further commercialisation deals for territories outside of the US.

Pipeline Overview

ImmuPharma is a biopharmaceutical company that specialises in the usage and development of biopolymers, specifically peptides.

Our research strategy is based on two strategic axes: research based on external collaboration aimed at discovering new active ingredients, which has led to the development of our most advanced project in terms of clinical development: P140, an active peptide against autoimmune diseases including SLE and internal research based on the use of molecular programming technologies, which has notably led to the development of the BioAMB (antifungal) and BioCIN (antibacterial) projects.

This research, for original biopolymer-based active compounds, has led us to collaborate with the world-renowned Centre National de la Recherche Scientifique, (CNRS) in France. This collaboration enables us to access innovative research with substantial embedded value and to work with many leading scientists and clinicians.

ImmuPharma has exclusive rights to all of its intellectual property assets. Since a major Board and management restructuring in 2021, the team has refocused its key pipeline portfolio to maximise long-term shareholder value.

Our late-stage to preclinical pipeline is focused on two core therapeutic areas; autoimmunity and anti-infectives.

Autoimmunity

P140 is a peptide discovered by Professor Sylviane Muller and licensed to the Company by our long standing collaboration partner, the CNRS. Due to its "restorative" action on the immune system, P140 is a technology platform that can be applied across many autoimmune diseases. The Company is currently in clinical development of P140 for the treatment of SLE and CIDP with a view to expanding the clinical program into other selected autoimmune diseases

Chairman's Report (continued)

Pipeline Overview (continued)

P140 for SLE

P140 is a peptide technology platform that targets autoimmune diseases such as SLE. Like all autoimmune diseases there is currently no cure against SLE. There are 2 approved monoclonal antibody treatments that are prescribed for SLE patients but most cases are treated with steroids. Overall, the treatments are mainly immunosuppressants which can have significant side effects.

- P140 has the potential to be a new standard of care therapy for the treatment of SLE.
- P140 has a unique MOA: Recent results provide direct evidence for the first time of a major key hypothesis of the unique MOA of P140.
- P140 is extremely safe, well-tolerated and patient friendly, and potentially can be self-administered through a subcutaneous injection, twice monthly for SLE.

P140 for CIDP

P140 shows compelling pre-clinical data in Chronic Inflammatory Demyelinating Polyneuropathy ("CIDP"), a progressive inflammatory condition of the nerves.

P140's efficacy has been proven in early pre-clinical models of CIDP.

Applications for full FDA IND and orphan drug designation will be submitted in due course.
P140 offers the potential to:

- reduce the frequency of CIDP disease flares
- reduce the need for hospital Intravenous Immunoglobulin Therapy (IVIg) therapy
- convenience of a simple auto-injection twice monthly by patient at home
- reduce costs for patient and healthcare system

P140 - Other indications

A number of additional autoimmune-related indications have already been identified in pre-clinical studies for the P140 platform. They all share the same common cause at the mechanistic level of the cell. Pre-clinical studies have confirmed P140 activity in asthma (acute and chronic), gout, periodontitis and IBD. There have been no new significant drug classes addressing these indications for many years.

What next?...

ImmuPharma has built up invaluable scientific knowledge by developing a peptide compound which can potentially treat a range of autoimmune diseases. Building on this experience, we are developing a new active peptide, targeting specific autoimmune pathologies. This new research programme is perfectly aligned with our strategic priorities. It's a very exciting project that should create further opportunities for the Company.

Chairman's Report (continued)

P140 for CIDP (continued)

Anti-Infection

Anti-infectives were chosen as a core therapy focus because of the ever-looming threat of new and resistant organisms, with few significant new products or even classes having been discovered or developed now for many years.

The innovative peptide technology at ImmuPharma Biotech has been a huge success and 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. Despite the preclinical stage, 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 | for systemic fungal infections

BioAMB is a groundbreaking amphotericin-B variant that promises both efficiency and safety.

Although AMB is highly effective, currently marketed AMB formulations may cause serious kidney toxicity and other severe reactions. BioAMB is not a typical reformulation but a Bio-drug entity which releases AMB as the active agent.

BioAMB aims to:

- Significantly reduce toxicity and improve tolerance to amphotericin-B therapy
- Use a simple injection vs IV infusion
- Improve the frequency & duration of therapy
- Provide a more powerful alternative to existing 1st line azole antifungal therapy where there is increasing resistance.

BioCIN | for severe bacterial infections

BioCIN is an innovative vancomycin-based treatment for efficient, safe, anti-infection treatment.

Vancomycin, a generic drug, is a last resort therapy for the treatment of sepsis and lower respiratory tract, skin, and bone infections caused by Gram-positive bacteria and the killer bug methicillin-resistant Staphylococcus aureus (MRSA).

Marketed since 1954, it is poorly absorbed from the gut and currently requires carefully controlled IV therapy over many hours.

BioCIN aims to:

- Significantly reduce toxicity and improve tolerance to vancomycin therapy
- Use a simple injection &/or oral admin vs IV infusion
- Improve the frequency & duration of therapy
- Improve efficacy through improved tolerance

Interest in Incanthera Plc

On 3rd June 2024 the Company sold its investment in shares in Incanthera plc, which trades on Aquis Stock Exchange ("AQSE") under the ticker (TIDM:INC). All of the 9,904,319 shares were sold at 15p per share realising gross proceeds of £1.5 million.

As at 31 December 2024, ImmuPharma held 7,272,740 warrants options in Incanthera plc. The warrant options have an exercise price of 9.5p pence. As announced in September 2024, the term of these Warrants had been extended by 6 months to 31 March 2025, being the same price at which new shares were issued in the Placing accompanying Incanthera's listing in 2020.

More recently on 1 April 2025 ImmuPharma agreed with Incanthera to further extend the exercise period in the Warrant Instrument, to 30 September 2025.

ImmuPharma shall pay Incanthera a profit share ("Profit Share") upon exercise of the Warrants, equal to 30% of the difference between the Subscription Price and the closing market price of Incanthera Shares on AQSE, on the day of exercise of the Warrants or, if the Warrant Shares are contracted to be sold within 10 days of exercise, then the Company shall pay to Incanthera a profit share of 30% of the difference between the Subscription Price and the contracted market sale price.

Other than the change in the expiry period to 30 September 2025 and the introduction of the Profit Share mechanism, as detailed above, all other provisions in the Warrant Instrument remain the same.

Current Activities and Outlook

We have made significant scientific progress over 2024 and into 2025, most importantly, announcing innovative groundbreaking advancements on P140 and the pathogenesis of autoimmune diseases. Importantly paving the way for earlier and more accurate diagnostics; identifying patients most likely to respond to P140 therapy; and improved monitoring of the patient's response to treatment with P140

In addition, we also announced a significant milestone in evidencing for the first time key hypotheses in the unique mechanism of action ("MOA") of our P140 autoimmune technology platform. Importantly, these new discoveries highlight that: P140 has a unique MOA, P140 is non-immunosuppressive, and is effective and safe.

As a Board, we remain focused on bringing P140 to the market, and securing additional partnering deals for P140 as well as other assets within our portfolio.

In closing, 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

ImmuPharma plc

Financial Review

The financial results of the ImmuPharma Group in this report cover the year ended 31 December 2024. 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 2024 was £2.7 million, reduced from £3.1 million for the year ended 31 December 2023. The research and development expenditure was £1.2 million, down from £2.0 million in 2023. Administrative expenses were £1.0 million (2023: £1.0 million).

Finance income has increased from £3k in 2023 to £45k in 2024. Finance costs amounted to £149k, down from £359k in 2023, caused largely by the comparative fair value calculations on the Lanstead derivative financial asset. The loss after tax for the year was £2.5 million, a decrease from £2.9 million in 2023.

The amounts recognised directly in the Statement of Comprehensive Income include the total fair value gain of £655k (2023: fair value loss of £46k) which comprises the following components: fair value gain on disposal of shares held in Incanthera plc of £730k (2023: fair value loss of £45k) and fair value loss on Incanthera's warrants of £75k (2023: fair value loss of £1k). Total comprehensive loss for the year was £1.7 million, a decrease from £3.0 million in 2023.

Statement of Financial Position

The Group cash and cash equivalents at 31 December 2024 amounted to £0.2 million (2023: £0.2 million). Trade and other payables decreased to £1.5 million (2023: £1.7 million) The total value of the financial asset equated to £nil, comprising of shares in Incanthera of £nil (2023: £0.6 million) and warrants in Incanthera of £nil (2023: £1). At 31 December 2024 the Lanstead derivative financial asset amounted to £0.2 million (2023: £0.6 million). The decrease was a result of the fair value calculation performed at year end, reflecting the completion of two out of three sharing agreements in the period offset by amounts received and losses recognised, further details can be seen in note 15.

Results

The Group recorded a loss for the year of £2.5 million (2023: £2.9 million). Basic and diluted loss per share was 0.60p (2023:0.81p). In accordance with the Group's loss making position, no dividend is proposed.

Total Voting Rights & Warrants

The Company had a total of 701,422,198 (2023:701,422,198) shares in issue at 31 December 2024. The Company's issued share capital comprised 416,437,265 (2023: 416,437,265) Ordinary Shares with one voting right each and 284,984,933 (2023: 287,984,933) deferred shares with no rights to vote. Total warrants outstanding equal: 101,042,908 (2023: 101,042,908).

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

ImmuPharma plc

Strategic Report

The Board of ImmuPharma present their Strategic Report for the Group for the year ended 31 December 2024.

Vision and Values

ImmuPharma is an ethical organisation with the vision to develop novel drugs to treat serious medical conditions, delivering value to patients, medical professionals, healthcare payers and our shareholders.

Business Overview and Prospects

ImmuPharma plc is a specialty biopharmaceutical company that discovers and develops peptide-based therapeutics, headquartered in London and listed on the AIM of the London Stock Exchange (IMM). Its main research and development group ImmuPharma Biotech is based in France. ImmuPharma is dedicated to the development of novel drugs, largely based on peptide therapeutics, to treat serious medical conditions such as autoimmune diseases with high medical need.

ImmuPharma utilises an outsourcing model where development activities are assigned to contract research organisations ("CROs"), maintaining comparatively lower costs. ImmuPharma will manage the development of its own assets up to commercialisation but actively seeks collaborative agreements with larger biopharmaceutical companies at earlier stages of the development proceeds.

ImmuPharma's portfolio includes novel peptide therapeutics within autoimmunity and anti-infectives. The lead program, P140, is a non-immunosuppressing, convenient and safe peptide treatment for autoimmune disease, which is in late-stage development for the treatment of SLE and CIDP. Preclinical analysis also suggests therapeutic activity for many other autoimmune diseases that share the same mechanism of action. ImmuPharma and Avion Pharmaceuticals LLC ("Avion") signed on 28 November 2019, an exclusive Licence and Development Agreement and Trademark Agreement for P140 for SLE to complete clinical development and commercialise it in the United States.

Collaboration with Centre National de la Recherche Scientifique (CNRS)

ImmuPharma has important collaboration arrangements with the Centre National de la Recherche Scientifique, the French National Council for Scientific Research and the largest basic research organisation in Europe.

As part of the collaboration arrangements, ImmuPharma has entered into a research agreement with the CNRS which relates to the therapeutic use of peptides and peptide derivatives. ImmuPharma has been granted the worldwide exclusive rights to exploit all discoveries made pursuant to this agreement and will co-own the relevant intellectual property with the CNRS.

The CNRS has granted additional exclusive worldwide licences to ImmuPharma covering rights to discoveries made prior to this agreement but related to it. The CNRS is entitled to a share of the revenue generated by ImmuPharma from the exploitation of the CNRS' licensed and co-owned rights.

Business Strategy and Objectives

ImmuPharma focuses on developing pioneering and novel drugs in specialist therapeutic areas where there is a distinct lack of existing treatments and high medical needs.

Since ImmuPharma's foundation, our research strategy has been to work closely with the largest fundamental research organisation in Europe, the CNRS in France. This collaboration enables us to access innovative research with substantial embedded value at a relatively low cost, and to work with many leading scientists and doctors.

Our market strategy is to develop drug candidates to a point where further value can be added by licensing our assets to partners (primarily major pharmaceutical corporations) that are well placed to further develop and/or commercialise them. This strategy is exemplified by the corporate deal with Avion Pharmaceuticals signed in 2019, encompassing an exclusive agreement for P140, our lead drug candidate for the treatment of SLE, to complete development and commercialise in US territories.

ImmuPharma's principal business objective is to enhance shareholder value through the development and commercialisation of novel drugs. Its strategies for achieving this objective include:

- pursuing a low-cost model of accessing world class research through our collaboration with the CNRS in France;
- selecting specialist therapeutic areas where there are high unmet needs;
- managing the clinical development of novel drug candidates;
- seeking collaborative agreements with partner companies to further the development and commercialisation of novel drug candidates; and
- maintaining a small corporate infrastructure to minimise costs.

Strategic Report (continued)

Pipeline Overview

ImmuPharma's pipeline is focused on two core therapeutic areas:

- Autoimmunity & Inflammation
- Anti-Infectives

Each of these proprietary programs and respective drug candidates are novel peptide therapeutics and represent a novel approach to therapy.

Product Pipeline

Autoimmunity and Inflammation

P140 in SLE

SLE is a chronic, life-threatening autoimmune, inflammatory disease with a pattern of flares and remission. SLE can affect multiple organs such as skin, joints, kidneys, blood cells, heart and lungs. The symptoms are varied and not always specific to one disease, making diagnosis difficult with patients presenting to several different specialists (mainly dermatologists, rheumatologists, and nephrologists). Awareness of the disease has steadily increased in recent years and should continue to do so due to well-organised patient groups and increased research and development activity into new treatments. Targeting patients most likely to respond to P140 therapy will help more patients get access to P140 therapy.

There are an estimated 1.5 million people suffering from SLE in the US (source: Lupus Foundation of America), and an estimated 5 million globally. Current 'standard of care' treatments, including oral steroids and other immunosuppressants, can potentially have either serious side effects for patients or limited effectiveness. Benlysta was approved for SLE in 2011 and Saphnelo in 2021. Despite product label warnings associated with using these drugs, Benlysta and Saphnelo currently command global annualised sales of ~ $2billion. The target product profile of P140 suggests global peak sales estimate of $10bn in SLE using conservative assumptions. Standard of care for SLE is still oral steroid therapy.

P140 - SLE was licensed to US Cephalon Pharmaceuticals in February 2009. ImmuPharma received upfront payments totalling US$45 million, with a US$500 million cash milestone payment structure plus royalties on future sales. In late 2011, following the acquisition of Cephalon by Teva Pharmaceuticals, ImmuPharma regained all product rights to P140. On 28 November 2019, ImmuPharma and Avion Pharmaceuticals signed an exclusive trademark, licence, and development agreement for P140 to fund a new optimised international Phase 3 trial for P140 and commercialising P140 in the US. The agreement with Avion provides milestone payments and tiered double-digit royalties to ImmuPharma.

P140 has previously completed Phase IIb and Phase III clinical trials. The Phase III trial was carried out under a Special Protocol Assessment (SPA) from the US Food and Drug Administration (FDA) to conduct Phase III trials with Fast Track Designation. In 2015, ImmuPharma signed an agreement with Simbec-Orion to complete a pivotal Phase III clinical study of P140. Simbec-Orion is a full service international Clinical Research Organisation (CRO) specialising in rare and orphan conditions and has previous direct experience of SLE trials.

The Phase III trial was an international, double-blind, randomised, placebo-controlled trial. A total of 202 patients received 200μg P140 or placebo once every month by subcutaneous injection. The study completed in January 2018 and top line results announced in April 2018. Although the study missed the overall primary endpoint, post-hoc analysis provided further insight to the design of a new clinical study with greater ability to show benefit in patients while maintaining good safety and tolerability.

Strategic Report (continued)

Autoimmunity and Inflammation (continued)

P140 in SLE (continued)

ImmuPharma's US partnership with Avion was established at the end of 2019, which then enabled the process of developing an appropriate late-stage clinical plan for P140 in SLE. Since then, there have been three guidance meetings with the FDA on the SLE program. At the first meeting the FDA requested ImmuPharma complete a clinical PK study of P140. Subsequently additional animal PK studies, dose analyses and insights into the MOA of P140 led to a new international Phase 3 study design.

The reworking of the new SLE study also greatly contributed to finalising our clinical protocol for a new disease indication CIDP (Chronic Idiopathic Demyelinating Polyneuropathy).

P140 - Chronic Inflammatory Demyelinating Polyneuropathy ("CIDP")

Professor Sylviane Muller's preclinical work and publications also suggest that P140 may provide therapeutic benefit in CIDP. CIDP is a rare acquired autoimmune disorder of peripheral nerve, described by the National Institute of Neurological Disorders and Stroke (NINDS) as a neurological disorder characterized by progressive weakness and impaired sensory function in the legs and arms. Prevalence estimates suggest from 30,000-50,000 CIDP cases across US/Europe. The European Academy of Neurology/ Peripheral Nerve Society (EAN/PNS) diagnosis guideline second update in 2021 notes that CIDP is the most common immune-mediated neuropathy.

CIDP can occur in both genders at any age, it is more common in young men than women. The initial symptoms are tingling or numbness (beginning in the toes and fingers), weakness of the arms and legs, loss of deep tendon reflexes (areflexia), fatigue, and abnormal sensations. CIDP is closely related to Guillain-Barre syndrome, and it is considered the chronic counterpart of that acute disease. Complications of CIDP include permanent decrease or loss of sensation in areas of the body and permanent weakness or paralysis in areas of the body. These symptoms may result in impaired lower and upper limb function. Common deficits encountered in patients with CIDP include gait instability and the need for gait assistive devices include cane, walker or wheelchair. Upper limb manifestations may include impairment with day-to-day activities such as manipulating buttons or zippers or using dinner cutlery. Other symptoms may include pain, tremor and fatigue; each of which adds to the disability of patients independent of loss of motor and sensory control. While most disability from CIDP is thought to be disease related, one must also consider disability related to medication used to treat the disorder. For many patients the burden of treatment (side effects, cost, time, loss of autonomy) can be substantial.

There is a substantial personal and pharmacoeconomic burden of CIDP. The goals of CIDP treatment are to arrest the attack on the myelin sheath of nerves and to reduce symptoms, improve functional ability, prevent relapse, and maintain long-term remission. Immunoglobulins (Igs), corticosteroids, and plasma exchange are considered as first-line therapy.

In the US intravenous immunoglobulin (IVIG) is considered first line treatment. Multiple IVIG products including Panziga® (Pfizer), Gamunex (Grifols) and Privigen (CSL Behring) have been approved for treatment of adults with CIDP to improve neuromuscular disability and impairment. The mechanism by which IVIG improves CIDP is not clearly understood but likely involves competing with or removing pathogenic auto-antibodies, thereby preventing myelin and nerve injury. Within a setting void of inflammatory nerve attack, nerves may auto-heal, and their function can be restored. In cases where nerve injury is severe or very chronic repair is an unrealistic objective, and the focus turns to preventing the disease from getting worse.

Autoimmunity and Inflammation (continued)

P140 - Chronic Inflammatory Demyelinating Polyneuropathy ("CIDP") (continued)

Other than IVIG, corticosteroids and plasma exchange are evidence-based proven effective CIDP treatment options. Plasma exchange is limited by the short durability of treatment effect, need for frequent exchanges, and tolerability as a chronic treatment. The many side effects of corticosteroids are well known. While these can be managed in the short term, as a long-term therapy corticosteroid generally impose too much collateral damage on patients to be considered a routine viable treatment option. In all patients, which treatment is given depends on comorbidities and contraindications, tried, and failed prior treatment attempts, and disease severity. With more aggressive treatment comes more potential for adverse outcomes, but that risk may be justified if disease disability is substantial. In the mildest cases in which symptoms do not impact functionality the disease may be managed with supportive care alone

As discussed in the Chairman's report, ImmuPharma has finalised a protocol for an international Phase 2/3 adaptive clinical study which will be submitted for an IND application and application for orphan drug designation. Orphan drug designation would provide seven years' marketing exclusivity post-approval.

ImmuPharma is working closely with Professor Jerome de Seze, a Professor in Neurology and PhD in Immunology and Head of the Neuroimmunology Department of Strasbourg Hospital. He is a recognised specialist in CIDP and will be the principal investigator for our forthcoming CIDP trial and has been involved in many CIDP trials. Professor Sylviane Muller, who has a longstanding relationship with Professor de Seze and his work within CIDP, will provide any necessary support for this programme.

The CIDP programme is gaining a lot of interest in the industry given the orphan drug status, high medical need in a neurology therapy area, and limited therapeutic options which do not have any underlying disease-modifying benefits. The sales potential for P140 in CIDP is forecast to be over $350 million annually by 2031. The Company is in active discussions with potential commercial partners on this programme.

P140 - Other indications

As part of the ongoing research into P140, several new indications have been revealed. They all share the same common cause at the mechanistic level of the immune cell. Pre-clinical studies have now confirmed P140 activity in asthma (acute and chronic), gout, irritable bowel disease and periodontitis. There is still significant unmet medical need in all these diseases states. The new ongoing fortification of IP for P140 will allow the significant exclusivity for P140 well into the future in order to advance its potential into many autoimmune disease indications.

P140 – Second generation

ImmuPharma has commenced work to develop an improved version of P140, a second-generation product that aims to further strengthen the IP position and deliver active P140 with improved dosing regimens.

Anti-Infectives

Anti-infectives was chosen as a core therapy focus because of the ever-looming threat of new and resistant organisms, with few significant new products or even classes having been discovered or developed now for many years. Our proprietary peptide technology lends itself well to taking established products and greatly improving their pharmacology.

The World Health Organisation has stated that resistance to antibiotics is one of the biggest threats to global health, costs and mortality. Pandemic disease events could cost the global economy over $6 trillion in the 21st century (National Academy of Medicine: 2016).

Autoimmunity and Inflammation (continued)

Anti-Infectives (continued)

It is worth to note that clinical trials within anti-infectives therapy area are generally much shorter than for chronic diseases, so this is an attractive therapy area for speed to market and lower cost of trials.

BioAMB

BioAMB is our most advanced anti-infective candidate. It is an improved form of amphotericin-B ("AMB"), a well-established systemic antifungal drug. It is usually reserved for third line therapy due to the severe side effects associated with most AMB formulations. The toxicity associated with AMB, especially nephrotoxicity, has always been a key challenge for this group of drugs. Pre-clinical studies on BioAMB have so far demonstrated both efficacy and none of the usual toxicity side effects associated with existing AMB formulations. Sales of liposomal AMB (excluding non-liposomal) in 2023 were $492million (Gilead reported sales). However, BioAMB's target product profile will aim for a larger market where the azole class of drugs are used first line (e.g. voriconazole). We are targeting improvements in drug administration and safety whilst maintaining the high efficacy of amphotericin-B against fungal pathogens.

BioCin

BioCin is an improved form of vancomycin, a systemic antibacterial which is highly effective against Methicillin Resistant Staphylococcus Aureus (MRSA) and orally against Clostridium Difficile infections. However, vancomycin is not absorbed from the gut and so requires administration by infusion which is needs to be monitored for efficacy/safety and represents an expensive regimen for patients and their healthcare providers. We have identified where we can improve a number of aspects of the drug's pharmacology with BioCin in order to improve ease of administration whilst optimising the efficacy/safety profile compared to standard vancomycin therapy.

Key Performance Indicators

ImmuPharma is a drug discovery and development group. In keeping with organisations at a similar stage of development in the pharmaceutical and biotechnology sector, ImmuPharma's main activity involves incurring research and development expenditure. The overall strategy is to maintain a tight control over cash resources whilst enabling controlled development of the potential product portfolio.

Key objectives and performance

Objective	Key progress during the period
Successfully find a suitable partner(s) for and/or sufficient funding for the clinical development of P140	• Accelerated presence at major partnering conferences globally and identification new potential partners. • Active discussions ongoing with many companies globally for P140 - licensing/partnering.
Develop potential product portfolio	• Significant PK and MOA activities provide better study design for SLE/CIDP with greater confidence of clinical outcome and realisation of broader reach for P140 across many autoimmune diseases. • New insights and data on P140 allow fortification of IP.
Maintain strong cash position	• Consolidated cash balance at 31 December 2024 was £0.2 million. • Continued tight financial control to ensure effective overall expenditure.

Strategic Report (continued)

Going Concern

The Company and Group do not currently generate any material cash revenues, as their pipeline products remain at the research and development stage. As a result, the Company and Group are reliant on external financing to fund their operations. Additionally, the Company and Group have net current liabilities as at the year-end.

The directors have prepared cash flow forecasts covering a period of more than 12 months from the date of approval of these financial statements. These forecasts incorporate several anticipated cash inflows, including variable cash receipts under the Lanstead Sharing Agreement, as well as proceeds from the equity fundraising that took place after the year-end (see Note 23). No further equity fundraising has been assumed.

The timing and/or magnitude of these projected cash inflows carry a degree of uncertainty, which has been assessed through sensitivity analysis. Despite these measures, the uncertainties are such that potential actions such as further cost base reductions, securing alternative funding, or realising gains on warrants held may not be sufficient to mitigate all reasonably possible downside scenarios.

Based on the above, the directors believe it remains appropriate to prepare the financial statements on a going concern basis. However, these circumstances constitute a material uncertainty that may cast significant doubt on the Company's and Group's ability to continue as a going concern, and consequently, on their capacity to realise assets and discharge liabilities in the normal course of business.

The financial statements do not include any adjustments that might be required if the going concern basis were deemed inappropriate.

Directors' duties in relation to s172 Companies Act 2006

The directors consider that they have acted in the way they believe, in good faith, to promote the success of the Company for the benefit of its members as a whole and, in doing so, have regard (amongst other matters) to:
• the likely consequences of any decisions in the long-term,
• the interests of the Company's employees,
• the need to foster the Company's business relationships with suppliers, customers and others,
• the impact of the Company's operations on the community and environment,
• the desirability of the Company maintaining a reputation for high standards of business conduct, and
• the need to act fairly between the shareholders of the Company.

Long term value

The aim of all business resources allocation is to create a long-term value, being a development and commercialisation of novel drugs. For further details, please see pages 10-13.

Our people

Being a small group with only on average six employees, there is a high level of visibility between Board and employees. For further details, please see page 20-21.

Business relationships

The Board is aware of the importance of maintaining good relationships with its key suppliers whilst safeguarding its resources. For further details, please see pages 31-32 for stakeholder engagement.

Community and environment

The Board seeks to support as many interactions with the research and development community as possible through regular meetings and continuous collaborations. For further details, please see pages 31-32 for stakeholder engagement.

Business Conduct

The Board seeks to maintain a reputation for high standards of business conduct. For further details, please see pages 24-29 for corporate governance.

Shareholders

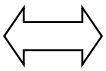
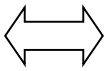
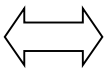
Shareholder communication is conducted regularly via press releases, Proactive Investor platform and other key investment platforms annual and interim reports, and the AGM. For further details, please see pages 31-32 for stakeholder engagement.

Principal Risks and Uncertainties

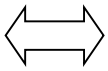
ImmuPharma operates within a complex business environment and an industry that is fundamentally driven by regulatory processes. A robust understanding of the risks and uncertainties involved in a pharmaceutical drug development business is fundamental to ImmuPharma's success. The Board regularly considers these principal risks and uncertainties and reviews its strategies for minimising any adverse impact to the Company or its investors.

The principal risks and uncertainties have been grouped into three categories: pharmaceutical environment, financial and operational. The table below does not illustrate the list of all risks faced by ImmuPharma.

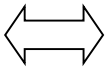
PHARMACEUTICAL ENVIRONMENT RISKS

DRUG DEVELOPMENT	Mitigating factors	Change in year
If the clinical trials of any of ImmuPharma's drug candidates fail, that drug candidate will not be marketed, which would result in a complete absence of revenue from the failed product. The drug development process and achievement of regulatory approvals is complex and uncertain. Because of the cost and duration of clinical trials, the directors may decide to discontinue development of drug candidates that are either unlikely to show good results in the trials or unlikely to help advance a product to the point of a meaningful collaboration. Positive results from pre-clinical studies and early clinical trials do not ensure positive results in clinical trials designed to permit application for regulatory approval.	ImmuPharma's management team have many years of experience in drug development and a robust understanding of the clinical trial design process. This experience should help ensure that such risks are minimised. In addition, ImmuPharma has established scientific advisors and an advisory board in the case of P140 for SLE and CIDP and BioAMB for systemic aspergillosis.	
FAILURE TO PROTECT PRODUCTS	**Mitigating factors**	**Change in year**
The commercial success of ImmuPharma depends upon its ability to obtain patent protection for its products globally. No assurance is given that ImmuPharma will develop products that are patentable, or that patents will be sufficiently broad in their scope to provide protection for ImmuPharma's intellectual property rights and exclude competitors with similar technology. Competitors may obtain patents that may relate to products competitive with those of ImmuPharma. If this is the case then ImmuPharma may have to obtain appropriate licences under these patents or cease and/or alter certain activities or processes, or develop or obtain alternative technology. There can be no assurance that, if any licences are required, ImmuPharma will be able to obtain any of them on commercially favourable terms, if at all.	Since its inception, ImmuPharma has developed a significant patent portfolio. By utilising reputable external advisers, the Company mitigates the risk of patent infringement. New insights into the MOA and internal data provides scope to develop new IP for P140. The patent life for P140 will be significantly extended.	
REGULATORY FRAMEWORK	**Mitigating factors**	**Change in year**
Changes in government regulations or enforcement policies could impose more stringent requirements on ImmuPharma, compliance with which could adversely affect its business. Failure to comply with applicable regulatory requirements could result in enforcement action, including withdrawal of marketing authorisation, injunction, seizure of products and liability for civil and/or criminal penalties.	It is essential that ImmuPharma complies with all regulatory requirements and it continually monitors regulatory developments to ensure that any issues are factored into decision making and projected timelines. External advice is sought after for new legislation or where resources are not available internally.	

PHARMACEUTICAL ENVIRONMENT RISKS (continued)

ENVIRONMENTAL HAZARDS	Mitigating factors	Change in year
ImmuPharma and its third party contractors are subject to laws, regulations and policies relating to environmental protection, disposal of hazardous or potentially hazardous substances, healthy and safe working conditions, manufacturing practices and fire hazard control. There can be no assurance that ImmuPharma or its collaborators will not be required to incur significant costs to comply with future laws, regulations and policies relating to these or similar matters. The risk of accidental contamination or injury from certain materials cannot be eliminated. In the event of such an accident, ImmuPharma could be held liable for any damage that results and any such liability could exceed its resources.	ImmuPharma works with reputable third party organisations that provide assurance regarding their working practices and conditions. In addition, the Group maintains corporate insurance to mitigate this risk.	

FINANCIAL RISKS

AVAILIBILITY OF FINANCE	Mitigating factors	Change in year
As ImmuPharma is not yet at the stage of generating profit, it relies on external funding to develop its programs. It could be several years, if ever, before ImmuPharma receives royalties from any future licence agreements or revenues directly from product sales. If ImmuPharma fails to obtain additional financing, it may be unable to complete the development and commercialisation of its drug candidates or continue its research and development programmes.	The Board remains focused on ensuring it has sufficient capital funds to progress its product portfolio, which it expects will reach market in the future. It also has a good oversight on all major cash expenditures, including budgeting, internal cash forecasting and quarterly reporting.	

OPERATIONAL RISKS		
RELIANCE ON THIRD PARTIES	**Mitigating factors**	**Change in year**
ImmuPharma relies heavily upon other parties (including CROs) for many key stages of its drug development programmes, including execution of some pre-clinical studies and later-stage development for its compounds and drug candidates, management of its clinical trials, management of its regulatory function, and manufacturing, sales, marketing and distribution of its drug candidates. Underperformance by any of these other parties could adversely impact the Company's ability to operate effectively.	Respectable CROs have been engaged for three of the main Company's programs. Their performance is monitored closely by regular updates on progress status.	⇔
RELIANCE ON KEY PERSONNEL	**Mitigating factors**	**Change in year**
ImmuPharma is dependent on the principal members of its management and scientific staff. Recruiting and retaining qualified personnel, consultants and advisers will be important to its success. There can be no assurance that ImmuPharma will be able to recruit the new staff or retain its personnel on acceptable terms given the competition for such personnel from competing businesses. The loss of service of any of ImmuPharma's personnel could impede the achievement of its objectives.	The Board actively considers succession planning for its key roles. The Company offers share option scheme to its employees alongside with training and development opportunities. The Group's virtual organisation structure has also made an attractive employment proposition.	⇔
COMPETITION	**Mitigating factors**	**Change in year**
ImmuPharma's competitors include amongst others, major pharmaceutical, biotechnology and healthcare companies with substantially greater resources than those of the Group. There is no assurance that competitors will not succeed in developing products that are more effective or economical than those being developed by ImmuPharma. Furthermore, there is no guarantee that the drug candidates being developed by ImmuPharma have either a better safety profile, dosing profile and/or efficacy profile than products that are already marketed by its competitors and this may adversely affect the sales of any new products.	The Group remains aware of the continually evolving competitive landscape of the therapeutic areas in which it operates. It's expected that the level of competitive risk will continue to be significant. This awareness is factored into its decision making for its pipeline programs.	⇔

Strategic Report (continued)

Forward-Looking Statements

This document contains certain statements that are not historical facts and may be forward-looking statements that are subject to a variety of risks and uncertainties. There are a number of important factors that could cause actual results to differ materially from those projected or suggested in any forward-looking statement made herein.

These factors include, but are not limited to: (i) ImmuPharma's and/or ImmuPharma's partners' ability to successfully complete product research and development, including pre-clinical and clinical studies and commercialisation; (ii) ImmuPharma's and/or ImmuPharma's partners' ability to obtain required governmental approvals, including product and patent approvals, the impact of pharmaceutical industry regulation, the difficulty of predicting FDA and other regulatory authority approvals, the regulatory environment and changes in the health policies and structure of various countries; (iii) the acceptance and demand for new pharmaceutical products and new discovery-enabling technologies such as the use of cells and (iv) ImmuPharma's ability to attract and/or maintain manufacturing, sales, distribution and marketing partners; and (v) ImmuPharma's and/or ImmuPharma's partners' ability to develop and commercialise products before its competitors and the impact of competitive products and pricing, the availability and pricing of ingredients used in the manufacture of products, uncertainties regarding market acceptance of innovative products newly launched, currently being sold or in development. In addition, significant fluctuations in financial results may occur as a result of the timing of milestone payments and the timing of costs and expenses related to ImmuPharma's research and development programme.

Without limiting the generality of the foregoing, no assurance is given as to when ImmuPharma's products will be launched or licensed, or whether that launch or licensing will be commercially successful, and words such as "may", "will", "to", "expect", "plan", "believe", "anticipate", "intend", "could", "would", "estimate" or "continue" or the negative or other variations thereof or comparable terminology is intended to identify forward-looking statements.

If one or more of these risks or uncertainties materialises, or if underlying assumptions prove incorrect, the Group's actual results may vary materially from those expected, estimated or projected. Given these risks and uncertainties, potential investors should not place any reliance on forward-looking statements.

Neither the directors nor the Company undertake any obligation to update forward-looking statements or risk factors other than as required by AIM or by applicable law, whether as a result of new information, future events or otherwise.

Tim McCarthy
Signed on behalf of the Board of ImmuPharma Plc
16 May 2025

ImmuPharma plc

Board of Directors

Tim McCarthy, FCCA, MBA
Chairman and Chief Executive Officer
Tim was appointed as CEO in July 2021. He has over 40 years' international experience in high growth biotech, healthcare and technology companies. He is also Chairman of Incanthera plc and 4basebio plc. Mr. McCarthy has previously been Chief Executive Officer and Finance Director of a number of UK listed public and private companies, including Alizyme plc and Peptide Therapeutics Group plc, and has a core understanding of AIM and its regulatory processes. Co-founding a number of healthcare and biotechnology companies, Mr. McCarthy has raised substantial amounts of equity capital and also advised and worked at Board level for a diverse range of companies internationally, in areas such as business strategy, mergers & acquisitions, due diligence and licensing.

Dr Tim Franklin, PhD, MBA
Chief Operating Officer
Tim joined the Board in July 2021. He has over 35 years' experience in the biopharmaceutical industry. He worked in clinical research, sales and marketing, and global strategic marketing for Warner Lambert, Wellcome and SmithKline Beecham. He later moved to the capital markets where he became a top-ranked pharmaceuticals analyst at Dresdner Kleinwort investment bank. He applied his experience to stock selection in hedge funds and advised several small biotechnology companies on corporate and commercial strategy and access to capital. He holds a BSc in Medicinal Chemistry and a PhD in Pharmacology from Loughborough University and an MBA from Warwick Business School.

Dr Laurence Reilly, MBA
Senior Non-Executive Director
Laurence joined the Board August 2023. He brings extensive experience in managing late-stage clinical programs through to approval, in addition to commercial and business development experience. He is currently Vice President of Research & Investments, working with Royalty Pharma, focussing on acquisition of biopharmaceutical royalties and funding of innovation across the biopharmaceutical industry. He has also served as Chief Medical Officer for Cellectar Biosciences, New Jersey. Prior to founding his consulting practice, Dr Reilly served as Chief Scientific Officer and Vice President at Avillion, where he was responsible for clinical and strategic oversight of co-development programs and partnering with both large pharma and biotech, including Pfizer, Merck KGaA and AstraZeneca. He previously served as a Clinician – Clinical Development & Medical Oversight at Pfizer and at Lundbeck as Medical & Scientific Advisor. Dr Reilly earned his medical degree from the University of Liverpool Medical School, U.K., and practiced as Neurosurgery Resident at Queen Elizabeth University Hospital in Birmingham. He also holds a Masters Degree in Law from De Montfort University, U.K.

Lisa Baderoon
Non-Executive Director and Head of Investor Relations
Lisa joined the Board in July 2021. She has spent over 25 years working within the City of London being involved with a diverse portfolio of clients from a variety of sectors but with a leaning towards emerging, high growth businesses advising both private and public companies on their financial and corporate strategies aligned to stakeholder and investor interests, as well as a strong acumen in media communication. During this time, she has been involved in a multitude of client transactions spanning private fund raisings, Initial Public Offerings (IPOs), secondary high profile capital raisings and mergers and acquisitions both in the UK and internationally.

Dr Sébastien R. Goudreau Ph.D.
Non-Executive Director
Sébastien joined the Board in August 2023. Born in Sherbrooke, Québec, Canada, Dr Goudreau obtained his PhD in Chemistry at the Université of Montréal as a NSERC fellow before moving to Switzerland to conduct postdoctoral studies at the ETH Zürich as an FRQNT fellow. He then moved back to Canada for one year where he co-founded FindMolecule inc. and worked for the pharma industry. In 2014 he joined ImmuPharma as research director and established the research laboratories of Ureka in Bordeaux. After the merger of ELRO with Ureka in 2019, Dr Goudreau became Chief Scientific Officer of Ureka Pharma and in 2021, he became Chief Executive Officer of ImmuPharma Biotech following the merger of Ureka and ImmuPharma France SA. Notably, Dr Goudreau and his team are credited for the discovery and development of, among others, URK 614, KapiGlucagon, BioAMB, and BioCin.

Board of Directors (continued)

Ashley Clarke, ACA
Chief Financial Officer & Company Secretary
On 4 December 2024, ImmuPharma appointed Ashley Clarke as Company Secretary. With over a decade of experience in the financial sector, Ashley began her career at a Big Four accounting firm before earning her ACA qualification with a local firm. Her background is rooted in auditing, where she gained extensive experience working with a diverse range of audit and non-audit clients across multiple industries. From supporting SMEs to managing complex international group consolidations, she has developed a strong understanding of financial management across various business scales. Ashley has also been closely involved with ImmuPharma's accounts for several years through outsourced accountants, giving her valuable insight into the company's operations.

ImmuPharma plc

Scientific Collaborators

Prof Sylviane Muller, PhD
Co-founder of ImmuPharma France SA, now ImmuPharma Biotech
Professor Muller is Professor at the Institute of Advanced Studies of the Strasbourg University where she holds the chair in Therapeutic immunology; Emeritus Research Director at the CNRS; former Director of the CNRS Unit Immunopathology and therapeutic chemistry (2001-2017) and former Director of the CNRS Institute of Molecular and Cellular Biology (2016-2017). She is the current Director of the Drug discovery Center for cancer and inflammation Medalis awarded "Laboratory of Excellence" (2011-2020; with 200 persons) and future Director of the Strasbourg Institute for drug development and discovery (2021-2028; 250 persons). She received several awards (CNRS Silver Medal, CNRS Innovation Award, Léon Velluz Prize from the French Academy of Sciences, finalist of the 2017 European Inventor Award). In 2020, she became an elected member of the European Academy of Sciences. Most recently, in September 2021 she was awarded the highly prestigious Legion d'honneur Award. Her expertise in peptide immunochemistry, combined with insights into the molecular and cellular pathways behind autoimmune disease, led to the discovery of P140. Professor Muller has filed over 30 patents and published more than 385 papers and reviews.

ImmuPharma plc

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS
Mr Tim McCarthy – Chairman and Chief Executive Officer
Dr Tim Franklin – Chief Operating Officer
Dr Laurence Reilly – Senior Non-Executive Director
Lisa Baderoon – Head of Investor Relations and Non-Executive Director
Dr Sebastien Goudreau – Non-Executive Director

SECRETARY
Ashley Clarke – Chief Financial Officer

INVESTOR RELATIONS
Lisa Baderoon

REGISTERED OFFICE
One Bartholomew Close
London EC1A 7BL

NOMINATED ADVISER
SPARK Advisory Partners Limited
5 St John's Lane
London EC1M 4BH

JOINT BROKER
Stanford Capital Partners Limited
5-7 Cranwood Street
London EC1V 9EE

JOINT BROKER
SI Capital
46 Bridge Street
Godalming
Surrey GU7 1HL

AUDITORS
Crowe U.K. LLP
55 Ludgate Hill
London
EC4M 7JW

SOLICITORS
Broadfield UK
One Bartholomew Close
London EC1A 7BL

PRINCIPAL BANKERS
Royal Bank of Scotland plc
62/63 Threadneedle Street
London EC2R 8LA

REGISTRARS
Computershare Investor Services Plc
PO Box 82,
The Pavilions
Bridgwater Road,
Bristol BS99 7NH

ImmuPharma plc

Corporate Governance Report

The Group's directors recognise the importance of sound corporate governance. As such the Board has adopted the Quoted Companies Alliance Corporate Governance Code ("the QCA Code").

Tim McCarthy, Chairman and Chief Executive Officer, has assumed responsibility for ensuring that the Group has appropriate corporate governance standards and that these standards are applied throughout the Group.

The Board, through its adoption of the QCA Code, believes in the value of putting the necessary systems and processes in place to support the medium to long-term delivery of the Company's strategic objectives. The Board is aware of the importance of communicating these strategic objectives to stakeholders and in reporting performance in a manner that encourages constructive dialogue to support the production of sustainable value in the long term. The Board recognise their role in setting the strategic direction of the business as well as in establishing the organisation's risk appetite. This is supported with a strong belief in appropriate accountability and performance measures. Further, the Board is cognisant of the key role it plays in setting the tone and culture of the entire Group.

The Board currently consists of five directors, two of which are executive and three are non-executive.

The Board has considered each of the 10 principles contained within the QCA Code and where the Group does not fully comply with each principle an explanation is provided as to why it does not currently do so.

In addition, the Company has implemented a code of conduct for dealing in the shares of the Company by directors and employees (see Principle 9, page 27 for more information).

Principle 1 – Establish a strategy and business model which promote long-term value for shareholders

ImmuPharma is an ethical organisation with the vision to develop novel drugs to treat serious medical conditions, delivering value to patients, medical professionals, healthcare payers and its shareholders.

ImmuPharma's principal business objective is to enhance shareholder value through the development and commercialisation of novel drugs. Its strategies for achieving this objective include:

- Pursuing a low-cost model of accessing world class research through collaboration with the CNRS in France;
- Selecting specialist therapeutic areas where there are high unmet needs;
- Managing clinical development of novel drug candidates;
- Seeking collaborative agreements with partner companies to further the development and commercialisation of novel drug candidates; and
- Maintaining a small corporate infrastructure to minimise costs.

Key activities and discussions in 2024 in relation to strategy and performance were revolving around product pipeline (see Strategic Report on pages 10-13 for more information).

Principle 2 – Seek to understand and meet shareholder needs and expectations

ImmuPharma strives to engage in active dialogue with shareholders through regular communication including investor events, participation in conferences, the Company's Annual General Meeting, any meetings that are held throughout the year and one-on-one discussions.

Over the past 12 months, ImmuPharma's shareholder communications have included participation at investor events, regular announcements regarding the Company's clinical progress, the Annual General Meeting and numerous one-on-one meetings and interviews. These meetings seek to foster a mutual understanding of both the Company's and shareholders' objectives. Such meetings are conducted in a format to protect price sensitive information that has not already been made generally available to all the Company's shareholders.

Similar guidelines also apply to other communications between the Company and other parties, such as financial analysts, brokers and the media.

In addition, the Board is provided with market summary reports which detail share price and share register movements.

All members of the Board are scheduled to attend the Annual General Meeting. Notice of the Meeting is dispatched to shareholders at least 21 working days before the Meeting. The information sent to shareholders includes a summary of the business to be covered, with a separate resolution prepared for each substantive matter. When a vote is taken on a show of hands, the level of proxies received for and against the resolution and any abstentions are disclosed at the Meeting. The results of votes lodged for and against each resolution are announced to the London Stock Exchange and displayed on the Company's website. At the Meeting there will be an opportunity, following the formal business, for informal communications between shareholders and directors.

Principle 3 – Take into account wider stakeholder and social responsibilities and their implications for long-term success.

The Board recognises the importance of its wider stakeholders – employees, contractors, suppliers, regulators and advisors – to its long-term success. The Board has established expectations that these key resources and relationships are valued and monitored. In particular, the Company's business model of outsourcing clinical trials requires reliable dialogue with contractors to ensure the success pursuit of long-term strategic objectives. Furthermore, the Board actively seek to engage regularly with our corporate advisers to ensure proactive communication regarding the Company's activities. In doing so, the Company is able to take any feedback into account and adjust its actions accordingly to ensure it stays focused on long-term performance.

The Board recognises that the Company operates within the wider pharmaceutical industry and strives to remain alert to developments in a wider industry/society context. See stakeholder engagement within Directors' Report for further details on the pages 31-32.

Principle 4 – Embed effective risk management, considering both opportunities and threats, throughout the organisation

ImmuPharma operates within a complex business environment and an industry that is fundamentally driven by regulatory processes. The Board has set out its understanding of the principal risks and uncertainties in its Strategic Report and regularly reviews its strategies for minimising any adverse impact to the Company or its investors.

Risk assessment is a priority for the Board. The major risks to the business are laid out in detail in the Company's Strategic Report on pages 15-18. They concern mainly the control and timely progress of clinical trials and the obtaining of regulatory approval and profitable agreements with other parties, with adequate financial resources to achieve these objectives.

Where a material new risk or opportunity is identified, or an existing risk escalates, the Board will communicate and meet outside of the regular Board meetings to ensure the required actions are taken and are effective.

ImmuPharma plc

Corporate Governance Report (continued)

Principle 5 – Maintain the board as a well-functioning, balanced team led by the Chairman

The Board members have a collective responsibility and legal obligation to promote the interests of the company.

In the table below, details of the Board of Directors are summarised:

Name	Title	Independent	Committee Memberships
Tim McCarthy	Chief Executive Officer and Chairman		Audit
Tim Franklin	Chief Operational Officer		Audit
Laurence Reilly	Senior Non-Executive Director	X	Audit, Remuneration
Lisa Baderoon	Head of Investor Relations and Non-Executive Director	X	Audit, Remuneration
Sebastien Goudreau	Non-Executive Director	X	Audit

Brief biographies of each Director are set out on page 20. The Company believes that the skills and experience of each Director are of the appropriate mix to provide effective governance and management of the business. The Board was supported in its governance and finance responsibilities by Ashley Clarke, acting as Chief Financial Officer (not a Director) and Company Secretary.

Following major changes in the Board structure in 2021, Tim McCarthy was appointed as CEO, while maintaining the position of Chairman. The Company has initiated the process to identify a suitable person to take over as Non-Executive Chair of the Company and during this interim period Tim will continue as Chairman.

The Company also appointed its non-executive directors, taking into consideration their independence and shareholders' interest. The appointed independent directors have considerable relevant experience to sufficiently question and hold the executive directors to account.

Each Director is required to devote as much time as required to carry out the roles and responsibilities required.

The Company has adopted the practice of requiring all directors to be subject to re-election every three years.

The executive directors are employed under service agreements requiring 12 months' notice by either party. Non-executive directors receive payments under appointment letters, which are terminable by three months' notice by either party.

The Board meets regularly throughout the year with all decisions concerning the direction and control of the business made by a quorum of the Board. As of 31 December 2024, the Board met 9 times with the attendance records of the directors as follows:

Tim McCarthy, Chief Executive Officer and Chairman – 9/9
Tim Franklin, Chief Operational Officer – 9/9
Laurence Reilly, Senior Non-Executive Director – 8/9
Lisa Baderoon, Head of Investor Relations and Non-Executive Director – 9/9
Sebastien Goudreau, Non-Executive Director – 9/9

Corporate Governance Report (continued)

Principle 6 – Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities

The Board has extensive mixture of skills and experience, which enable the delivery of Group's strategy for the shareholders over the medium to long-term. These include scientific expertise, public market requirements, business acumen and financial knowledge. Please refer to Director biographies on pages 20-21.

Principle 7 – Evaluate board performance based on clear and relevant objectives, seeking continuous improvement

Internal evaluation of the Board, the Audit Committee and Remuneration Committee as well as individual directors is undertaken on an informal basis at present. The review takes the form of peer appraisal and discussions to determine the overall effectiveness of individual directors and the Board as a whole. Specific consideration will be given to evaluating the continued independence of the Group's non-executive directors. Senior management appointments are discussed at the Board Meetings and are managed by the Chief Executive Officer and Chief Operating Officer with additional support from Non-Executive Directors where appropriate.

Principle 8 – Promote a corporate culture that is based on ethical values and behaviours

The Board recognises its role in establishing and monitoring not only the strategic direction and risk appetite but also the tone and culture of the organisation. As a pharmaceutical drug development company, an ethical approach is essential. As such, the Board places great importance on the serious pursuit of therapeutic innovation and making effective use of limited resources. It applies to the directors as well as all group employees and consultants. It is a key belief of the Company and helps to define its competitive advantage in relation to its peers.

Upon joining the Company, employees have an induction meeting in relation to the Company's code of conduct and ethics. This includes example behaviours that are considered unacceptable by the Group.

Principle 9 – Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board

The Board is responsible for long-term success of the Company. There is a schedule of matters reserved for the Board that guides the Board's activities.

An Audit Committee and a Remuneration Committee have been established with formally delegated duties and responsibilities.

Audit Committee

The Audit Committee, which determines the engagement of the Company's auditors and, in consultation with them, the scope of their audit. The Audit Committee meets a minimum of two times per year. The Audit Committee receives and reviews reports from management and the auditors relating to the annual financial statements and the accounting and internal control systems in use by the Company. It has unrestricted access to the auditors.

The Board and the Audit Committee review the need for an internal audit function on an annual basis and currently do not consider it necessary at this stage in the Company's development.

The directors acknowledge their responsibilities for the Group's system of internal financial controls. In the previous year, they carried out a review of internal financial controls, strengthening and updating the Company and its subsidiaries internal control policies. The Group's financial reporting arrangements are designed to provide the directors with reasonable assurance that problems are identified on a timely basis and dealt with appropriately.

Corporate Governance Report (continued)

Audit Committee (continued)

In 2024, the Audit Committee convened twice. Key matters discussed during these meetings included the annual financial statements and working capital position, the presentation of the annual report, and the audit report from CLA Evelyn Partners Limited. The Committee also considered the appointment of Crowe UK LLP as the Company's new external auditors, along with the proposed audit fees and audit plan. Additional topics of discussion included updates on the Group's cash position, financial instruments, impairment considerations on intangible assets, and a review of the Committee's overall function and the effectiveness of its members.

The Board ensured a robust internal assessment and review on the re-appointment of the external auditor based on their legacy work for ImmuPharma, including their knowledge of our business as a non-revenue based company and particularly our current financial position, and future revenue generation in respect to moving our drug pipeline forward including our late stage drug, P140 and also future partnering opportunities which may also bring in further revenues to ImmuPharma. ImmuPharma, as a statutory obligation for an AIM company, also includes the re-appointment of the auditor within resolutions proposed to shareholders as part of the Annual General Meeting and as such take the votes approving the re-appointment, as completed last year and again for the next AGM, as a firm and conclusive indication of the support for re-appointment of the auditor.

The Board of ImmuPharma, on an ongoing basis, during the financial year and prior years, review and agree auditor rotation strategies based on the current relationship with the incumbent auditor and any issues or not, which could compromise the relationship or create conflicts going forward. If there are suggestions by Board members to review the ongoing relationship with the incumbent auditor and to seek tenders for services with alternative auditors, this again will be agreed by the Board members and will highlight key criteria required, in respect to services essential to the robust audit process required for a company such as ImmuPharma as actioned during the year.

There are no such current restrictions except a key understanding of the requirements to audit a public company listed on AIM, the sector in which we work, Biotech/Healthcare and that fees are reasonable in respect to the works carried out. References from existing clients of the auditors and understanding if there are any concerns over the managing of their own business (bad press or current outstanding litigations) will also be considered.

A robust interrogation of the services provided by the auditors are taken by the Board and Audit Committee during the financial review of the Company during year end reporting which includes regular discussions with ImmuPharma's CFO and updates / reviews at the monthly Board Meetings during the period of financial review post year end. Further guidance and approval may also be sought from the Company's Nominated Advisor, SPARK, to provide comfort that certain processes are being carried out correctly and meet necessary regulatory requirements.

Regular reports are issued to the Board and audit committee to satisfy the team that a comprehensive review of the audit work is being carried out satisfactorily and adheres to the stringent regulatory requirements required by publicly listed company such as ImmuPharma. Where needed, the Board and the audit committee will seek guidance and review by the Company's Nominated Advisor, to ensure that procedures are being actioned with due care and attention.

Remuneration Committee

The Remuneration Committee reviews the scale and structure of the executive directors' remuneration and benefits and the terms of their service contracts. The remuneration of the non-executive directors is determined by the Board as a whole.

The Committee has formal terms of reference and meets at least twice a year. It is the duty of the Committee, inter alia, to determine and agree with the Board the framework or broad policy for the remuneration of the Company's executive Board members. The remuneration packages are designed to motivate and retain executive directors to ensure the continuing development of the Company and to reward them for enhancing value to shareholders.

In 2024 the Remuneration Committee met two times. Amongst other items, it dealt with the temporary voluntary reduction of the salaries and fees of the Board. Directors' remuneration is included within the directors' report.

Nominations Committee
The directors consider that the Company is not currently of a size to warrant the need for a separate nominations committee and any decisions which would usually be taken by the nomination committee will be taken by the Board as a whole.

Share Dealing Code
The Company has adopted a Share Dealing Code given the importance of having a clear and effective policy that sets out the rules and procedures for share dealings by the directors and other applicable employees.

Principle 10 – Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders.

The Board is committed to maintaining good communication with its shareholders and in promoting effective dialogue regarding the Company's strategic objectives and performance. Institutional shareholders and analysts have the opportunity to discuss issues and provide feedback via meetings with the Company. The Annual General Meeting and any other General Meetings that are held throughout the year are for shareholders to attend and question the directors on the Company's performance. The results of any general meetings are released through LSE AIM RNS news as soon as practically possible. The Annual Reports and notice of all general meetings are available on the Group's website.

The directors also periodically promote ImmuPharma's activities, following the publication of regulatory announcements, through various media platforms such as Proactive Investors and Investor Meets Company.

ImmuPharma plc

Directors' Report

Company Number: 03929567

The directors present their report and the audited financial statements of ImmuPharma plc (the "Company", and collectively with the subsidiary companies, the "Group") for the year ended 31 December 2024.

Principal Activities

The principal activity of the Group and Company in the year under review was that of pharmaceutical research and development.

Results and Dividends

The Consolidated Income Statement is set out on page 41.

The directors do not recommend the payment of a dividend.

Business Review, Research and Development and Future Developments

The Strategic Report includes a review of the business, as well as a commentary regarding research and development, and future developments. The principal risks and uncertainties facing the Group are considered on pages 15-18.

Subsequent Events

On 13 February 2025 the Company announced an equity fundraise of c.£2.91 million. The Fundraise comprised of an oversubscribed placing to raise gross proceeds of £1.034 million through the issue of 27,586,667 new ordinary shares of 1 pence each in the Company with institutional and other investors at a price of 3.75 pence per Ordinary Share and a £1.875 million subscription with the then 6.5% shareholder Lanstead Capital Investors L.P ("Lanstead") through the issue of 50,000,000 new Ordinary Shares at the Issue Price. The Company also entered into a sharing agreement with Lanstead.

Directors

The following directors of the Company have held office since 1 January 2024:

Tim McCarthy
Tim Franklin
Lisa Baderoon
Laurence Reilly
Sebastien Goudreau

Directors' Report (continued)

Stakeholder engagement

The Board seeks to understand and consider the views of the Group's key stakeholders in Board discussions and decision making.

Key Stakeholders and Concerns	Board Considerations	Key Outcomes
Employees Our present and future employees are key for the future success of the business.	Executive directors update the Board with details of employee changes, concerns, and recruitment prospects. An open, collaborative working environment with attractive remuneration packages aligns employees with shareholders' goals.	• Continuing to focus on open culture creation, which motivates all employees. • All our employees participate in share-based incentives. • Training and development opportunities.
Shareholders Our Shareholders have been highly supportive. We are actively encouraging retention of their investment whilst trying to secure new Shareholders and funding.	The Board is in regular communication with its Shareholders via press releases, Annual and Interim Report, AGM. The Board receives updates on the views of shareholders through the feedback from brokers, other advisors.	The Company meets (virtually or in person) periodically with its Shareholders. Summary of these events are below: • AGM, June 2024 • Business Development & Investor conferences; - Biotech Showcase, San Francisco USA, January 2024, BioEurope Spring, Basel< March 2024, BioEquity Europe, Dublin May 2024, BioEurope, Munich November 2024. • Interviews: audio, print and TV with Proactive Investor (March 2024), and other key investment platforms.
Business Partners We have worked closely with our suppliers to set up new commercial and development agreements.	The Board is aware of the importance of maintaining good relationships with key suppliers, remaining trustworthy, while safeguarding the Group's assets. It receives regular updates on main supply agreements and maintain long-term mutually beneficial co- operations.	New supplier agreements with material threshold need to be approved by the Board. Payment to suppliers of over £10k need to be approved by two Directors.
Research and Development Community The collaboration with the CNRS, Simbec Orion and others is at the heart of our business	The Board seeks to support as many interactions with research and development community as possible through regular meetings (remote and in person) and continuous collaborations.	The board supported the research and development community in Europe. In 2024 the Company supported research activities with CNRS to support its P140 platform. Clinical key opinion across France, Germany and Italy were actively involved in supporting the development of P140 clinical trials. Stage one of a pre-clinical project program for BioAMB was completed with Charles River Laboratories.

Environment The Group is conscious of the need to protect the environment	ImmuPharma's operations are relatively low in their impact on the environment. The Board is committed to reduce further the environmental footprint.	Employees have continued to keep domestic and international travel to a minimum, using digital technology enabled conferencing instead.
Reputation Maintaining a strong reputation and acting within laws and regulations impacts the Group's relationships with all stakeholders	Policies and procedures approved by the Board are concentrated on maintaining the strong reputation of the Group within its employees, Shareholders, suppliers, regulators and other key stakeholders.	ImmuPharma continuously monitors and assesses all regulatory developments to ensure that any issues are being addressed in decision making.

Directors Remuneration

The following amounts were payable to the directors of ImmuPharma plc across the Group in relation to the year ended 31 December 2024:

Director	Salary/Fees 2024 £	Total remuneration 2024 £	Total remuneration 2023 £	No. shares 2024	% holding 2024 (%)
Tim McCarthy	294,000	294,000	294,000	1,488,462	0.30
Tim Franklin	252,000	252,000	252,000	525,000	0.10
Sanjeev Pandya	-	-	46,869	-	-
Lisa Baderoon	132,000	132,000	132,000	1,583,963	0.32
Laurence Reilly	50,000	50,000	19,553	-	-
Sebastien Goudreau	3,000	3,000	1,173	150,000	0.03
Total	731,000	731,000	745,595	3,747,425	0.75

The Company does not operate a health plan or company car plan. There were no bonus payments to directors in 2024. For further information, please refer to Note 22.

Directors' Report (continued)

The following share options were outstanding to the directors of ImmuPharma plc as at 31 December 2024 (see note 20 for more detail):

Director	Options granted 2 June 2016	Options granted 30 March 2017	Options granted 12 July 2017	Options granted 24 November 2017	Options granted 25 November 2020	Options granted 22 December 2022	Options granted 18 March 2024	Share options outstanding 2024	Share options outstanding 2023
Tim McCarthy	500,000	-	1,000,000	1,500,000	1,500,000	3,600,000	8,000,000	**16,100,000**	8,100,000
Tim Franklin	-	-	-	-	1,500,000	3,150,000	6,500,000	**11,150,000**	4,650,000
Sebastien Goudreau	-	-	-	-	-	-	5,000,000	**5,000,000**	
Laurence Reilly	-	-	-	-	-	-	2,000,000	**2,000,000**	
Lisa Baderoon	100,000	250,000	-	375,000	375,000	-	3,000,000	**4,100,000**	1,100,000
Total	600,000	250,000	1,000,000	1,875,000	3,375,000	6,750,000	24,500,000	**38,350,000**	13,850,000

Third Party Indemnity Provision for Directors

Qualifying third party indemnity provision for the benefit for the directors was in force during the financial year and as at the date this report is approved.

Financial Instruments and Financial Risk Management

Information regarding the use of financial instruments and the approach to financial risk management is detailed in notes 1 and 2 of the financial statements.

Disclosure of information to the Auditors

In the case of each person who was a director at the time this report was approved they have:

- taken all the necessary steps to make themselves aware of any information relevant to the audit and to establish that the auditors are aware of that information; and
- so far as they are aware, there is no relevant audit information of which the auditors have not been made aware.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Auditors

A resolution to reappoint the auditors, Crowe U.K. LLP, will be proposed at the next Annual General Meeting.

On behalf of the Board
Tim McCarthy
Director
16 May 2025

ImmuPharma plc

Statement of Directors' Responsibilities

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the group and parent company financial statements in accordance with UK-adopted international accounting standards. Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the Group and of the profit or loss of the Group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether international accounting standards have been followed subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also responsible for ensuring that they meet their responsibilities under the AIM Rules.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent Auditor's Report to the Members of ImmuPharma plc

Opinion

We have audited the financial statements of ImmuPharma plc (the "Parent Company") and its subsidiaries (the "Group") for the year ended 31 December 2024, which comprise:

- the Consolidated income statement and statement of comprehensive income for the year ended 31 December 2024
- the Consolidated and parent company statements of financial position as at 31 December 2024;
- the Consolidated and parent company statement of cash flows for the year then ended 31 December 2024;
- the Consolidated and parent company statements of changes in equity for the year then ended 31 December 2024; and
- the notes to the financial statements, including material accounting policies.

The financial reporting framework that has been applied in the preparation of the Group and Parent Company financial statements are applicable laws and UK-adopted international accounting standards.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2024 and of the Group's loss for the year then ended;
- the Group and Parent Company financial statements have been properly prepared in accordance with UK-adopted international accounting standards; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter - Valuation of the parent company's receivables and investments in subsidiaries

We draw attention to the Key Audit Matter relating to the valuation of the parent company's receivables and investments in subsidiaries and the disclosures made in note 13 of the financial statements regarding the carrying value of investments in subsidiaries, amounting to £55m, and to the disclosures in note 15 concerning the carrying value of non-current receivables due from group undertakings, totalling £0.5m. Management has calculated the recoverable amount of the subsidiaries using a value in use model, which is a discounted cashflow based on management's most recent financial projections. This valuation is derived from the utilisation of the intellectual property of the group's subsidiaries and thereby substantiating the investment value in these subsidiaries.

The valuation is inherently dependent on the successful development and commercialisation of P140, which remains at the research stage. As such there is significant uncertainty regarding the future commercialisation of this drug, including obtaining regulatory approval, successfully marketing the product, and achieving target sales levels. The uncertainty has been reflected in the value in use model however, as highlighted in note 13, the significant estimation uncertainty involved in the timing and amount of projected future revenues means that the value is sensitive to changes in key assumptions which, in turn could materially change the carrying value of the investments. Our opinion is not modified in respect of these matters.

Material uncertainty related to going concern

We draw attention to note 1 in the financial statements, which indicates that there is material uncertainty relating to the Group and Parent company's ability to continue as a going concern. The Group and Parent company do not currently generate any material revenue as their pipeline of products remains at the research and development stage. As a result, the Group and Parent company are reliant on external financing to fund their operations.

Management's cash flow projections include expected inflows from both existing and post-year-end equity financing sharing arrangements with Lanstead. These agreements provide monthly payments to the Group, with the amounts determined by ImmuPharma Plc's share price at the time of each scheduled payment. Due to the inherent volatility of the share price, there is a significant degree of uncertainty associated with the quantum of projected inflows. This uncertainty is such that even with potential mitigating actions, not all reasonably foreseeable downside scenarios may be addressed. These factors, together with the matters outlined in Note 1, give rise to a material uncertainty that may cast significant doubt on the Group's and Parent Company's ability to continue as a going concern. Our audit opinion remains unmodified in respect of this matter.

Our evaluation of the directors' assessment of the Group's and Parent Company's ability to continue to adopt the going concern basis of accounting included:

- Obtaining management's going concern assessment in order to assess the adequacy of cash reserves to meet liabilities as they fall due
- Testing the mathematical accuracy of the model;
- Understanding the system of internal control over the cash flow management and budgeting processes;
- Assessing the adequacy of the period covered in management's going concern assessment;
- Confirming the reasonableness of the inputs and assumptions in the budgets, and in particular we challenged management over the level of certainty over amount and timing of cash inflows that were included;
- Following this challenge, management prepared a stress-tested scenario that included cost saving measures. We challenged the reasonableness of these potential mitigating actions to improve liquidity and considered whether these are practical and achievable;
- Performing a sensitivity analysis of the cash flow forecast prepared by management;
- Performing a retrospective review on management's historic budgets and compared to actual results for the year to assess the reliability of forecasts to date and mitigate the risk of management bias;
- Reviewing and incorporating significant post balance sheet events that could impact the conclusions on going concern;
- We reviewed the disclosures made in the financial statements relating to going concern and agreed these to be consistent with the assessment and our conclusions.

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Overview of our audit approach

Materiality

In planning and performing our audit we applied the concept of materiality. An item is considered material if it could reasonably be expected to change the economic decisions of a user of the financial statements. We used the concept of materiality to both focus our testing and to evaluate the impact of misstatements identified.

Based on our professional judgement, we determined overall materiality for the Group financial statements as a whole to be £160,000, based on a 6% group loss before tax. Materiality for the Parent Company financial statements as a whole was set at £95,000 based on 7% loss before tax .

We use a different level of materiality ('performance materiality') to determine the extent of our testing for the audit of the financial statements. Performance materiality is set based on the audit materiality as adjusted for the judgements made as to the entity risk and our evaluation of the specific risk of each audit area having regard to the internal control environment. This is set at £112,000 for the group and £66,000 for the parent.

Where considered appropriate performance materiality may be reduced to a lower level, such as, for related party transactions and directors' remuneration.

We agreed with the Audit Committee to report to it all identified errors in excess of £8,000. Errors below that threshold would also be reported to it if, in our opinion as auditor, disclosure was required on qualitative grounds.

Overview of the scope of our audit

Our engagement was in respect of the audit of the Group's consolidated financial statements and those of the Company. Our audit approach was developed by obtaining a thorough understanding of the Group's activities and is risk based.

Based on this understanding we assessed those aspects of the Group and subsidiary companies' transactions and balances which were most likely to give rise to a material misstatement and were most susceptible to irregularities including fraud or error.

Specifically, we identified what we considered to be areas of increased risk and planned an audit approach to focus on these areas accordingly. We undertook a combination of analytical procedures and substantive testing on significant transactions, balances and disclosures, the extent of which was based on various factors such as our overall assessment of the control environment, the effectiveness of controls over individual systems and the management of specific risks.

We conducted specific audit procedures for ImmuPharma plc, which was subject to full scope audit procedures by the audit team. ImmuPharma AG was subject to analytical procedures on the basis of materiality and its status as a non trading entity with minimal activities. ImmuPharma Biotech was audited by a local component auditor, and we performed a review of their work.

We instructed the component auditor to direct their audit work on key risk areas significant to the component and the group. Specific procedures and working papers were provided to ensure alignment with the audit work done at the group level. The component auditor's work was periodically reviewed and challenged, and we provided assistance with significant areas as needed.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matters described in the material uncertainty related to the going concern section, we have determined that all the matters listed below are key audit matters to be communicated in our report. This is not a complete list of all the risks identified in the audit report. This is not a complete list of all risks identified by our audit.

Key audit matter	***How the scope of our audit addressed the key audit matter***
Note 13 Investments in subsidiaries and Note 15 Trade and other receivables As at the year ended 31 December 2024 the Parent Company holds investments in subsidiaries of £55.4M and amounts due from these subsidiaries of £0.5M. We have identified a risk that these amounts of investment and receivable from subsidiaries may require impairment.	We reviewed management's assessment of impairment of subsidiary investments and the recoverability of intercompany receivables, including an evaluation of management's cash flow forecasts and challenging the key underlying assumptions. We also checked for indicators of impairment that could necessitate an impairment charge, upon comparing the market capitalisation of the group against the valuation of these investment and receivable balances. Our audit work involved examining the discounted cash flow model used for valuation. We evaluated the overall valuation methodology and concentrated on the assumptions that significantly influenced the model, such as regulatory approvals, discount rate, probability of success, revenue growth rate, revenue per patient and potential size of the market.

The value of the group is derived from the underlying asset value of the subsidiaries. We note that the carrying value of the investments in subsidiaries and receivables from these subsidiaries is £56M and their projected Value In Use (VIU) £66M. These are higher than the market capitalisation of the group of £5M. However, due to significant estimation uncertainty involved in the valuation and projected future revenues, we consider this a Key Audit Matter (KAM). As such there is there is a risk that the recoverable amount may be materially impaired.	We also reviewed the terms of the commercial partnership agreement to forecast the timing of milestone-related inflows in line with contractual conditions. Furthermore, we engaged our valuation team to evaluate the reasonableness of the judgments and assumptions used. The team ensured the methodology, verified discounting and terminal value calculations, independently assessed the discount rate, confirmed its reasonableness in relation to the cash flows, and considered the probability of success based on external data. As part of the audit, we challenged the sensitivity analysis performed by management and conducted our own further downside sensitivity testing—particularly on critical variables such as the percentage of patients expected to receive P140 and the discount rate applied by the valuation team. The valuation is inherently dependent on the successful development and commercialisation of P140, which remains at the research stage. As such there is significant uncertainty regarding the future commercialisation of this drug, including obtaining regulatory approval, successfully marketing the product, and achieving target sales levels. The uncertainty has been reflected in the value in use model however, as highlighted in note 13, the significant estimation uncertainty involved in the timing and amount of projected future revenues means that the value is sensitive to changes in key assumptions which, in turn could materially change the carrying value of the investments. Our opinion is not modified in respect of these matters.

Our audit procedures in relation to these matters were designed in the context of our audit opinion as a whole. They were not designed to enable us to express an opinion on these matters individually and we express no such opinion.

Other information

The directors are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our audit

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Independent Auditor's Report to the Members of ImmuPharma plc

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 37, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
In preparing the financial statements, the directors are responsible for assessing the group's and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and the procedures in place for ensuring compliance. Based on our understanding of the Group and industry, discussions with management and the Board of Directors we identified financial reporting standards and Companies Act 2006 as having a direct effect on the amounts and disclosures in the financial statements. Our work included direct enquiry of management, reviewing Board and relevant committee minutes and inspection of correspondence.

As part of our audit planning process, we assessed the different areas of the financial statements, including disclosures, for the risk of material misstatement. This included considering the risk of fraud where direct enquiries were made of management and those charged with governance concerning both whether they had any knowledge of actual or suspected fraud and their assessment of the susceptibility of fraud. We considered the risk was greater in areas involving significant management estimate or judgement. Based on this assessment we designed audit procedures to focus on key areas of estimate or judgement, this included specific testing of journal transactions, both at the year end and throughout the year.

Other laws and regulations where non-compliance may have a material effect on the Group's operations are as follows:

- The Companies Act 2006 and UK-adopted international accounting standards in respect of the preparation and presentation of the financial statements;
- AIM regulations and Market Abuse Regulations; and
- Health and safety and associated environmental regulation in respect of pre-clinical trials.

Our audit procedures included:

- enquiry of management about the Group's policies, procedures and related controls regarding compliance with laws and regulations and if there are any known instances of non-compliance including fraud;
- examining supporting documents for all material balances, transactions and disclosures;
- review of minutes of meetings of the Board of Directors;
- enquiry of management about litigations and claims;
- evaluation of the selection and application of accounting policies related to subjective measurements and complex transactions;
- analytical procedures to identify any unusual or unexpected relationships;
- testing the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements; and
- review of accounting estimates for biases.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements of the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

The potential effects of inherent limitations are particularly significant in the case of misstatement resulting from fraud because fraud may involve sophisticated and carefully organized schemes designed to conceal it, including deliberate failure to record transactions, collusion or intentional misrepresentations being made to us.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

John Charlton
Senior Statutory Auditor, for and on behalf of
Crowe U.K. LLP
Statutory Auditor
Chartered Accountants

55 Ludgate Hill
London
EC4M 7JW
xx May 2025

ImmuPharma plc

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	Year ended 31 December 2024 £	Year ended 31 December 2023 £
Continuing operations			
Revenue		-	-
Research and development expenses		(1,161,545)	(2,022,305)
Administrative expenses		(1,031,188)	(1,020,345)
Share based payment expense		(87,707)	(140,238)
Other operating income	8	9,231	119,881
Other operating expenses		(404,095)	-
Operating loss	5	(2,675,304)	(3,063,007)
Finance costs	6	(149,242)	(358,915)
Finance income	7	45,176	3,025
Loss before taxation		(2,779,370)	(3,418,897)
Tax	9	295,871	497,102
Loss for the year		(2,483,499)	(2,921,795)
Attributable to:			
Equity holders of the parent company		(2,483,499)	(2,921,795)
Loss per ordinary share			
Basic and diluted	10	(0.60)p	(0.81)p

ImmuPharma plc

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	Year ended 31 December 2024	Year ended 31 December 2023
		£	£
Loss for the financial period		(2,483,499)	(2,921,795)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
Fair value gain/(loss) on investment	13	730,269	(44,569)
Fair value loss on warrants owned	13	(75,001)	(1,228)
Total items that will not be reclassified subsequently to profit or loss		655,268	(45,797)
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		141,376	857
Total items that may be reclassified subsequently to profit or loss		141,376	857
Other comprehensive loss for the period		796,644	(44,940)
Total comprehensive loss for the period		(1,686,855)	(2,966,735)

ImmuPharma plc

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

	Notes	31 December 2024 £	31 December 2023 £
Non-current assets			
Intangible assets	11	9,822	447,571
Property, plant, and equipment	12	82,321	102,075
Derivative financial asset	13	-	184,784
Financial assets	13	-	643,782
Total non-current assets		92,143	1,378,212
Current assets			
Trade and other receivables	16	253,964	467,780
Derivative financial asset	15	154,519	432,797
Cash and cash equivalents	17	236,902	208,481
Current tax asset	9	239,483	234,141
Total current assets		884,868	1,343,199
Current liabilities			
Trade and other payables	18	(1,519,870)	(1,665,122)
Total current liabilities		(1,519,870)	(1,665,122)
Net current liabilities		(635,002)	(321,923)
Net (liabilities)/assets		(542,859)	1,056,289
EQUITY			
Ordinary shares	19	29,813,018	29,813,018
Share premium		29,317,444	29,317,444
Merger reserve		106,148	106,148
Other reserves		6,131,674	5,902,591
Retained earnings		(65,911,143)	(64,082,912)
Total (deficit)/equity		(542,859)	1,056,289

The financial statements were approved by the Board of Directors and authorised for issue on 16 May 2025
They were signed on its behalf by:

Tim McCarthy
Director

Tim Franklin
Director

ImmuPharma plc
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024

	Share capital £	Share premium £	Merger reserve £	Other reserves – Acquisition reserve £	Other reserves – Translation reserve £	Other reserves – Share based payment reserve £	Other reserves – Warrant reserve £	Retained earnings £	Total equity £
At 1 January 2023	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 year	-	-	-	-	-	-	-	(2,921,795)	(2,921,795)
Exchange differences on translation of foreign operations	-	-	-	-	857	-	-	-	857
Transactions with owners:									
Share based payments	-	-	-	-	-	140,238	-	-	140,238
New issue of equity capital	830,342	782,842	-	-	-	-	-	-	1,613,184
Costs of new issue of equity capital	-	(253,775)	-	-	-	-	-	-	(253,775)
Fair value loss on investments	-	-	-	-	-	-	-	(44,569)	(44,569)
Fair value loss on share warrants	-	-	-	-	-	-	-	(1,228)	(1,228)
At 31 December 2023	29,813,018	29,317,444	106,148	(3,541,203)	(1,264,696)	8,990,131	1,718,359	(64,082,912)	1,056,289
Loss for the financial year	-	-	-	-	-	-	-	(2,483,499)	(2,483,499)
Exchange differences on translation of foreign operations (OCI)	-	-	-	-	141,376	-	-	-	141,376
Transactions with owners:									
Share based payments	-	-	-	-	-	87,707	-	-	87,707
Fair value gain on investments (OCI)	-	-	-	-	-	-	-	730,269	730,269
Fair value loss on share warrants (OCI)	-	-	-	-	-	-	-	(75,001)	(75,001)
At 31 December 2024	29,813,018	29,317,444	106,148	(3,541,203)	(1,123,320)	9,077,838	1,718,359	(65,911,143)	(542,859)
Equity holders of the parent company	29,813,018	29,317,444	106,148	(3,541,203)	(1,123,320)	9,077,838	1,718,359	(65,911,143)	(542,859)

ImmuPharma plc

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	Year ended 31 December 2024 £	Year ended 31 December 2023 £
Cash flows from operating activities			
Cash used in operations	21	(2,043,513)	(2,320,679)
Tax received		278,661	958,258
Interest paid	6	(4,253)	(1,986)
Net cash used in operating activities		(1,769,105)	(1,364,407)
Investing activities			
Purchase of property, plant, and equipment		(1,652)	-
Proceeds from sale of property, plant, and equipment		-	185,737
Proceeds from sale of investment		1,364,050	-
Purchase of investment		(75,000)	-
Interest received	7	6,237	3,025
Net cash generated from investing activities		1,293,635	188,762
Financing activities			
Settlements from Sharing Agreement		502,001	362,688
Gross proceeds from issue of new share capital		-	1,480,683
Interest paid		(1,984)	-
Share capital issue costs		-	(121,275)
Funds deferred per Sharing Agreement		-	(1,000,000)
Net cash generated from financing activities		500,017	722,096
Net increase/(decrease) in cash and cash equivalents		24,547	(453,549)
Cash and cash equivalents at beginning of year	17	208,481	667,813
Effects of exchange rates on cash and cash equivalents		3,873	(5,783)
Cash and cash equivalents at end of year	17	236,901	208,481

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

	Notes	31 December 2024 £	31 December 2023 £
Non-current assets			
Property, plant, and equipment	12	3,069	5,377
Financial assets	13	-	643,782
Derivative financial asset	15	-	184,784
Trade and other receivables	16	534,991	3,648,686
Investment in subsidiaries	14	55,450,751	51,797,926
Total non-current assets		55,988,811	56,280,555
Current assets			
Trade and other receivables	16	100,829	88,026
Derivative financial asset	15	154,519	432,797
Cash and cash equivalents	17	219,865	109,156
Total current assets		475,213	629,979
Current liabilities			
Trade and other payables	18	(1,161,325)	(1,074,256)
Total current liabilities		(1,161,325)	(1,074,256)
Net current (liabilities)		(686,112)	(444,277)
Net assets		55,302,699	55,836,276
EQUITY			
Ordinary shares	19	29,813,018	29,813,018
Share premium		29,317,444	29,317,444
Merger reserve		19,093,750	19,093,750
Other reserves		10,796,197	10,708,490
Retained earnings		(33,717,710)	(33,096,426)
Total equity		55,302,699	55,836,276

The Company's loss for the year ended 31 December 2024 was £1,276,552 (2023: loss of £2,319,248).
The financial statements were approved by the Board of Directors and authorised for issue on 16 May 2025.
They were signed on its behalf by:

Tim McCarthy
Director

Tim Franklin
Director

ImmuPharma plc
COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024

	Share capital	Share premium	Merger Reserve	Other reserves- Share based payment reserve	Other reserves- Warrant reserve	Retained earnings	Total Equity
	£	£	£	£	£	£	£
At 1 January 2023	28,982,676	28,788,377	19,093,750	8,849,893	1,718,359	(30,731,381)	56,701,674
Loss for the financial year		-	-	-	-	(2,319,248)	(2,319,248)
Transactions with owners:							
Share based payments	-	-	-	140,238	-	-	140,238
Fair value loss on investments	830,342	782,842	-	-	-	-	1,613,184
New issue of equity capital	-	(253,775)	-	-	-	-	(253,775)
Costs of new issue of equity capital	-	-	-	-	-	(44,569)	(44,569)
Fair value loss on share warrants	-	-	-	-	-	(1,228)	(1,228)
At 31 December 2023	29,813,018	29,317,444	19,093,750	8,990,131	1,718,359	(33,096,426)	55,836,276
Loss for the financial year		-	-	-	-	(1,276,552)	(1,276,552)
Transactions with owners:							
Share based payments	-	-	-	87,707	-	-	87,707
Fair value gain on investments (OCI)	-	-	-	-	-	730,269	730,269
Fair value loss on share warrants (OCI)	-	-	-	-	-	(75,001)	(75,001)
At 31 December 2024	29,813,018	29,317,444	19,093,750	9,077,838	1,718,359	(33,717,710)	55,302,699

ImmuPharma plc

COMPANY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	Year ended 31 December 2024 £	Year ended 31 December 2023 £
Cash flows from operating activities			
Cash used in operations	21	(1,193,701)	(1,007,605)
Tax received		88,735	115,751
Interest paid		(4,372)	(1,870)
Net cash used in operating activities		(1,109,338)	(893,724)
Investing activities			
Finance income		6,237	3,025
Purchase of property, plant, and equipment		(1,652)	-
Loans issued to subsidiary undertakings		(573,091)	(264,953)
Proceeds from sale of investment		1,364,050	-
Purchase of investments		(75,000)	-
Net cash used in investing activities		720,544	(261,928)
Financing activities			
Settlements from Sharing Agreement		502,001	362,688
Gross proceeds from issue of new share capital		-	1,480,683
Interest paid		(1,865)	-
Share capital issue costs		-	(121,275)
Funds deferred per Sharing Agreement		-	(1,000,000)
Net cash generated from financing activities		500,136	722,096
Net increase/(decrease) in cash and cash equivalents		111,342	(433,556)
Cash and cash equivalents at beginning of year	17	109,156	542,712
Effects of exchange rates on cash and cash equivalents		(633)	-
Cash and cash equivalents at end of year	17	219,865	109,156

ImmuPharma plc

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

ImmuPharma plc (the "Company") is a public limited company registered in England and Wales (company number 03929567). The Company is limited by shares and the registered office of the Company is located at One Bartholomew Close, EC1A 7BL, London. ImmuPharma plc and its subsidiaries focus on the research, development and commercialisation of pioneering and novel drugs in specialist therapeutic areas within the pharmaceutical industry.

1 ACCOUNTING POLICIES

The material accounting policies are summarised below. They have all been applied consistently throughout the financial years contained in these financial statements.

Basis of preparation

The financial statements have been prepared in accordance with UK-adopted international accounting standards.

The financial statements have been prepared under the historical cost convention and on a going concern basis. Further commentary on the Group's plan for the continuing funding of activities is provided in the Strategic Report. The Company has taken advantage of the exemption provided under section 408 of the Companies Act 2006 not to publish its individual Income Statement and statement of comprehensive income and related notes.

Going concern

The Company and Group do not currently generate any material cash revenues, as their pipeline products remain at the research and development stage. As a result, the Company and Group are reliant on external financing to fund their operations. Additionally, the Company and Group have net current liabilities as at the year-end.

The directors have prepared cash flow forecasts covering a period of more than 12 months from the date of approval of these financial statements. These forecasts incorporate several anticipated cash inflows, including variable cash receipts under the Lanstead Sharing Agreement, as well as proceeds from the equity fundraising that took place after the year-end (see Note 24). No further equity fundraising has been assumed.

The timing and/or magnitude of these projected cash inflows carry a degree of uncertainty, which has been assessed through sensitivity analysis. Despite these measures, the uncertainties are such that potential actions such as further cost base reductions, securing alternative funding, or realizing gains on warrants held may not be sufficient to mitigate all reasonably possible downside scenarios.

Based on the above, the directors believe it remains appropriate to prepare the financial statements on a going concern basis. However, these circumstances constitute a material uncertainty that may cast significant doubt on the Company's and Group's ability to continue as a going concern, and consequently, on their capacity to realize assets and discharge liabilities in the normal course of business.

The financial statements do not include any adjustments that might be required if the going concern basis were deemed inappropriate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

1 ACCOUNTING POLICIES (continued)

Material accounting judgements and key sources of estimation uncertainty

The preparation of financial statements in conformity with generally accepted accounting practice requires management to make estimates and judgements that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the Statement of financial position date and the reported amounts of revenues and expenses during the reporting year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In addition to going concern as noted on page 49, management have had to make judgements in the following areas:

- Intangible assets.
  The consolidated intangibles position contained historic intangibles relating to business combinations from 2006. During the year, management considered the value of these intangibles, given the current focus of the group is on P140 and concluded that given the streamlining of the group and the focus on P140, these assets should be impaired fully. The remaining intangibles relate to patents. See note 11 for further details.

- Derivative financial asset
  The Group and the Company has placed shares with Lanstead and at the same time entered into a Sharing Agreement. The amount receivable under the Sharing Agreement each month, over a 24 month period, will be dependent on the Company's share price performance. The nature of the Sharing Agreement with Lanstead requires the calculation of the fair value as at the end of the accounting period and it is based on the estimation of the Company's share price and discount rate. Under IFRS 7 Financial instruments: Disclosures and IFRS 13 Fair value measurement, the value of the derivative financial asset has been assessed under the Fair value hierarchy as a Level 2 input, as the instrument is not quoted in an active market, but is linked to the quoted ImmuPharma share price. Any change in the fair value of the derivative financial asset is reflected in the Income Statement. The derivative was initially recognised at the date the Sharing Agreement was entered into and was subsequently re-measured to its fair value at the reporting date. The resulting gain or loss was recognised in finance income within profit and loss. As at 31 December 2024, the Company completed a calculation of fair value of the derivative financial asset that resulted in a finance loss of £38,939. The year end share price has been considered to be the best estimate for future share prices and has been included within the fair value calculation. At the reporting date, the derivative had a positive fair value and therefore is recognised as a financial asset.

1 ACCOUNTING POLICIES (continued)

Material accounting judgements and key sources of estimation uncertainty (continued)

Management have applied estimates in the following areas:

- Investment in subsidiaries
  For the Company Statement of Financial Position, management has considered whether there has been any impairment to the carrying value and has applied estimates including taking account of various factors and available evidence in assessing the recoverable amounts in arriving at the conclusion.

  At 31 December 2024, the Company's investment in its subsidiary, ImmuPharma Biotech was £55,450,751. The directors have assessed the carrying value of the Company's investment in subsidiaries, over a period of more than 10 years, taking into account the various factors and available evidence as at that date and concluded that no impairment is required against this investment at the year-end date. Please see note 14 for further information.

- Amounts owed by group undertakings
  For the Company Statement of Financial Position, management needs to consider whether these balances are recoverable or an impairment is required and applies estimates including taking account of various factors and available evidence in arriving at the conclusion. In evaluating the carrying value of investments, management has also considered the related intercompany receivables balance.

  At 31 December 2024, ImmuPharma Plc was due £534,991 from its subsidiary ImmuPharma Biotech. At that date, ImmuPharma Biotech had net liabilities of £163,842 and is not in a position to repay this balance until progress is made on the drug pipeline.

  When taking into consideration the product pipeline of the subsidiary explained in detail within the Strategic Report on pages 10-13, the directors have reviewed the future prospects of ImmuPharma Biotech using the information available at 31 December 2024 and the directors believe that going forward, there is sufficient value in ImmuPharma Biotech's underlying activities, such that they are confident that the subsidiary will generate sufficient cash to enable these balances to be repaid. As a result, no impairment has been charged in 2024. Please see note 14 for further information.

- Derivative Financial Asset – the nature of the Sharing Agreement with Lanstead requires the calculation of the fair value at the end of the accounting period and it is based on the estimation of the Company's share price and discount rate

1 ACCOUNTING POLICIES (continued)

Changes in accounting policies and disclosures

The following new and amended Standards and Interpretations effective for the financial year beginning 1 January 2024 have been adopted. The adoption of these standards has not had any material impact on the disclosures or on the amounts reported in these financial statements.

- IAS 1 – Presentation of Financial Statements
- IFRS 16 – Leases

Basis of consolidation

Both the consolidated and the Company's financial statements are for the year ended 31 December 2024 and present comparative information for the year ended 31 December 2023. All intra-group transactions, balances, income and expenditure are eliminated upon consolidation.

1. ACCOUNTING POLICIES (continued)

Foreign currency

Income statement
The presentational and functional currency of ImmuPharma plc is sterling (£). Transactions in foreign currency are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting date. Any gains or losses arising on translation are taken to the Income Statement as finance income or costs.

Taxation

The tax expense or credit represents the sum of the tax currently payable and any deferred tax less tax credits recognised in relation to research and development tax incentives.

The tax currently receivable is based on tax credits for the year. The tax credit is recognised for amounts received during the year or for an estimated claim to be received where there is a history of receiving these amounts. Taxable loss differs from net loss as reported in the Income Statement as it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's receivable for current tax is calculated using tax rates that have been enacted or substantively enacted by the year-end date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the Statement of Financial Position liability method. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. No such assets are held at the year end.

Investments in subsidiaries

Investments in subsidiaries are stated at cost less any provision for impairment.

Whenever events or changes in circumstances indicate that the carrying amount of an investment in a subsidiary undertaking may not be recoverable the investment is reviewed for impairment. An investment's carrying value is written down to its estimated recoverable amount if that is less than the investment's carrying amount.

1. ACCOUNTING POLICIES (continued)

Intangible assets

Research and development expenditure is charged to the Income Statement in the period in which it is incurred. Development expenditure is capitalised when the criteria for recognising an asset are met, usually when a regulatory filing has been made in a major market and approval is considered highly probable. Property, plant and equipment used for research and development is capitalised and depreciated in accordance with the Group's policy.

In process research and development acquired as part of a business combination is recognised separately from goodwill where the associated project meets the definition of an intangible asset and its fair value can be measured reliably. In process, research and development assets arising because of a business combination are amortised on a straight-line basis over their useful lives from the point in time at which the asset is available for use.

Patents are stated at purchase cost and are amortised on a straight-line basis over their estimated useful lives of 15 years from the date of patent registration.

Property, plant and equipment

Tangible fixed assets are stated at cost, net of depreciation and provision for any impairment. Depreciation is calculated to write off the cost of all tangible fixed assets to estimated residual value by equal annual instalments over their expected useful lives as follows:

- Fixtures, fittings and equipment: 2 – 5 years

Impairment of tangible and intangible assets

At each year-end date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). An impairment loss is immediately recognised as an expense, in the Income Statement.

Share based payments

The Company issues equity-settled share based payments to their employees and third parties. These are measured at fair value (excluding the effect of non-market based vesting conditions) at the date of grant. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non market-based vesting conditions.

Fair value is measured by use of the Black Scholes model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations. For share options issued to suppliers, the value is measured using an estimate of the fair value of the services.

1 ACCOUNTING POLICIES (continued)

Warrants issued

The Company issues warrants to third party investors giving the counterparty a right to subscribe for a fixed number of the entity's shares for a fixed amount of cash. These are measured at fair value (excluding the effect of non-market based vesting conditions) at the date of grant.

For warrants issued to suppliers in lieu of services, the value is measured using an estimate of the fair value of the services.

For warrants issued in exchange for a change to the terms of another derivative instrument or agreement, the value is measured using an estimate of the effect on the value of that other instrument.

Equity

Share capital is determined using the nominal value of shares that have been issued.

The Share premium account includes any premiums received on the initial issuing of the share capital. Any transaction costs associated with the issuing of shares are deducted from the Share premium account.

The Merger reserve represents the difference between the nominal value and the market value at the date of issue of shares issued in connection with the acquisition by the Group of an interest in over 90% of the share capital of another company.

The Acquisition reserve includes those adjustments arising on reverse acquisition of the Company by ImmuPharma (UK) Limited.

Foreign currency differences arising on the retranslation of overseas subsidiaries are included in the translation reserve.

Equity-settled share-based payments are credited to the share-based payment reserve as a component of equity until related options or warrants are exercised.

The warrants reserve will be transferred to share capital account upon the exercise of warrants. The balance of warrants reserve in relation to the unexercised warrants at the expiry of the warrants period will be transferred to retained earnings.

Retained earnings includes all current and prior period results as disclosed in the Income Statement.

Financial instruments

Financial assets and financial liabilities are recognised on the Statement of Financial Position when the Group becomes a party to the contractual provisions of the instrument. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities and when issued by the Group is recorded at the proceeds received, net of direct issue costs.

Warrants in respect of Incanthera shares is a derivative financial instrument, initially and subsequently measured at fair value through other comprehensive income.

Investments other than investments in subsidiaries are classified as either held-for-trading or not at initial recognition. Those investments and financial assets are initially measured at fair value less transaction costs and are subsequently measured at fair value. At the year-end date all investments are classified as not held for trading. An irrevocable election has been made to recognise changes in fair value in other Comprehensive Income.

1. ACCOUNTING POLICIES (continued)

Trade and other receivables are measured at initial recognition at fair value and are subsequently measured at amortised cost using the effective interest method. A provision for impairment is established based on lifetime expected credit losses. The amount of any provision is recognised in profit or loss.

Cash and cash equivalents comprise cash held by the Group and short-term bank deposits with an original maturity of three months or less.

Trade and other payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Non-interest bearing loans and overdrafts are initially recorded at fair value and are subsequently measured at amortised cost using the effective interest rate method.

Derivative financial assets are initially measured at fair value less transaction costs and are subsequently measured at fair value.

2 FINANCIAL RISK MANAGEMENT

The Group uses a limited number of financial instruments, cash, short-term deposits, overdrafts, and various items such as trade receivables and payables, which arise directly from operations. The Group does not trade in financial instruments.

Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, and interest rate risk), credit risk, liquidity risk and cash flow interest rate risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

a) Foreign exchange risk
The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to Sterling, the Euro, the Swiss Franc and the US Dollar. Foreign exchange risk arises from future commercial transactions, recognised assets, liabilities, and net investments in foreign operations.

Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency.

The Group has certain investments in foreign operations, whose net assets are exposed to foreign exchange risks.

The Group did not enter into any arrangements to hedge this risk, as the directors did not consider this risk significant. The directors will review this policy as appropriate in the future.

b) Credit risk
The Group has no significant concentrations of credit risk because the majority of the debtors are government bodies. The variable cash receipts under Lanstead Sharing Agreement are managed via funds held through escrow accounts.

2 FINANCIAL RISK MANAGEMENT (continued)

Financial risk factors (continued)

c) Liquidity risk
Prudent liquidity risk management implies maintaining sufficient cash and available funding through an adequate amount of committed facilities. The Group ensures it has adequate cover through the availability of funding and facilities.

d) Cash flow and interest rate
The Group finances its operations through a mix of equity finance and borrowings. Borrowings are both non-interest bearing and interest bearing.

e) Equity price risk
The Group is exposed to equity price risk due to the possibility that the value of the Company's shares will fluctuate. This can affect the amount of any proceeds in any fundraise the Company might undertake. In addition, any adverse share price change will negatively affect the amount of proceeds the Company will receive under both current Lanstead "Sharing Agreements".

f) Exposure to equity investments
The Group's exposure to equity securities price risk arises from investments held by the Group and classified in the Statement of Financial Position at fair value.

3 SEGMENT INFORMATION - Group

IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker to allocate resources to the segments and to assess their performance. In accordance with IFRS 8, the chief operating decision maker has been identified as the Board of Directors. They review the Group's internal reporting in order to assess performance and allocate resources. The Board of Directors consider that the business comprises a single activity, being the development and commercialisation of pharmaceutical products. Therefore, the Group is organised into one operating segment and there is one primary reporting segment. The segment information is the same as that set out in the Consolidated Income Statement, Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows.

4 STAFF COSTS

The average monthly number of employees across the Group and the Company (including executive directors) was:

	Group Year ended 31 December 2024 No.	Group Year ended 31 December 2023 No.	Company Year ended 31 December 2024 No.	Company Year ended 31 December 2023 No.
Drug research and development, and commercial operations	4	3	2	2
Administration and management	2	2	-	-
	6	5	2	2

The aggregate remuneration comprised:	Group Year ended 31 December 2024 £	Group Year ended 31 December 2023 £	Company Year ended 31 December 2024 £	Company Year ended 31 December 2023 £
Wages and salaries	893,270	994,845	647,004	661,595
Social security costs	193,710	211,419	87,901	85,925
Pension costs	-	732	-	732
Share-based payment	87,707	140,238	87,707	140,238
	1,174,687	1,347,234	822,612	888,490

4 STAFF COSTS (continued)

Directors' emoluments

The following disclosures are in respect of emoluments payable to the directors of ImmuPharma plc across the Group and the Company:

	Group and Company Year ended 31 December 2024 £	Group and Company Year ended 31 December 2023 £
Salaries and fees	731,000	745,595
	734,905	745,595

Please refer to information in the Directors' Report on page 36 in respect for amounts paid to individual directors.

Refer to note 22 for details of amounts paid to related parties in lieu of directors' fees and bonus payments.

The emoluments of the highest paid director, amounts included above are:	Group and Company Year ended 31 December 2024 £	Group and Company Year ended 31 December 2023 £
Salaries and benefits	294,000	294,000
	294,000	294,000

4 STAFF COSTS (continued)

Directors' emoluments (continued)

Key management are those persons having authority and responsibility for planning, directing and controlling the activities of the entity. In the opinion of the Board, the key management of the Group and the Company comprises the Executive and Non-executive Directors of ImmuPharma plc. Information regarding their emoluments is set out below.

The following disclosures are in respect of employee benefits, including National Insurance, payable to the directors of ImmuPharma plc across the Group and the Company and are stated in accordance with IFRS:

	Group and Company Year ended 31 December 2024 £	Group and Company Year ended 31 December 2023 £
Short-term employee benefits (salaries and benefits)	731,000	745,595
Share based payments	76,345	25,813
Directors' emoluments	807,345	771,408

5 OPERATING LOSS

- Group

	Year ended 31 December 2024 £	Year ended 31 December 2023 £
Operating loss is stated after charging:		
Share based payments charge	87,707	140,238
Depreciation of property, plant and equipment - owned	30,744	4,569
Amortisation of intangible assets - patents	21,509	33,038
Impairment of intangibles	404,095	-
Services provided by Company auditors: - Audit services	72,500	126,000
Audit services provided by other auditors	13,224	17,532

6	FINANCE COSTS - Group	Year ended 31 December 2024 £	Year ended 31 December 2023 £
	Interest payable on loans and overdraft	1,984	1,986
	Loss on foreign exchange	147,258	2,356
	Loss on derivative financial asset (note 15)	-	354,573
		149,242	358,915

7	FINANCE INCOME - Group	Year ended 31 December 2024 £	Year ended 31 December 2023 £
	Bank interest receivable	6,237	3,025
	Gain on derivative financial asset (note 15)	38,939	-
		45,176	3,025

8	Other operating income - Group	Year ended 31 December 2024 £	Year ended 31 December 2023 £
	Government grants received	9,231	119,881
		9,231	119,881

Immupharma Biotech receives grant funding to support doctoral students as part of its commitment to research and development. These grants contribute to advancing scientific innovation and fostering academic collaboration

9 TAXATION
- Group

	Year ended 31 December 2024 £	Year ended 31 December 2023 £
Current tax:		
Corporation tax	(295,871)	(497,102)
Total current tax credit for the year	(295,871)	(497,102)

The difference between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the loss before tax is as follows:

	Year ended 31 December 2024 £	Year ended 31 December 2024 £
Loss before taxation	(2,779,370)	(3,418,879)
Tax on loss (at the average rate 23.5%) (2023: 19%)	(653,152)	(649,587)
Effects of:		
Expenses not allowable for tax purposes	4,619	575
Depreciation in excess of capital allowances	22,901	7,145
Rate differences	577	329
Research and development tax credit	(295,871)	(497,102)
Current year losses carried forward	625,055	641,538
Current tax credit for year	(295,871)	(497,102)

The current tax credit for the year pertains to the Research and Development (R&D) tax credit claim in respect of the year ended 31 December 2024.

As at 31 December 2024, the Group has unused tax losses of £52,446,138 (2023: £49,666,768) available for offset against future profits in the jurisdiction in which the loss arises. No deferred tax asset has been recognised due to the unpredictability of future profit streams in the relevant jurisdictions.

10 LOSS PER SHARE

- Group	Year ended 31 December 2024 £	Year ended 31 December 2023 £
Loss		
Loss for the purposes of basic loss per share being net loss after tax attributable to equity shareholders	(2,483,499)	(2,921,795)
Number of shares		
Weighted average number of ordinary shares for the purposes of basic earnings per share	416,437,268	362,004,551
Basic loss per share	(0.60)p	(0.81)p
Diluted loss per share	(0.60)p	(0.81)p

The Group has granted share options in respect of equity shares to be issued, the details of which are disclosed in note 20.

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

11 INTANGIBLE ASSETS - Group

	Research and development £	Patents £	Total £
Cost			
At 1 January 2023	404,095	476,373	880,468
Exchange rate movements	-	(11,056)	(11,056)
At 1 January 2024	404,095	465,317	869,412
Exchange rate movements	-	(22,027)	(22,027)
At 31 December 2024	404,095	443,290	847,385
Amortisation			
At 1 January 2023	-	406,576	406,576
Exchange rate movements	-	(17,773)	(17,773)
Charge for the period	-	33,038	33,038
At 1 January 2024	-	421,841	421,841
Exchange rate movements	-	(21,509)	(21,509)
Charge for the period	-	33,136	33,136
Impairment	(404,095)	-	(404,095)
At 31 December 2024	(404,095)	433,468	29,373
Net book amount			
At 31 December 2024	-	9,822	9,822
At 31 December 2023	404,095	43,476	447,571

Research and development costs relate to in-progress research and development acquired as part of business combinations in earlier years.

12 PROPERTY, PLANT AND EQUIPMENT - Group

	Fixtures, fittings and equipment £
Cost	
At 1 January 2023	1,260,165
Exchange rate movements	(14,720)
Disposals	(1,053,132)
At 1 January 2024	192,313
Exchange rate movements	(5,056)
Additions	1,652
Disposals	(51,534)
At 31 December 2024	137,375
Depreciation	
At 1 January 2023	870,447
Exchange rate movements	(12,265)
Charge for the period	4,569
Depreciation eliminated on disposal	(772,513)
At 1 January 2024	90,238
Exchange rate movements	(17,687)
Charge for the period	30,744
Depreciation eliminated on disposal	(48,241)
At 31 December 2024	55,054
Net book amount	
At 31 December 2024	82,321
At 31 December 2023	102,075

12 PROPERTY, PLANT AND EQUIPMENT (continued) - Company	Fixtures, fittings and equipment £
Cost	
At 1 January 2023	73,021
Additions	-
Disposals	(4,426)
At 1 January 2024	68,595
Additions	1,652
Disposals	(51,534)
At 31 December 2024	18,713
Depreciation	
At 1 January 2023	64,594
Charge for the period	3,050
Depreciation eliminated on disposals	(4,426)
At 1 January 2024	63,218
Charge for the period	667
Depreciation eliminated on disposals	(48,241)
At 31 December 2024	15,644
Net book amount	
At 31 December 2024	3,069
At 31 December 2023	5,377

13 FINANCIAL ASSETS - Group and Company

	Shares in listed entity £	Warrants in listed entity £	Total £
Valuation			
At 31 December 2023	643,781	1	643,782
Additions	-	75,000	75,000
Fair value movement	730,269	(75,001)	655,268
Disposals	(1,374,050)	-	(1,374,050)
At 31 December 2024	-	-	-

On 4 June 2024, ImmuPharma plc disposed of 9,904,319 shares in Incanthera plc, bringing the position held down to nil.

Under IFRS 7 Financial instruments: Disclosures and IFRS 13 Fair value measurement investment in shares of listed entity is classified under the fair value hierarchy as level 2, because the AQSE as previously defined is not considered sufficiently active to denote Level 1. The fair value of ImmuPharma's 9,904,319 shares held in Incanthera Plc prior to disposal equated to £1,374,050 (31 December 2023: £643,781), which has resulted in a fair value gain of £730,269 recognised through other comprehensive income.

Warrants in Incanthera Plc

ImmuPharma holds warrants for 7,272,740 shares at 9.5p per share of Incanthera plc. These warrants represent a financial asset, measured at fair value through Other Comprehensive Income, with a fair value loss of £75,001 for the year. On 6th September, the expiry of these warrants was extended by 6 months to 31 March 2025 for a fee of £75,000. More recently on 1 April 2025 ImmuPharma agreed with Incanthera to further extend the exercise period in the Warrant Instrument, to 30 September 2025. All other terms remained the same. At 31 December 2024, the fair value amounting to £1 was calculated using the "Black – Scholes" valuation model, in which there were several inputs, based on the contractual details and estimations. The inputs below have been taken into account in 2024:

- Expected volatility of share price – 43.1% (2023: 11.6%)
- Risk free rate – 4.339% (2023: 3.480%)
- Market value of share price at year end 5.3p (2023: 6.5p)

14 INVESTMENT IN SUBSIDIARIES

- Company	Shares in subsidiary undertakings £
Cost and fair value	
At 31 December 2023	51,797,926
Additions	3,652,825
At 31 December 2024	55,450,751

Details of the Company's subsidiaries as at 31 December 2024 are as follows:

Name of company	Holding	% voting rights and shares held	Nature of business & country of incorporation	Registered Office Address
ImmuPharma Biotech	Ordinary	100	Pharmaceutical research and development – France	5, rue du Rhône F-68100 Mulhouse France
ImmuPharma AG	Ordinary	100	Pharmaceutical research and development – Switzerland	Poststrasse 10 CH-6060 Sarnen OW Switzerland

Investments are recorded at cost, which is the fair value of the consideration paid.

Additions during the year comprise the conversion of intercompany debt totalling £3,652,825 into equity, pursuant to a group restructuring exercise. This debt-to-equity reclassification is reflected as part of the Group's capital reorganisation activities.

The Company has assessed the carrying value of its investments in subsidiaries as at 31 December 2024 in addition to the intercompany receivables balance and has concluded that no impairment is required. The directors consider that the carrying values, as stated in the financial statements, are appropriate.

This conclusion is based on a value-in-use assessment undertaken as part of the Group's annual impairment review, with a particular focus on the Group's lead programme, P140 for the treatment of systemic lupus erythematosus (SLE). The value-in-use model is underpinned by a discounted cash flow (DCF) analysis using management's most recent financial projections. The model assumes successful completion of clinical trials, subsequent regulatory approval (FDA), and eventual commercialisation of P140 in SLE.

The outcome of the impairment review is highly sensitive to the following assumptions:

- **Probability of Success:** The model uses a probability of success rate of 21.2% to reflect the risk-adjusted likelihood of P140 achieving commercialisation. This rate aligns with industry benchmarks for pharmaceutical assets at a similar stage of development. A sensitivity analysis has been performed to evaluate the impact of variations in this assumption.
- **Sales Volume / Patient Uptake:** Forecast revenues are based on estimated market penetration, represented by the percentage of eligible patients expected to be treated with P140. Given its significance to projected cash flows, a ±20% sensitivity was applied to uptake assumptions across all forecast periods.

14 INVESTMENT IN SUBSIDIARIES (continued)

- Discount Rate: Benchmark analysis suggests a reasonable rate would fall in the range of 17% to 18%. Accordingly, a sensitivity using a 17.8% discount rate has been included to assess the potential variability in value-in-use.
- Sensitivity testing was undertaken on the critical inputs noted above. Key findings include:
- A decrease in the probability of success by approximately 5 percentage points would result in an impairment.
- A 20% reduction in forecasted sales volumes would lead to a material reduction in enterprise value but would not, in isolation, result in an impairment.
- An increase in the discount rate above 24% would result in an impairment.

In addition to individual sensitivities, a combined downside scenario was also considered to assess the cumulative risk.

A 13-year forecast horizon has been used in the value-in-use model. This exceeds the five-year period typically adopted under IAS 36 but is supported by the Group's view of the long-term commercial potential of P140. Management's confidence in this period is based on current patent protection and plans to file for extended protection during Q2/Q3 2025.

Broader Pipeline Considerations

The Group also maintains an extensive pipeline of preclinical and early-stage development programmes. While the impairment review focuses primarily on the lead asset, the presence of additional development opportunities provides further support for the carrying value of the Group's subsidiaries.

15 DERIVATIVE FINANCIAL ASSET

	Group and Company 31 December 2024 £	Group and Company 31 December 2023 £
Balance brought forward	617,583	334,821
Value of derivative at inception	-	1,000,000
Settlements received	(502,001)	(362,688)
Loss recognised through income statement	38,937	(354,552)
	154,519	617,581

	31 December 2024 £	31 December 2023 £
Due within one year	154,519	432,797
Due after one year	-	184,784
At 31 December	154,519	617,581

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. In the placement completed in August 2023, the Company issued 50,000,000 new ordinary shares to Lanstead at a price of 2p per share to raise £1m gross. All Subscriptions proceeds were pledged under the 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.

In December 2021 and August 2022 the Company also issued 1,400,000 new ordinary shares consecutively and 4,750,000 in August 2023 to Lanstead as value payments in connection with the Share Subscriptions and the Sharing Agreements. The settlements from the remaining agreement (August 2023) will continue until 2025.

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 31 December 2024, the Company completed a calculation of fair value of the derivative financial asset that resulted in a finance gain of £38,937 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.

16 TRADE AND OTHER RECEIVABLES

Current

	Group 31 December 2024 £	Group 31 December 2023 £	Company 31 December 2024 £	Company 31 December 2023 £
Other debtors	189,665	451,546	36,530	75,504
Prepayments	64,299	16,234	64,299	12,522
	253,964	467,780	100,829	88,026

Non-current

	Group 31 December 2024 £	Group 31 December 2023 £	Company 31 December 2024 £	Company 31 December 2023 £
Amounts owed by group undertakings	-	-	534,991	3,648,686
	-	-	534,991	3,648,686

The Group's credit risk is primarily attributable to its other debtors. The Company's credit risk is primarily attributable to the intercompany loan balances due from French subsidiaries. Based on prior experience and an assessment of the current economic environment, the directors did not consider any provision for irrecoverable amounts was required and consider that the carrying value of these assets approximates to their fair value.

The Company's receivables due from Group undertakings are intercompany loan balances due from its French subsidiary. As of 31 December 2024, the directors believe that there has been no impairment to these values.

The Company considers that the amounts included in receivables due from group undertakings will prove recoverable. However, the timing of and the ultimate repayment of these amounts will depend primarily on the growth of revenues for the relevant group company. Amounts owed by group undertakings of £534,991 (2023: £3,648,686) are included in non-current assets. These are unsecured, interest free, and have no fixed date of repayment.

The total carrying amount of financial assets for the Group is £645,385 (2023: £1,937,626), consisting of trade and other receivables of £253,964 (2023: £467,780), investment in Incanthera Plc £nil (2023: £643,782), derivative financial asset £154,519 (2023: £617,583) and cash and cash equivalents of £236,902 (2023: £208,481).

The total carrying amount of financial assets for the Company is £1,010,204 (2023: £5,107,231), consisting of trade and other receivables of £635,820 (2023: £3,736,712), investment in shares in Incanthera Plc £nil (2023: £643,781), investment in warrants in Incanthera Plc £nil (2023: £1), derivative financial asset £154,519 (2023: £617,581) and cash and cash equivalents of £219,865 (2023: £109,156).

17 CASH AND CASH EQUIVALENTS

	Group 31 December 2024 £	Group 31 December 2023 £	Company 31 December 2024 £	Company 31 December 2023 £
Cash and cash equivalents	236,902	208,481	219,865	109,156

Cash and cash equivalents comprise cash held by the Group and short-term bank deposits with an original maturity of three months or less at varying rates of interest over the period between 0.0% and 0.5%.

The directors consider that the carrying value of these assets approximates to their fair value.

The credit risk on liquid funds is limited because the counterparty is a bank with a high credit rating.

Included within the above is £50,000 held separately in a Royal Bank of Scotland bank account in respect of a cash deposit with reference to the Company's credit card facility.

18 TRADE AND OTHER PAYABLES

	Group 31 December 2024 £	Group 31 December 2023 £	Company 31 December 2024 £	Company 31 December 2023 £
Trade payables	510,549	776,186	249,293	309,291
Other taxes and social security	117,917	120,418	23,653	-
Accruals and other creditors	891,404	768,518	888,379	764,965
	1,519,870	1,665,122	1,161,325	1,074,256

19 SHARE CAPITAL

At 31 December 2024, the Company had no limit on its authorised share capital.

Allotted, called up and fully paid	2024 No.	2023 No.	2024 £	2023 £
At start of year:				
Ordinary shares of £0.01 each	416,437,265	333,403,115	4,164,374	3,334,031
Deferred shares of £0.09 each	284,984,933	284,984,933	25,648,644	25,648,644
Movements during year:	-	83,034,150	-	830,343
At end of year				
Ordinary shares of £0.01 each	416,437,265	416,437,265	4,164,374	4,164,374
Deferred shares of £0.09 each	284,984,933	284,984,933	25,648,644	25,648,644

20 SHARE BASED PAYMENTS

Equity- settled options and warrants

Details of the share options and warrants outstanding during the period are as follows:

	Number of share options	Weighted average exercise price (£) of share options	Number of warrants	Weighted average exercise price (£) of warrants options	Total number of options (Share options and Warrants options)
Outstanding as at 31 December 2023	16,525,000	0.27	101,042,350	0.08	117,567,350
Expired during 2024	-	-	-	-	-
Lapsed during 2024	-	-	-	-	-
Granted during 2024	30,000,000	0.02	-	-	30,000,000
Outstanding as at 31 December 2024	46,525,000	0.51	101,042,350	0.08	147,567,350
Exercisable as at 31 December 2023	6,037,500	0.25	101,042,350	0.08	107,079,850
Granted and exercisable during 2024	3,737,500	0.20	-	-	3,737,500
Expired during 2024	-	-	-		
Lapsed during 2024	-	-	-	-	-
Exercisable as at 31 December 2024	9,775,000	0.15	101,042,350	0.08	110,817,350

The options and warrants outstanding as at 31 December 2024 had a weighted average remaining contractual life of 8 years.

The options and warrants outstanding as at 31 December 2024 had exercise prices between £0.02 and £1.53 (2023: £0.02 and £1.53).

20 SHARE BASED PAYMENTS (continued)

Equity-settled share option scheme

The total value of options granted during 2017, 2020,2022 and 2024 was calculated using the Black-Scholes pricing model. The inputs into the pricing model were as follows:

Option grant date	**30/3/17**	**13/7/17**	**24/11/17**	**1/12/17**	**25/11/20**	**22/12/22**	**22/12/22**	**18/3/24**	**19/4/24**
Option value	£833,000	£400,950	£3,928,838	£707,760	£913,958	£42,317	£35,122	£206,560	£46,142
Share price at grant date	£0.5025	£0.5675	£0.9862	£1.5300	£0.129	£0.0189	£0.0189	£0.0199	£0.0222
Exercise price	£0.5025	£0.5675	£0.9862	£1.5300	£0.20	£0.11	£0.05	£0.02	£0.022
Volatility	47%	47%	51%	52%	144%	143%	143%	57%	57%
Vesting period	3 years	3 years	3 years	3 years	3 years	3 years	3 years	3 years	3 years
Expected life	7 years	7 years	7 years	7 years	7 years	7 years	7 years	7 years	7 years
Expected dividend yield	0%	0%	0%	0%	0%	0%	0%	0%	0%
Risk free interest rate	0.382%	0.382%	0.382%	0.382%	-0.024%	0.032%	0.032%	0.041%	0.041%

Expected volatility was determined by calculating the historical volatility of the Company's share price to the date of the grant over a 3 year period. Expected life was determined by examining the exercise history of the Company's option holders. No market-based conditions were used as inputs into the pricing model.

For the year ended 31 December 2024, the Company has charged £87,707 (2023: £140,238) for the value of share options in relation to grant from 2022 and 2024. The remaining balance of £214,470 will be charged over the next 3 financial years ending 31 December 2027.

The total value of all other options granted in previous years has been fully charged in the financial statements in prior years.

20 SHARE BASED PAYMENTS (continued)

Warrants

Warrant holder/grant date	Exercise price	No of warrants	Expected life
16/03/17 Northland Capital	£0.52	153,850	10 years
01/04/20 Stanford Capital	£0.10	915,205	10 years
02/09/20 SI Capital Limited	£0.11	1,213,920	10 years
02/09/20 Stanford Capital	£0.11	1,213,920	10 years
23/12/21 Alora Pharmaceuticals, LLC	£0.02	21,818,182	10 years
23/12/21 Lanstead Capital Investors LP	£0.02	40,000,000	10 years
23/12/21 Chelverton Asset Management	£0.02	2,727,273	10 years
16/08/22 Lanstead Capital Investors LP	£0.02	30,000,000	10 years
16/08/22 Stanford Capital	£0.05	2,000,000	10 years
16/08/22 Stanford Capital	£0.01	500,000	10 years
16/08/22 SI Capital Limited	£0.01	500,000	10 years

The above warrants have been granted in connection to the funding raised in 2020, 2021 and 2022.

The warrants granted in 2020 have been valued based on estimated cost of service and it was calculated at £173,000. The warrants granted in 2021 were measured at fair value at the date of grant and were calculated at £1,349,000. The warrants granted in 2022 have been measured both using an estimate of fair value of services and where issued to Lanstead in exchange for not changing the benchmark of the previous sharing agreement, at the estimated change in value of that instrument that would otherwise have occurred. These have been calculated at £369,359.

21 CASH USED IN OPERATIONS

	Group 31 December 2024 £	Group 31 December 2023 £	Company 31 December 2024 £	Company 31 December 2023 £
Loss for the financial year	(2,483,499)	(2,921,795)	(1,276,552)	(2,319,248)
Depreciation and amortisation	63,880	37,607	667	3,050
Impairment of intangible assets	404,095	-	-	-
Loss on sale of fixed assets	3,293	94,882	3,293	-
Share-based payments	87,707	140,238	87,707	112,676
(Gain)/loss on derivatives	(38,939)	-	(38,939)	354,573
Taxation charge	(295,871)	-	(88,735)	-
Decrease in trade and other receivables	213,816	255,803	(12,803)	183,155
(Decrease)/increase in trade and other payables	(145,253)	213,798	87,069	339,174
Gain/(loss) on foreign exchange	147,258	(141,212)	44,232	319,015
Cash used in operations	(2,043,513)	(2,320,679)	(1,193,701)	(1,007,605)

22 RELATED PARTY TRANSACTIONS

a) Group

T McCarthy, CEO and Chairman, is also Chairman of Incanthera Ltd. As of 31 December 2024 ImmuPharma held warrants for 7,272,740 shares at 9.5p per share of Incanthera plc. On 6 September 2024, the expiry of these warrants was extended by 6 months to 31 March 2025. A further extension to 30 September 2025 has since been granted. All other terms remained the same.

During the year, ImmuPharma plc was charged £84,000 (2023: £84,000) for the provision of consultancy services by Just B Communications Limited, a company owned by L. Baderoon, non-executive director. The amount of £133,000 was owing to Just B Communications Limited at the year end.

At 31 December 2024, certain salary payments to directors had been deferred and are included within accruals. These were £269,500 in respect of T McCarthy, £231,000 in respect of T Franklin, £1,000 in respect of Sebastien Goudreau and £67,500 in respect of L Baderoon.

b) Company

During the year ended 31 December 2024, management charges of £309,820 (2023: £149,307) were rendered by ImmuPharma plc to ImmuPharma Biotech. This amount was due to the Company at 31 December 2024. As part of the merger of the subsidiaries in 2023, £3,579,754 of balances owed to the company were offset against new shares in ImmuPharma Biotech issued to ImmuPharma plc. The Company also loaned the sum of £264,009 (2023: £264,954) to ImmuPharma Biotech during the year ended 31 December 2024. The total balance due to the Company from ImmuPharma Biotech at 31 December 2024 was £539,751 (2023:£3,648,686).

23 FINANCIAL INSTRUMENTS

The Group's financial instruments comprise of cash and cash equivalents, investment in Incanthera plc, derivative financial asset, borrowings and items such as trade payables, which arise directly from its operations. The main purpose of these financial instruments is to provide finance for the Group's operations.

The Group's operations expose it to a variety of financial risks including liquidity risk, interest rate risk, equity price risk and foreign exchange rate risk. Given the size of the Group, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the Board. The Company's finance department implements the policies set by the Board of Directors.

The principal financial instruments used by the Group from which financial instrument risk arises are as follows:-

	Year ended 31 December 2024	Year ended 31 December 2023
	£	£
Amortised cost		
Trade and other receivables	117,871	467,780
Fair value through other comprehensive income		
Shares in listed entity	-	643,781
Warrants in listed entity	-	1
Fair value through profit and loss		
Derivative financial asset	154,519	617,581
Other		
Cash and cash equivalents	236,902	208,481
Total financial assets	**509,292**	**1,937,624**
Trade and other payables	1,388,580	1,665,122
Total financial liabilities	**1,388,580**	**1,665,122**

23 FINANCIAL INSTRUMENTS (continued)

Liquidity risk
Group

The Group monitors its levels of working capital to ensure that it can meet its debt repayments as they fall due.

The following table shows the contractual maturities of the Group's financial liabilities, all of which are measured at amortised cost:

	Trade and other payables £	Borrowings £	Total £
At 31 December 2024			
6 months or less	1,388,580	-	1,388,580
6 – 12 months	-	-	-
1 – 2 years	-	-	-
2 – 5 years			
Total contractual cash flows	1,388,580	-	1,388,580
Carrying amount of financial liabilities measured at amortised cost	1,388,580	-	1,388,580

	Trade and other payables £	Borrowings £	Total £
At 31 December 2023			
6 months or less	1,665,122	-	1,665,122
6 – 12 months	-	-	-
1 – 2 years	-	-	-
2 – 5 years	-	-	-
Total contractual cash flows	1,665,122	-	1,665,122
Carrying amount of financial liabilities measured at amortised cost	1,665,122	-	1,665,122

23 FINANCIAL INSTRUMENTS (continued)

Liquidity risk (continued)

Company

The Company's financial liabilities comprise trade and other payables with a carrying amount equal to gross cash flows payable of £249,293 (2023: £309,291), accrued purchases with a carrying amount of £888,379 (2023: £764,965), all of which are payable within 6-12 months.

Interest rate risk

Group

The Group has both interest bearing assets and interest bearing liabilities. Interest bearing assets comprise cash and cash equivalents denominated in Sterling, the Euro, the Swiss Franc and the US Dollar which earn interest at a variable rate. The directors will revisit the appropriateness of this policy should the Group's operations change in size or nature.

During the year, the Group's cash and cash equivalents earned interest at a variable rate between 0.0% and 0.5% (2023: 0.0% and 0.5%).

As at 31 December 2024, if LIBOR had increased by 0.5% with all other variables held constant, the post-tax loss and equity would have been higher by £2,514 (2023: £1,809). Conversely, if LIBOR had fallen by 0.5% with all other variables held constant, the post-tax loss and equity would have been lower by £2,514 (2023: £1,809).

The Group also has non-interest bearing borrowings, which are carried at amortised cost, and therefore the risk is the change in the fair value of the borrowings. Changes in the market interest rates of these liabilities do not affect loss or equity and therefore no sensitivity analysis is required under IFRS 7.

Company

The Company has both interest bearing assets and interest bearing liabilities. Interest bearing assets comprise of cash and cash equivalents denominated in Sterling, which earn interest at a variable rate.

During the year, the Company's cash and cash equivalents earned interest at a variable rate between 0.0% and 0.5% (2023: 0.0% and 0.5%).

As at 31 December 2024, if LIBOR had increased by 0.5% with all other variables held constant, the post-tax loss would have been lower and equity would have been higher by £2,274 (2023: £1,408). Conversely, if LIBOR had fallen by 0.5% with all other variables held constant, the post-tax loss would have been higher and equity would have been lower by £2,274 (2023: £1,408).

23 FINANCIAL INSTRUMENTS (continued)

Foreign exchange rate risk

Group

The Group is exposed to foreign exchange rate risk as a result of having cash balances in Euros, Swiss Francs and US Dollars. During the year, the Group did not enter into any arrangements to hedge this risk, as the directors did not consider the exposure significant given the short-term nature of the balances. The Group will review this policy as appropriate in the future.

As at 31 December 2024, if the Euro had weakened 10% against Sterling with all other variables held constant, the post-tax profit and equity would have been lower by £821 (2023: £8,173). Conversely, if the Euro had strengthened 10% against Sterling with all other variables held constant, the post-tax profit and equity would have been higher by £821 (2023: £8,173).

As at 31 December 2024, if the US Dollar had weakened 10% against Sterling with all other variables held constant, the post-tax profit and equity would have been lower by £155 (2023: £13). Conversely, if the US Dollar had strengthened 10% against Sterling with all other variables held constant, the post-tax profit and equity would have been higher by £155 (2023: £13).

As at 31 December 2024, if the Swiss Franc had weakened 10% against Sterling with all other variables held constant, the post-tax profit and equity would have been lower by £808 (2023: £1,014). Conversely, if the Swiss Franc had strengthened 10% against Sterling with all other variables held constant, the post-tax profit and equity would have been higher by £808 (2023: £1,014).

Company

The Company is exposed to foreign exchange rate risk through the payment of non-Sterling amounts, intercompany balances in Euros and Swiss Francs and as a result of having cash balances in Euros and US Dollars. During the year, the Company did not enter into any arrangements to hedge this risk, as the directors did not consider the exposure significant. The Company will review this policy as appropriate in the future.

As at 31 December 2024, if the Euro had weakened 10% against Sterling with all other variables held constant, the post-tax profit and equity would have been lower by £6 (2023: £64). Conversely, if the Euro had strengthened 10% against Sterling with all other variables held constant, the post-tax profit and equity would have been higher by £6 (2023: £64).

As at 31 December 2024, if the US Dollar had weakened 10% against Sterling with all other variables held constant, the post-tax profit and equity would have been lower by £155 (2023: £13). Conversely, if the US Dollar had strengthened 10% against Sterling with all other variables held constant, the post-tax profit and equity would have been higher £155 (2023: £13).

23 FINANCIAL INSTRUMENTS (continued)

Equity price risk

Group and Company

The Group has also held a derivative transaction during the year 2024, details of which can be found at note 15. The risk associated with this transaction is the variable consideration receivable, which depends on the Company's share price. During the year, the Group did not enter into any arrangements to hedge this risk, as the directors did not consider the exposure significant given the short term nature of the balance. The Group will review this policy as appropriate in the future.

If the Company's share price had weakened 10% with all other variables held constant, the post-tax loss would have been higher and equity would have been lower by £50,200. Conversely, if the Company's share price had strengthened by 10% with all other variables held constant, the post-tax loss would have been lower and equity would have been higher by £50,200.

The following is a comparison by category of the carrying amounts and fair values of the Group's financial assets and liabilities at 31 December 2024. Set out below the table is a summary of the methods and assumptions used for each category of instrument.

	Carrying amount 2024 £	Fair Value 2024 £	Carrying amount 2023 £	Fair Value 2023 £
Trade and other receivables at amortised cost	117,871	117,871	467,780	467,780
Derivative financial asset	154,519	154,519	617,582	617,582
Shares in listed entity	-	-	643,781	643,781
Warrants in listed entity	-	-	1	1
Financial liabilities at amortised cost	1,388,580	1,388,580	1,665,122	1,665,122
	1,660,970	1,660,970	3,394,266	3,394,266

Trade and other receivables at amortised cost
The fair value approximates to the carrying amount because of the short maturity of these instruments.

Derivative financial asset
The asset is recorded at fair value and is calculated based on ImmuPharma's share price at the year end.

Financial liabilities at amortised cost
The fair value approximates to the carrying amount because the majority are associated with variable-rate interest payments that are re-aligned to market rates at intervals of less than one year.

Shares in listed entity
The balances are recorded at fair value and are determined by using published price quotations in the AQSE market.

23 FINANCIAL INSTRUMENTS (continued)

Fair values of financial assets and liabilities (continued)

Warrants in listed entity
The balances are recorded at fair value and are determined by using a Black-Scholes valuation model.

Fair value measurement
The Group measures the fair value of its financial assets and liabilities in the Statement of Financial Position in accordance with the fair value hierarchy. The hierarchy groups financial assets and liabilities into three levels based on the significance of inputs used in measuring the fair value of the financial assets and liabilities. The fair value hierarchy has the following levels:

Level 1 fair value measurements are those derived from unadjusted quoted prices in active markets for identical assets and liabilities;

Level 2 fair value measurements are those derived from inputs, other than quoted prices included within level 1, that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices);

Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data.

The following table presents the Group's financial assets that are measured at fair value at 31 December 2024:

	Level 1 £	Level 2 £	Level 3 £	Total £
Warrants in listed entity	-	-		-
Derivative financial asset	-	154,519	-	154,519
As at 31 December 2024	-	154,519	-	154,519

Summary of financial assets held at level 1 fair value:

	Warrants in listed entity £	Shares in listed entity £	Total £
As at 1 January 2024	1	643,781	643,782
Additions	75,000	-	75,000
Revaluation at fair value	(75,001)	730,269	655,268
Disposals	-	(1,374,050)	(1,374,050)
As at 31 December 2024	-	-	-

The fair value has been assessed at 31 December 2024 and is based on the warrants ImmuPharma Plc holds of Incanthera plc.

23 FINANCIAL INSTRUMENTS (continued)

Fair values of financial assets and liabilities (continued)

Fair value measurement (continued)

	Derivative financial asset £
Fair value brought forward	617,581
Fair value at inception	-
Payments received under Sharing Agreement	(502,001)
Net losses recognised in Income Statement	38,939
As at 31 December 2024	154,519

The consideration receivable is variable depending on the Company's share price and the derivative financial asset is revalued through the Income Statement with reference to the Company's closing share price. The valuation methodology and inputs are detailed in note 15.

Capital Risk

Group and Company

The Group and Company considers its capital under management to be its cash and cash equivalents and share capital and reserves. The Group and Company's overall objective in managing its capital is to support the strategic objectives of the business: the development of potential new drugs. Decisions regarding the management of capital are taken by the Board in conjunction with regular strategic planning and budget reviews.

24 Post balance sheet events

On 13 February 2025 the Company announced an equity fundraise of c.£2.91 million. The Fundraise comprised of an oversubscribed placing to raise gross proceeds of £1.034 million through the issue of 27,586,667 new ordinary shares of 1 pence each in the Company with institutional and other investors at a price of 3.75 pence per Ordinary Share and a £1.875 million subscription sharing agreement with the then 6.5% shareholder Lanstead Capital Investors L.P ("Lanstead") through the issue of 50,000,000 new Ordinary Shares at the Issue Price.

ImmuPharma plc

Glossary of Technical Terms

‘biomarkers’ measurable biological responses used as predictors of clinical effects.

‘CRO’ contract research organisation.

‘drug-like’ having the potential to become a drug product candidate due to its physical and chemical characteristics.

‘Lupus’ an autoimmune inflammatory disease of unknown etiology.

‘PDCT’ peptide to drug converting technology.

‘peptide’ a molecule comprised of a series of amino acids (or a small subpart of a protein).

‘Pharma’ abbreviation for “Pharmaceutical”; sometimes in the industry “pharma” also denotes a pharmaceutical company.

‘Phase 0’ the stage of development of a drug candidate before the first administration to man, during which all mandatory data required by regulatory bodies such as the FDA or the EMEA is generated and filed.

‘Phase 1’ the stage of development of a drug candidate during which it is administered to man (usually healthy volunteers) for the first time. Phase I studies are designed to assess primarily the safety and tolerability of the drug candidate and gather information on its ADME. This phase is also used whenever possible to evaluate surrogate markers which are indicative of the clinical efficacy of the drug candidate.

‘Phase 2’ the stage of development of a drug candidate during which therapeutic studies are conducted in limited numbers of patients using data generated in Phase I studies to determine dose regimen and primary efficacy, and to examine therapeutic outcomes and monitor safety in patients.

> ‘Phase 3’ the stage of development of a drug candidate during which it is tested in large scale pivotal trials on, typically, between 200 to 4000 patients to demonstrate overall efficacy, tolerability and safety with a dose regimen as determined in Phase II. The drug candidate must generally prove to be statistically better than placebo or the current best therapy in terms of efficacy, safety or quality of life. development of potential new drugs. Decisions regarding the management of capital are taken by the Board in conjunction with regular strategic planning and budget reviews.

ImmuPharma plc

Glossary of Technical Terms

‘biomarkers’ measurable biological responses used as predictors of clinical effects.

‘CRO’ contract research organisation.

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