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Immupharma PLC

("Immupharma" or the "Company")

Subscription & Oversubscribed Placing to raise c.£2.91 million

Sharing Agreement

Related Party Transactions

Immupharma PLC (LSE AIM: IMM), the specialist drug discovery and development company, is pleased to announce an equity fundraise of c.£2.91 million, utilising existing authorities to allot shares (the "**Fundraise**").

The Fundraise comprises a) 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 ("**Ordinary Shares**") with institutional and other investors at a price of 3.75 pence per Ordinary Share (the "**Issue Price**"); and b) a £1.875 million subscription with current 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 has also entered into a sharing agreement ("**Sharing Agreement**") with Lanstead.

Highlights

- Subscription for 50,000,000 new Ordinary Shares (the "**Subscription Shares**") by Lanstead at the Issue Price of 3.75 pence per share (the "**Lanstead Subscription**"), with an associated Sharing Agreement ("**Sharing Agreement**") (together the "**2025 Lanstead Agreements**").
- Placing of 27,586,667 new Ordinary Shares (the "**Placing Shares**") with institutional and other investors at the Issue Price of 3.75 pence per share to raise £1.034 million (the "**Placing**").
- The Issue Price of 3.75 pence represents a 12.9 per cent. discount to the closing mid-market price (of 4.305 pence) of the Ordinary Shares on 12 February 2025, the latest business date prior to the announcement of the Fundraise.
- The £1.875 million gross proceeds of the Lanstead Subscription will be pledged by the Company pursuant to the Sharing Agreement with Lanstead. The Sharing Agreement, details of which are

set out below, entitles the Company to receive back those proceeds on a *pro rata* monthly basis over a period of seven months, commencing after the completion of the amended (see below) 2023 Lanstead Sharing Agreement, which is expected to be in May 2025, subject to adjustment upwards or downwards each month depending on the Company's share price at the time. The Sharing Agreement provides the opportunity for the Company to benefit from positive future share price performance.

- The gross proceeds of the Fundraise will be used primarily to fund:
 - further investment into the P140 autoimmune technology platform;
 - strengthening the Company's balance sheet ahead of detailed discussions with large pharma companies on potential licensing deals on P140;
 - general working capital; and
 - cash expenses associated with the Fundraise of c.£0.2m

The Subscription and Placing have been arranged by the Company's broker, Stanford Capital Partners Limited ("Stanford").

Commenting on the Fundraise, Tim McCarthy, Chairman and CEO of ImmuPharma, said:

"We kickstarted this year with a key announcement on 9 January, announcing innovative groundbreaking advancements in our preclinical research program focused on P140 and the pathogenesis of autoimmune diseases. This new discovery yielded data that provided novel insights into autoimmune disease mechanisms, whilst, in addition, supporting the Mechanism of Action of our P140 technology platform and its significance for being effective in a number of auto-immune diseases including our lead program, for lupus.

"Following on from this, we believe that 2025 will be a transformational year for ImmuPharma, with further positive news announcements within the P140 technology platform and a clear focus on securing partnering deals for all the assets across our development portfolio."

Rationale for the Fundraise

Following the major change in the composition of the Company's board of directors and management, in mid-2021, ImmuPharma has undergone a significant corporate reorganisation, leading to a much more streamlined (and effective) corporate structure, which in turn has also resulted in a much lower level of fixed overheads. In addition, the Company's product development portfolio has been expanded and refocused into auto-immunity and anti-infectives, with positive developments since 2021 across all the portfolio, including the Company's P140 technology platform.

This was highlighted most recently on 9 January 2025 when the Company announced innovative groundbreaking advancements in its preclinical research program focused on P140 and the pathogenesis of autoimmune diseases. This new discovery yielded data that provides novel insights into autoimmune disease mechanisms.

Importantly for our autoimmune therapy P140, especially for our lead indication in SLE (Lupus), those findings pave the way for:

- Earlier and more accurate diagnostics
- Identifying patients most likely to respond to P140 therapy
- Improved monitoring of the patient's response to treatment with P140

Additional funding at this pivotal time will allow the management to invest further into the P140 platform. This in turn will strengthen the Company's negotiating position in ongoing licensing negotiations, as well as to contribute to general working capital requirements.

Being able to apply this new funding to the P140 program will deliver quicker results and also be a major contributor to regular positive news flow and program updates which will have a major impact to drive a positive upward movement in the share price, thereby increasing value for all shareholders.

Further information on the Lanstead Subscription

Pursuant to the subscription agreement between the Company and Lanstead (the "Subscription

pursuant to the subscription agreement between the Company and Lanstead (the **Subscription Agreement**"), 50,000,000 new Ordinary Shares have today been allotted and will be issued, conditional upon Admission, to Lanstead at 3.75 pence per Subscription Share for an aggregate subscription value of £1.875 million.

The Lanstead Subscription proceeds of £1.875 million will immediately following Admission be pledged to Lanstead under the Sharing Agreement under which Lanstead will then make, subject to the terms and conditions of the Sharing Agreement, monthly settlements (subject to adjustment upwards or downwards) to the Company over a period of seven months, commencing in May 2025, as detailed below. As a result of entering into the Sharing Agreement, the aggregate amount received by the Company under the Lanstead Subscription and the Sharing Agreement may be more or less than £1.875 million, as further explained below. **Notwithstanding the Subscription Price of 3.75 pence, shareholders should note that the share price of the Company needs to be on average over the seven months of the Sharing Agreement at or above the Benchmark Price of 5.0 pence per share for the Company to receive at least, or more than, the gross Subscription of £1.875 million.**

The Subscription Shares will be issued credited as fully paid and will rank *pari passu* in all respects with the Company's existing issued Ordinary Shares.

The Lanstead Subscription is conditional, *inter alia*, on admission of the Subscription Shares to trading on AIM, and there being: (i) no breach of certain customary warranties given by the Company to Lanstead at any time prior to Admission (which is expected on or around 20 February 2025); and (ii) no force majeure event occurring prior to Admission.

The Sharing Agreement

In addition to the Lanstead Subscription, the Company has entered into the Sharing Agreement, pursuant to which ImmuPharma will pledge the £1.875 million gross proceeds of the Lanstead Subscription to Lanstead. The Sharing Agreement will enable the Company to share in any share price appreciation over the Benchmark Price (as defined below). **However, if the Company's share price is less than the Benchmark Price then the amount received by the Company under the Sharing Agreement will be less than the gross proceeds of the Lanstead Subscription which were pledged by the Company to Lanstead at the outset.**

The Sharing Agreement provides that the Company will receive seven monthly settlement amounts (6 months of £267,857.14 and the final month of £267,857.16) as measured against a benchmark share price of 5.0 pence per Ordinary Share (the "**Benchmark Price**"). The monthly settlement amounts for the Sharing Agreement are structured to commence in May 2025.

If the measured share price (the "**Measured Price**"), calculated as the average of each day's volume weighted share price ("**VWAP**") of the Company's Ordinary Shares over a 20 day period prior to the monthly settlement date, exceeds the Benchmark Price, the Company will receive more than 100 per cent. of that monthly settlement due on a *pro rata* basis according to the excess of the Measured Price over the Benchmark Price. There is no upper limit placed on the additional proceeds receivable by the Company as part of the monthly settlements and the amount available in subsequent months is not affected. Should the Measured Price be below the Benchmark Price, the Company will receive less than 100 per cent. of the monthly settlement calculated on a *pro rata* basis and the Company will not be entitled to receive the shortfall at any later date. As such, the final determination of the total amounts to be received under the Sharing Agreement will only be known after the seven months have elapsed.

For example, if on a monthly settlement date the calculated Measured Price exceeds the Benchmark Price by 10 per cent., the settlement on that monthly settlement date will be 110 per cent. of the amount due from Lanstead on that date. If on the monthly settlement date the calculated Measured Price is below the Benchmark Price by 10 per cent., the settlement on the monthly settlement date will be 90 per cent. of the amount due on that date. Each settlement as so calculated will be in final settlement of Lanstead's obligation on that settlement date.

Assuming the Measured Price equals the Benchmark Price on the date of each and every monthly settlement, ImmuPharma would receive aggregate proceeds of £1.875 million (before expenses) from the Lanstead Subscription and Sharing Agreements. Examples of the proceeds from the Sharing Agreement to be received each month, based upon varying levels of average share price in the month, are shown in the Appendix to this announcement.

The Company will pay Lanstead's legal costs of approximately £15,000 incurred in connection with the Lanstead Subscription and in entering into the Sharing Agreement and, in addition, has agreed to issue to Lanstead 3,500,000 new Ordinary Shares ("**Value Payment Shares**") in connection with entering into the Sharing Agreement.

In no event will fluctuations in the Company's share price result in any increase in the number of Subscription Shares issued by the Company or received by Lanstead. The Sharing Agreement allows both Lanstead and the Company to benefit from future share price appreciation.

In total, Lanstead will be issued with 50,000,000 new Ordinary Shares pursuant to the Lanstead Subscription which, when issued, will equate (together with the 3,500,000 Value Payment Shares) to approximately 10.7 per cent. of the Company's enlarged issued share capital following the Subscription and the Placing.

No shares, warrants or additional fees are owed to Lanstead at any point during this agreement other than those disclosed above.

The Sharing Agreement is similar in structure to those undertaken by the Company with Lanstead in February 2016, June 2019, March 2020, December 2021, August 2022 and August 2023 respectively. The first five of these arrangements have completed their settlement periods. The February 2016 agreement yielded a net gain to ImmuPharma of approximately £0.6 million more than originally subscribed by Lanstead. The June 2019 and

immunarma of approximately £0.6 million more than originally subscribed by Lanstead. The June 2019 and March 2020 agreements yielded approximately £0.9 million and £1.0 million less than originally subscribed by Lanstead respectively. The December 2021 and August 2022 arrangements yielded £1.7 million and £0.7 million less than originally subscribed by Lanstead respectively. The August 2023 arrangement (the "**2023 Lanstead Sharing Agreement**") runs to September 2025 and is currently yielding approximately £0.2 million less than the *pro rata* amount originally subscribed by Lanstead on cumulative settlements to date. (It has been agreed that this arrangement is accelerated as set out below).

The February 2016 agreement yielded a net gain due to the share price appreciation during its duration, which coincided with the progression of Lupuzor™ through its first Phase 3 clinical trial. The subsequent agreements have all coincided with a prolonged period of share price underperformance due to multiple factors, including the negative macro-economic environment and a period of complete reorganisation of the Company and its development portfolio, following a change in the board of directors and the appointment of a new management team in 2021.

The new management team have simplified the Group structure from five to two companies; reduced overheads by over 50%; expanded the development portfolio and recently (in January 2025) announced breakthrough results in its flagship P140 autoimmune platform.

With the anticipation of further regular positive newsflow as the Company moves through 2025, including additional data from P140 pre-clinical studies; and licence and collaboration deals across the development portfolio, the Directors have an expectation that this new Lanstead agreement will yield a net gain.

The Directors believe that the Sharing Agreement potentially provides a number of benefits to the Company and its shareholders including: the certainty of additional investment, albeit the quantum of returns under the agreement is dependent on the Company's share price; the opportunity to benefit from positive future share price performance; and that the amount of shares issued is fixed, together with the cost of their issue.

Amendment to the 2023 Lanstead Sharing Agreement

The 2023 Lanstead Sharing Agreement was an agreement covering a period of 24 months. Full details were set out in the Company's regulatory announcement dated 31 August 2023.

The Company has received a total of £0.5 million under the 2023 Lanstead Sharing Agreement from the 17 settlements due to date. Seven settlements of £41,666.67 per month (on the assumption the 2023 Lanstead Sharing Agreement Benchmark Price of 2.6667 pence equals the Measured Price for each period) under the agreement remain due for the months from March 2025 through to September 2025.

It has been agreed that each of the settlements for March, April and May 2025 are accelerated to be received in March 2025 (with the calculation for the 3 months based on the 2023 Lanstead Sharing Agreement formula for the 20 days in March), and that each of the settlements for June, July and August 2025 are accelerated to be received in April 2025 (with the calculation for the 3 months based on the 2023 Lanstead Sharing Agreement formula for the 20 days in April 2025), and that the September settlement is cancelled.

The settlements due under the February 2025 Lanstead Sharing Agreement will commence in the month (expected to be May 2025) following the receipt of the April 2025 settlement referred to in the paragraph above.

Placing

Certain institutional and other investors have subscribed for 27,586,667 Placing Shares directly with the Company to raise £1,034,500 for the Company.

The Placing Shares will be issued credited as fully paid and will rank *pari passu* in all respects with the Company's existing issued Ordinary Shares.

The Placing is conditional, among other things, upon Admission (which is expected to occur on or around 20 February 2025) becoming effective.

Future Funding Requirements

The Directors are confident that the Fundraise, together with existing funding and funding arrangements, will provide the Company with a clear cash runway to at least the end of 2026.

This belief is based on assumptions, which include the Directors' estimation of the likely level of receipts under (i) the 2023 Lanstead Agreement (ii) the current February 2025 Lanstead Agreements (which are variable and depend upon the level of the Company's Measured Price versus the Benchmark Price each month).

In the event that the Company receives less funds than expected by the Directors, the Company will undertake measures to limit or defer cash outflows from the business in the near term, (which include the Directors deferring a proportion of their salaries) until such time as the business is able to meet these payments, or seek to introduce further funding to the business.

Conversely, in the event of share price performance in excess of the assumptions made, the Company would have a longer cash runway as there would be a higher level of cash receipts under the various Lanstead agreements. In addition, a higher share price would increase the likelihood of the exercise of outstanding options and warrants, which would result in further cash receipts for the Company, though there is no guarantee this will occur.

Related Party Transactions

Lanstead is interested in 27,090,404 Ordinary Shares (representing 6.5 per cent. of the current issued share capital). Until 6 August 2024 Lanstead was a substantial shareholder in the Company, therefore (i) the participation by Lanstead in the 2025 Lanstead Agreements (including the issue of the Value Payment Shares) and (ii) the amendment to the 2023 Lanstead Sharing Agreement constitute related party transactions under the AIM Rules for Companies.

The Directors (all of whom are independent of Lanstead), having consulted with SPARK Advisory Partners Limited ("SPARK"), the Company's nominated adviser, consider that (i) the terms of the 2025 Lanstead Agreements and (ii) the amendment to the 2023 Lanstead Sharing Agreement, are fair and reasonable insofar as the Company's shareholders are concerned.

Other Share Issues

The Company will issue 200,000 new Ordinary Shares to SPARK, and 2,000,000 new Ordinary Shares to Stanford at an issue price of 3.75 pence per share in lieu of fees ("Fee Shares"). The Fee Shares will be issued credited as fully paid and will rank *pari passu* in all respects with the Company's existing issued Ordinary Shares.

Application for admission to trading on AIM ("Admission"), and expected dates of Admission

Application will be made for the Subscription Shares, the Placing Shares, the Value Payment Shares and the Fee Shares to be admitted to trading on the AIM market of the London Stock Exchange.

It is anticipated that Admission ("Admission") of the Subscription Shares, the Placing Shares, the Value Payment Shares and the Fee Shares will occur at 8.00 a.m. on or around 20 February 2025.

Authority to allot shares

The allotment of the Subscription Shares, the Placing Shares, the Value Payment Shares and the Fee Shares is being made pursuant to existing authorities to allot shares and other relevant securities and to disapply pre-emption rights under section 551 of the Companies Act 2006, which the Directors were given at the Company's Annual General Meeting held on 28 June 2024.

About Lanstead

Lanstead is a global investment firm that provides funding for ongoing business objectives to listed small and mid-cap growth companies. In London, Lanstead focus on equity investments in companies already listed or quoted on the London Stock Exchange or European exchanges and on management teams with a clear growth strategy.

Lanstead's extensive experience allows it to invest in most industries, focusing on providing supportive, longer term capital that rewards company growth. Companies with Lanstead on the shareholder register via an equity placement to Lanstead with an accompanying sharing agreement can benefit from a unique and flexible approach to finance growth. This provides the opportunity for companies to benefit from additional cash beyond the original subscription proceeds without having to issue additional shares.

Further information is available at www.lanstead.com

Appendix - example Lanstead Sharing Agreement Returns

In relation to each of the months in the 7 month calculation period:

<i>Average 20 Day VWAP</i>	<i>3.75p</i>	<i>5.0p</i>	<i>6.25p</i>
<i>Benchmark Price</i>	<i>5.0p</i>	<i>5.0p</i>	<i>5.0p</i>
<i>20 day VWAP as % of Benchmark Price</i>	<i>75%</i>	<i>100%</i>	<i>125%</i>
<i>Settlement from Lanstead in the month</i>	<i>£200,892</i>	<i>£267,857</i>	<i>£334,821</i>
<i>Proceeds over 7 month period</i>			
<i>if Average 20 Day VWAP is at this level</i>			
<i>for the entire period</i>	<i>£1,406,250</i>	<i>£ 1,875,000</i>	<i>£2,343,750</i>

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Notes to Editors

About ImmuPharma PLC

ImmuPharma PLC (LSE AIM: IMM) is a specialty biopharmaceutical company that discovers and develops peptide-based therapeutics. The Company's portfolio includes novel peptide therapeutics for autoimmune diseases and anti-infectives. The lead program, P140, is a unique non-immunosuppressive peptide for the treatment of SLE (Systemic Lupus Erythematosus) and CIDP (Chronic Idiopathic Demyelinating Polyneuropathy) and preclinical models suggest therapeutic activity for many other autoimmune diseases.

For additional information about ImmuPharma please visit www.immupharma.co.uk

ImmuPharma's LEI (Legal Entity Identifier) code: 213800VZKGHXC7VUS895.

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