

November 15, 2017

Immune Pharmaceuticals Announces Third Quarter 2017 Financial Results and Provides a Corporate Update

ENGLEWOOD CLIFFS, N.J.--(BUSINESS WIRE)-- Immune Pharmaceuticals Inc. (NASDAQ:IMNP) ("Immune") a biopharmaceutical company developing novel therapeutic agents for the treatment of immunologic and inflammatory diseases, today announced financial results for the quarter ending September 30, 2017 and provided a corporate update.

Third Quarter 2017 and Recent Highlights

- On October 23, we announced the closing of a public offering that generated gross proceeds of \$18,000,000 (excluding underwriting discounts and commissions and offering expenses) with participation of both institutional and retail investors.
- On September 26, we announced preliminary results from the first six subjects enrolled in our ongoing, open-label bullous pemphigoid phase 2 study. These subjects experienced an 85% improvement in their skin lesions ($p < 0.0096$) despite a low starting dose of prednisone (mean 26 mg) which was rapidly tapered to a dose of less than 10 mg. Bertilimumab was well tolerated and no serious adverse events were reported.
- On August 14, we announced the appointment of Tony Fiorino, MD, PhD as Chief Medical and Operating Officer.
- On August 9, we announced the publication of animal data showing that histamine dihydrochloride, the active ingredient in Ceplene®, can reduce melanoma metastases through a NOX2-dependent mechanism.
- On July 11, we announced that our wholly-owned oncology subsidiary, Cytovia Inc. ("Cytovia") entered into a licensing agreement with Pint Pharma International SA for the marketing and distribution of Ceplene in Latin America, and a separate \$4 million investment agreement with Pint GmbH.

Financial results:

The Company recorded no revenue for the three-month periods ended September 30, 2017 and 2016.

Research and development expenses decreased by \$1.1 million, from \$2.3 million for the three-month period ended September 30, 2016 to \$1.2 million for the three-month period ended September 30, 2017. The decrease resulted from a reduction in clinical trial expenses of \$0.9 million and a reduction in stock based compensation expense of \$0.2 million.

General and administrative expenses decreased by \$0.04 million, from \$1.65 million for

the three-month period ended September 30, 2016 to \$1.61 million for the three-month period ended September 30, 2017. The decrease resulted from a reduction in investor relations expenses of approximately \$0.3 million and a reduction in rent expense of approximately \$0.1 million, partially offset by an increase in legal fees of approximately \$0.3 million.

The Company recorded non-operating expenses of \$3.2 million for the three-month period ended September 30, 2017, as compared to \$8.3 million for the same period in 2016. Non-operating expenses for the current period consisted of amortization of original issue discount of \$0.8 million for the May 2017 Convertible Notes, liquidated damages of \$0.4 million related to the November 2016 Convertible Notes and loss on extinguishment of debt of \$2.1 million related to the MEF I, LP Senior Secured Convertible Note and an amendment of the May 2017 Convertible Notes.

We had approximately \$76,000 in cash as of September 30, 2017. We realized approximately \$16 million in net proceeds from the October 23 public offering.

Elliot Maza, Immune's Chief Executive Officer, stated, "The third quarter of 2017 marked an important transition for Immune. The positive interim results of the bertilimumab phase 2 bullous pemphigoid study highlight what we believe is a valuable and promising asset, and the completion of a large financing shortly after the close of the quarter has left the company well-capitalized after settling many outstanding debts. We are positioned to move forward with the bertilimumab clinical development program and to complete critical pre-clinical work on NanoCyclo, our topical cyclosporine product."

"We believe this financing will enable us to achieve several important milestones," continued Mr. Maza, "including completion of the two ongoing bertilimumab clinical trials; scale-up of a new and superior bertilimumab manufacturing process for future clinical studies; design and launch of a larger, randomized controlled bullous pemphigoid clinical trial; identification of the next bertilimumab indication; and completion of IND-enabling studies for NanoCyclo. Progress on all of our programs had been significantly hampered by the lack of financial resources, and we are pleased to have the funds to support these studies that are so crucial to the company."

Cytovia Update

We expect to file a Form 10 registration statement with the SEC before year-end that will allow for Cytovia to register a class of securities with the SEC. Cytovia anticipates applying for listing of its securities on an eligible NASDAQ trading market at the appropriate time, which shall be subject to satisfaction of the NASDAQ exchange listing criteria and approval. We intend to distribute shares in the spun-off Cytovia to Immune shareholders as a tax-free dividend in proportion to each holder's ownership of shares in Immune, provided Cytovia achieves certain performance objectives.

Meda AB, a subsidiary of Mylan Pharmaceuticals, has initiated the transfer of the European Marketing Authorization and the Orphan Drug designation for Ceplene® to Cytovia. We expect the transfers to become effective before year-end. Ceplene is approved in 30 European countries for remission maintenance in AML.

Dr. Eric Fidelin has joined the Cytovia management team as President, Europe. Previously, Dr. Fidelin was Head of Oncology and Hematology, Celgene France.

About Immune Pharmaceuticals Inc.

Immune Pharmaceuticals Inc. is a biopharmaceutical company developing novel therapeutic agents for the treatment of immunologic and inflammatory diseases. Immune's lead program, bertilimumab, is a first-in-class, fully human monoclonal antibody that targets and lowers levels of eotaxin-1, a chemokine that plays a role in immune responses and attracts eosinophils to the site of inflammation. By neutralizing eotaxin-1, bertilimumab may prevent the migration of eosinophils and other cells, thus helping to relieve associated inflammatory conditions. Currently, Immune is conducting two phase 2 clinical trials to test bertilimumab in patients suffering from bullous pemphigoid and ulcerative colitis, respectively. Bertilimumab may have application in other diseases, including atopic dermatitis, immune and inflammatory hepatitis, and asthma.

Safe Harbor Statements Regarding Forward Looking Statements

The statements in this news release made by representatives of Immune relating to matters that are not historical facts, including without limitation, those regarding future performance or financial results, the timing or potential outcomes of research collaborations or clinical trials, any market that might develop for any of Immune's product candidates and the sufficiency of Immune's cash and other capital resources, the continued development by Immune of bertilimumab or its determination to seek Orphan Drug designation for the pharmaceutical product of bertilimumab are forward-looking statements that involve risks and uncertainties, including, but not limited to, the likelihood that actual performance or results could materially differ, that future research will prove successful, the likelihood that any product in the research pipeline will receive regulatory approval in the United States or abroad, or Immune's ability to fund such efforts with or without partners. Immune undertakes no obligation to update any of these statements. In addition, there can be no assurance that Immune will successfully complete its anticipated corporate restructuring, or that Immune will be able to reduce expenses, capitalize on strategic alternatives, develop its assets, and generate value for shareholders. Immune may, at any time and for any reason until the proposed spin-off is complete, abandon the spin-off or modify its terms and conditions, or consider competing, alternate or complimentary transactions or offers by third parties at the discretion of Immune's board of directors. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as to the date hereof. Accordingly, any forward-looking statements should be read in conjunction with the additional risks and uncertainties detailed in Immune's filings with the Securities and Exchange Commission, including those discussed in Immune's Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, and periodic reports filed on Form 8-K.

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Source: Immune Pharmaceuticals Inc.