

April 15, 2015

Immune Pharmaceuticals Reports Fourth Quarter and Full Year 2014 Financial Results

NEW YORK, April 15, 2015 /PRNewswire/ -- Immune Pharmaceuticals Inc., (NASDAQ:IMNP) announced financial results for the fourth quarter and full year ended December 31, 2014. Immune filed its Annual Report on Form 10-K for fiscal year 2014 on Wednesday, April 15, 2015.

"Over the last year, Immune has up-listed to the NASDAQ Capital Market and improved its capital structure to allow for timely financing of its planned phase II clinical trials of bertilimumab, a first in class monoclonal antibody, for the treatment of Bullous Pemphigoid and Ulcerative Colitis," said Dr. Daniel Teper, Chief Executive Officer of Immune. "Upon securing a commercial partner for AmiKet, we are planning further expansion of the Bertilimumab phase II clinical program and of the early NanomAb, Antibody Nanoparticle Conjugate pipeline development."

Recent Business Highlights and Upcoming Milestones

Partnering of AmiKet may provide out-licensing revenues starting in 2015: Following a comprehensive review of clinical safety and efficacy of AmiKet in trials totaling 1,700 patients, meetings with regulatory agencies and a third party commercial assessment, Immune initiated a formal partnering process during the first quarter of 2015 with a potential target agreement with a commercial partner on out-licensing terms during the second quarter of 2015.

AmiKet addresses a potential market of over \$3.5 billion according to Global Data.

Immune also licensed a topical nanoparticle formulation technology, which has the potential to enhance the performance of AmiKet, prolong patent exclusivity up to 2036, and support development in additional pain indications.

Patient enrollment in Bullous Pemphigoid and Ulcerative Colitis Phase II trials: Immune delayed the planned patient enrollment of patients in the fourth quarter of 2014 to address a quality control issue, which has now fully been resolved. As a result, patient enrollment is now scheduled to start in the second quarter of 2015. Initial clinical data from the Bullous Pemphigoid trial may be available by the end of 2015.

Initiation of Bertilimumab development in Liver diseases including NASH: Following a review of literature outlining the role of eotaxin-1 in liver diseases and scientific advice from Key Medical Opinion Leaders Immune is initiating a development program for Bertilimumab which will include pre-clinical studies and initiation of a pilot Phase II clinical trial expected before the end of 2015.

Enhanced GMP Manufacturing of Bertilimumab: Immune initiated in 2014 the

development of an enhanced manufacturing process, which has demonstrated by end of first quarter 2015 a higher comparable performance and improved productivity than the previous process. Immune may bridge to the new process before initiation of Phase III trials.

Relocated Headquarters to New York City: In the first quarter 2015, Immune consolidated its management team at the Alexandria Center for Life Science in New York City, under the leadership of Daniel Teper, CEO, Gad Berdugo, EVP and CFO, and Paul Nadler, EVP, R&D and Chief Medical Officer. The board of directors of Immune also appointed Cameron Durant as its lead independent director.

IMMUNE PHARMACEUTICALS INC. FOURTH QUARTER AND FULL YEAR 2014 FINANCIAL HIGHLIGHTS

During 2014, Immune successfully raised a total of \$22.5 million mainly in a private placement with institutional investors in March, followed by a public offering in November with retail investors led by National Securities. Immune's access to the financial capital market was enhanced following its up-listing to the US NASDAQ Capital Market in August. Immune's balance sheet improved significantly in 2014 compared to 2013: total liabilities were reduced, the cash position was strengthened and as a result, stockholder equity was improved. In addition, the daily trading volume and liquidity of the stock has increased significantly. The Company ended 2014 with 24 million shares outstanding.

Immune reported a loss attributable to stockholders of \$7 million or \$0.34 per share, for the fourth quarter of 2014 compared to a loss attributable to common stockholders of \$3.4 million or \$0.26 per share, for the fourth quarter of 2013. For the year ended December 31, 2014, Immune reported a loss attributable to common stockholders of \$24.4 million, or \$1.46 per share, compared to a loss attributable to common stockholders of \$6.7 million or \$0.94 per share, for the comparable period of 2013. On December 31, 2014, Immune's cash totaled \$6.8 million compared to \$0.05 million on December 31, 2013. On December 31, 2014, together with its \$5 million credit line, the company has cash and available cash totaling \$11.8 million to fund operations.

IMMUNE PHARMACEUTICALS INC. CONSOLIDATED FINANCIAL STATEMENTS FOR THE FOURTH QUARTER AND FULL YEAR 2014 (in thousands, except per share amounts)

Consolidated Balance Sheets

(In thousands, except for per share amounts)

December 31, December 31,

2014

2013

ASSETS

Current assets

Cash and cash equivalents	\$ 6,767	\$ 49
Restricted cash	21	81
Other current assets	99	137
Total current assets	6,887	267
Restricted cash, net of current portion	-	80
Property and equipment, at cost, net of \$51 and \$26 accumulated depreciation, as of December 31, 2014 and December 31, 2013, respectively	41	47
In-process research and development	27,500	27,500
Intangible assets, net	3,415	3,607
Security deposit	21	-
Total assets	\$ 37,864	\$ 31,501

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities

Accounts payable	\$ 1,243	\$ 5,181
Accrued expenses	4,133	3,572
Due to related parties	30	469

Notes and loans payable, current portion	2,011	1,546
Deposits for future financing	-	500
Total current liabilities	7,417	11,268
Grants payable	469	521
Notes and loans payable, net of current portion	1,564	3,359
Deferred tax liability	10,870	10,870
Total liabilities	20,320	26,018

Commitments and contingencies

Stockholders' Equity

Series C Preferred stock, par value \$0.0001; 15,000 shares authorized, 4,320 shares available for issuance, 2,832 and 0 shares issued and outstanding, as of December 31, 2014 and December 31, 2013, respectively	821	-
Undesignated preferred stock, par value \$0.0001; 4,985,000 shares authorized, 4,981,935 shares available for issuance, none issued and outstanding, as of December 31, 2014 and December 31, 2013, respectively	-	-
Common stock, \$.0001 par value; authorized 225,000,000 shares; 23,975,358 and 13,276,037 shares issued and outstanding at December 31, 2014 and December 31, 2013, respectively	2	1
Additional paid-in capital	62,550	27,761
Accumulated deficit	(45,829)	(22,279)

Total stockholders' equity	17,544	5,483
Total liabilities and stockholders' equity	\$ 37,864	\$ 31,501

Statement of Operations

	For The Quarters ended		For The Years Ended	
	December 31,		December 31,	
	2014	2013	2014	2013
Revenue	\$-	\$-	\$2	\$19
Costs and expenses:				
Research and development	1,626	1,051	5,640	3,571
General and administrative	2,431	2,211	10,725	5,448
Total costs and expenses	4,057	3,262	16,365	9,019
Loss from operations	(4,057)	(3,262)	(16,363)	(9,000)
Non-operating income (expense):				
Interest expense	(3,034)	(188)	(3,404)	(305)
Derivative liability expense	(80)	-	(558)	(74)
Warrant amendment expense	-	-	(3,145)	(734)

Liquidation preference granted to founder	-	-	-	(2,037)
Gain on bargain purchase	-	-	-	6,444
Other income (expense), net	81	14	(80)	(43)
Total non-operating income (expense):	(3,033)	(174)	(7,187)	3,251
Net loss before income taxes	(7,090)	(3,436)	(23,550)	(5,749)
Income tax expense	-	(8)	-	(11)
Net loss	(7,090)	(3,444)	(23,550)	(5,760)
Deemed dividend	-	-	(616)	(932)
Dividend Series C preferred shares	58	-	(256)	-
Loss attributable to common stockholders	\$(7,032)	\$(3,444)	\$(24,422)	\$(6,692)
Basic and diluted loss per common share	\$(0.34)	\$(0.26)	\$(1.46)	\$(0.94)
Weighted average common shares outstanding - basic and diluted	20,916,545	13,276,037	16,742,550	7,088,765
Comprehensive loss	\$(7,090)	\$(3,444)	\$(23,550)	\$(5,760)

About Immune Pharmaceuticals Inc.

Immune Pharmaceuticals Inc. applies a personalized approach to treatment, developing novel, highly-targeted antibody therapeutics to improve the lives of patients with inflammatory diseases and cancer. The Company's lead product candidate, bertilimumab, is in clinical development for moderate to severe ulcerative colitis and crohn's disease as well as bullous pemphigoid, an orphan auto-immune dermatological condition. Immune licensed

worldwide rights for systemic indications of bertilimumab from iCo Therapeutics (TSX: ICO; OTCQX: ICOTF) in June 2011, while iCo retained rights to all ophthalmic indications. iCo originally licensed the exclusive world-wide rights to bertilimumab in 2006 from MedImmune, the Global Research and Development Arm of AstraZeneca. Immune's pipeline also includes NanomAbs, antibody nanoparticle conjugates, for the targeted delivery of chemotherapeutics, and AmiKet™, a Neuropathic Pain drug candidate ready for Phase III. AmiKet has received Orphan Drug Designation for Post Herpetic Neuralgia.

For more information, visit Immune's website at www.immunepharmaceuticals.com, the content of which is not a part of this press release.

Forward-Looking Statements

This news release and any oral statements made with respect to the information contained in this news release contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. You are urged to consider statements that include the words "may," "will," "would," "could," "should," "believes," "estimates," "projects," "potential," "expects," "plans," "anticipates," "intends," "continues," "forecast," "designed," "goal" or the negative of those words or other comparable words to be uncertain and forward-looking. Such forward-looking statements include statements that express plans, anticipation, intent, contingency, goals, targets, future development and are otherwise not statements of historical fact. These statements are based on our current expectations and are subject to risks and uncertainties that could cause actual results or developments to be materially different from historical results or from any future results expressed or implied by such forward-looking statements. Factors that may cause actual results or developments to differ materially include, but not limited to: the risks associated with the adequacy of our existing cash resources and our ability to continue as a going concern; the risks associated with our ability to continue to meet our obligations under our existing debt agreements; the risk that clinical trials for bertilimumab or AmiKet™ will not be successful; the risk that bertilimumab, AmiKet™ or compounds arising from our NanomAb® program will not receive regulatory approval or achieve significant commercial success; the risk that we will not be able to find a partner to help conduct the Phase III trials for AmiKet™ on attractive terms, on a timely basis or at all; the risk that our other product candidates that appeared promising in early research and clinical trials do not demonstrate safety and/or efficacy in larger-scale or later-stage clinical trials; the risk that we will not obtain approval to market any of our product candidates; the risks associated with dependence upon key personnel; the risks associated with reliance on collaborative partners and others for further clinical trials, development, manufacturing and commercialization of our product candidates; the cost, delays and uncertainties associated with our scientific research, product development, clinical trials and regulatory approval process; our history of operating losses since our inception; the highly competitive nature of our business; risks associated with litigation; and risks associated with our ability to protect our intellectual property. These factors and other material risks are more fully discussed in our periodic reports, including our reports on Forms 8-K, 10-Q and 10-K and other filings with the U.S. Securities and Exchange Commission. You are urged to carefully review and consider the disclosures found in our filings which are available at www.sec.gov or at www.immunepharmaceuticals.com. You are cautioned not to place undue reliance on any forward-looking statements, any of which could turn out to be wrong due to inaccurate assumptions, unknown risks or uncertainties or other risk factors. We expressly disclaim any obligation to publicly update any forward looking statements contained herein,

whether as a result of new information, future events or otherwise, except as required by law.

To view the original version on PR Newswire, visit:<http://www.prnewswire.com/news-releases/immune-pharmaceuticals-reports-fourth-quarter-and-full-year-2014-financial-results-300066812.html>

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