



Incanthera plc

("Incanthera" the "Company")

Interim results for the six months ended 30 September 2021

Incanthera plc (AQSE:INC), the company specially focussed on innovative technologies in dermatology and oncology is pleased to present its interim results for the six months ended 30 September 2021.

Incanthera is dedicated to improving treatment options with innovative therapeutics combined with targeted delivery technologies via its unique platform.

Highlights:

- Commercialisation discussions for Sol with two previously mentioned global cosmetic companies continue to progress.
- The Company has commenced new commercial discussions for the rights to Sol with an additional two companies.

Financial Highlights:

- Strong financial control through period, ensuring financial position on budget.
- Cash balance at 30 September 2021 increased to £627k (2020: £433k), providing cash runway to Q3 2022.
- Operating losses for the period £582k (2020: £471k).

Tim McCarthy, Chairman, commented:

"We have made excellent progress in our discussions on the commercial rights for Sol during this period and have recently initiated commercial discussions with two further companies.

The conclusion of the right deal for commercialisation of Sol is of paramount importance for the future success of the Company and the whole team is engaged in delivering this for our shareholders.

As we approach the end of 2021, I would like to thank our shareholders for their continuing support and our team for their hard work and dedication. We look forward to sharing further progress next year."

This announcement contains inside information for the purposes of the UK Market Abuse Regulation.

The Directors of Incanthera accept responsibility for this announcement.

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Notes to Editors

Incanthera is a specialist oncology company focused on transformative treatment technologies in oncology and dermatology. It seeks to identify and develop innovative solutions to current clinical, commercially relevant unmet needs, utilising new technology from leading academic institutions and industry, combined with Incanthera's unique targeting delivery platform.

The Company's current lead product and focus is Sol, a potentially innovative topical product for the treatment of solar keratosis and the prevention of skin cancers. This has achieved proof of concept and the Company is now focussed upon delivering Sol to a commercial partner.

The Company originated from the Institute of Cancer Therapeutics (ICT) at the University of Bradford and has acquired and developed a portfolio of specific targeting therapeutics through both a Pipeline Agreement with the ICT and via other corporate acquisitions and partnerships. Incanthera's strategy is to develop each candidate in the portfolio from initial acquisition or discovery to securing its future through commercially valuable partnerships at the earliest opportunity in its development pathway.

The Company has developed sophisticated formulation and targeting technology platforms to address previously unavailable options across dermatology and oncology. These deliver treatments specifically to a disease site, reducing side effects whilst enabling higher doses to reach a target and therefore increase efficacy.

Incanthera's Board and management possess a broad range of commercial, scientific and public company experience. In addition, Incanthera benefits from a diverse, experienced team of advisers who cover the necessary range of specialities required for all aspects of the Company's business, and also has a number of beneficial collaborative relationships with both clinicians and clinical centres.

For more information on the Company please visit: www.incanthera.com

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021

Chairman's Statement

I am pleased to present our interim results for 2021.

The six months under review has seen a massive step change in the world going back out to work, with businesses hard at work regenerating economies globally and adjusting to new practices, consistently finding new solutions to our ways of working.

The strength of the human spirit is remarkable and the determination and will to rebuild is palpable across industry.

The healthcare sector, particularly, remains not only resilient, but exemplary in showing the world the possibility and genius of innovation and breakthrough. We continue to be proud of this industry and Incanthera's role in innovative technologies and delivery systems to enhance treatment options and outcomes.

This report covering the six months from end March to end September 2021, has been concentrated on our goal for a commercial deal for our topical skin cancer technology, Sol.

We are pleased with how commercial discussions on Sol have progressed with the two global cosmetic companies we have engaged with. In addition, Sol has attracted the attention of two further companies and initial discussions in relation to the rights to Sol have recently commenced.

It is clear that the potential for Sol to be the basis for a whole product range, incorporating its unique technology and dermatological qualities, is of great interest to commercial partners.

Management remains clear that these discussions present a fantastic opportunity for the Company to negotiate a positive outcome for the future of our Sol technology for the benefit of our Shareholders and the Company. I remain confident of the potential outcomes and of reporting these next year.

I remain proud of the team at Incanthera who work diligently to protect our existing assets, conserve and tightly control our financial position and look for every opportunity for new asset introduction and partnership.

The advice and guidance of our external advisors is a great asset to our Company and I thank them for their wise counsel and hard work as we end this calendar year.

Tim McCarthy
Chairman

06 December 2021

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021

Chief Executive's Review

I am pleased to present Incanthera's interim results for 2021.

This past six months have been focussed on the progression of commercial discussions for Sol. These have continued positively in the six months, although the first half of the period was slower to gain further traction, given the ongoing restrictions and fallout of Covid 19, globally.

Despite this, discussions continued gaining further traction, and moving to next stages and importantly additional new introductions with two companies. These new discussions had positive responses and we look to progress these further.

As we close this period under review there is significant opportunity across a number of areas for both furthering of commercial deal negotiations and possibilities for portfolio expansion.

Publicity and awareness surrounding the increasing rates of skin cancer continue and the demographics of the rising trend, specifically amongst the younger population, is a huge oncology focus and a commercial market where currently no active topical solution exists.

We are very confident in our discussions with potential partners and of the credibility of our technology. To have progressed discussions and entered new talks means the Company is in a strong position going forward. The interest in our platform of technologies offers expansive portfolio potential and we look forward to providing further updates as we progress.

Pipeline

Incanthera's pipeline provides innovative new medicines through commercial partnerships with assets obtained through our heritage with the ICT at the University of Bradford and from our commercialisation history of acquisition and licensing.

Our Company mantra of 'Acquire, Prepare, Commercialise' aims to seek out innovative and differentiating targeted therapeutics, utilising the expertise and experience of the Incanthera team, strategically prepare these and secure the earliest tangible value and their commercialisation.

Incanthera's range of technologies continue to be evaluated and protected by our operations and patent experts.

Additionally, we continue to look at any new potential assets presented to us through our working partnerships with academic institutions and industry contacts.

Market Support

As ever this year we are grateful for the support and interest in our Company, from our shareholder base, existing and new. Thank you for your support.

We have once again received fantastic support from our corporate advisers and the Aquis Stock Exchange. We were given the honour of being nominated for the Aquis Company of the Year 2021 award at this year's Small Cap Awards. This is a fantastic recognition of the dedication of our team and the support and success of the Exchange themselves.

Future Opportunities

We have made significant progress in our discussions to commercialise Sol, against a difficult backdrop. The opportunities in front of us to progress discussions and expand the opportunities for our dermatology technologies means we close the year with confidence and optimism.

The progress of this Company is only achievable through the hard efforts of our dedicated team who I would like to thank for all their hard work.

Simon Ward
Chief Executive Officer

06 December 2021

**Consolidated Statement of Comprehensive Income
for the six months ended 30 September 2021 - unaudited**

	Notes	Six months ended 30 September 2021 £'000 unaudited	Six months ended 30 September 2020 £'000 unaudited	Year ended 31 March 2021 £'000 audited
Operating expenses		(557)	(452)	(979)
Share-based compensation	4	(25)	(19)	(37)
Total operating expenses		(582)	(471)	(1,016)
Operating loss		(582)	(471)	(1,016)
Loss on ordinary activities before taxation		(582)	(471)	(1,016)
Taxation		-	-	111
Loss and total comprehensive expense attributable to equity holders for the period		(582)	(471)	(905)
Loss earnings per share (pence)				
Basic loss per share	3	(0.79)	(0.77)	(1.44)
Diluted loss per share	3	(0.79)	(0.77)	(1.44)

**Consolidated Statement of Financial Position
as at 30 September 2021 - unaudited**

	Notes	As at 30 September 2021 £'000 Unaudited	As at 30 September 2020 £'000 unaudited	As at 31 March 2021 £'000 Audited
ASSETS				
Non-current assets				
Property, plant and equipment		-	2	-
Intangible assets		526	685	655
Total non-current assets		526	687	655
Current assets				
Trade and other receivables		220	248	136
Current tax receivable		-	95	108
Cash and cash equivalents		627	433	957
Total current assets		847	776	1,201
Total assets		1,373	1,463	1,856
LIABILITIES AND EQUITY				
Current liabilities				
Trade and other payables		239	351	165
Total current liabilities		239	351	165
Equity				
Ordinary shares	5	1,482	1,291	1,482
Share premium		5,055	4,719	5,055
Reorganisation reserve		2,715	2,715	2,715
Warrant reserve		1,054	586	1,054
Share based compensation		62	19	37
Retained deficit		(9,234)	(8,218)	(8,651)
Total equity		1,134	1,112	1,691
Total liabilities and equity		1,373	1,463	1,856

**Consolidated Statement of Changes in Equity
for the six months ended 30 September 2021 – unaudited**

	Share capital £'000	Share premium £'000	Merger reserve £'000	Warrant reserve £'000	Share based compensation £'000	Accumulated losses £'000	Total £'000
Balance at 1 April 2021	1,482	5,055	2,715	1,054	37	(8,651)	1,691
Total comprehensive expense for the period	-	-	-	-	-	(582)	(582)
Transactions with owners							
Share-based compensation – share options	-	-	-	-	25	-	25
Total transactions with owners	-	-	-	-	25	-	25
Balance at 30 September 2021	1,482	5,055	2,715	1,054	62	(9,234)	1,134

	Share capital £'000	Share premium £'000	Merger reserve £'000	Warrant reserve £'000	Share based compensation £'000	Accumulated losses £'000	Total £'000
Balance at 1 April 2020	1,217	4,443	2,715	-	586	(7,747)	1,214
Total comprehensive expense for the period	-	-	-	-	-	(471)	(471)
Transactions with owners							
Warrant reclassification	-	-	-	586	(586)	-	-
Share issue	74	276	-	-	-	-	350
Share-based compensation – share options	-	-	-	-	19	-	19
Total transactions with owners	74	276	-	586	(567)	-	369
Balance at 30 September 2020	1,291	4,719	2,715	586	19	(8,218)	1,112

	Share capital £'000	Share premium £'000	Merger reserve £'000	Warrant reserve £'000	Share based compensation £'000	Accumulated losses £'000	Total £'000
Balance at 1 April 2020	1,217	4,443	2,715	-	586	(7,747)	1,214
Total comprehensive expense for the period	-	-	-	-	-	(905)	(905)
Transactions with owners							
Warrant reclassification	-	-	-	586	(586)	-	-
Share issue - cash	264	612	-	468	-	-	1,344
Share-based compensation – share options	-	-	-	-	37	-	37
Total transactions with owners	264	612	-	1,054	(549)	-	1,381
Balance at 31 March 2021	1,482	5,055	2,715	1,054	37	(8,651)	1,691

The registered number of Incanthera plc is 11026926.

Consolidated Statement of Cash Flows
for the six months ended 30 September 2021 - unaudited

	Six months ended 30 September 2021 £'000 Unaudited	Six months ended 30 September 2020 £'000 unaudited	Year ended 31 March 2021 £'000 audited
Cash flows from operating activities			
Loss before taxation for the period	(582)	(471)	(1,016)
Depreciation and amortisation	129	103	135
Share-based compensation	25	19	37
	(428)	(349)	(844)
Changes in working capital			
(Increase)/decrease in trade and other receivables	(86)	(134)	(21)
Increase/(decrease) in trade and other payables	74	174	(12)
Cash used in operations	(12)	40	(34)
Taxation received	110	-	98
Net cash used in operating activities	(330)	(309)	(779)
Cash flows from investing activities			
Purchase of property, plant and equipment	-	-	-
Net cash used in investing activities	-	-	-
Cash flows from financing activities			
Proceeds from issue of shares	-	350	1,495
Issue costs	-	-	(151)
Net cash generated from financing activities	-	350	1,344
Movements in cash and cash equivalents in the period	(330)	41	565
Cash and cash equivalents at start of period	957	392	392
Cash and cash equivalents at end of period	627	433	957

1. GENERAL INFORMATION

Incanthera plc ('the Company') is a public limited company incorporated in England and Wales and was admitted to trading on the AQSE Growth Market (formerly NEX Exchange), under the symbol INC on 28 February 2020.

The address of its registered office is 76 King Street, Manchester, England, M2 4NH and the registered company number is 11026926. The principal activity of the Company is clinical stage drug development.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS') as adopted by the United Kingdom, IFRIC interpretations and the Companies Act 2006 applicable to companies operating under IFRS.

The consolidated financial statements have been prepared under the historical cost convention modified by the revaluation of certain financial instruments.

The consolidated financial statements are presented in Sterling (£) and rounded to the nearest £000. This is the predominant functional currency of the Group and is the currency of the primary economic environment in which it operates.

The financial statements have been reviewed by the Company's auditors.

Significant management judgement in applying accounting policies and estimation uncertainty

When preparing the condensed consolidated interim financial information, the Directors make a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

The following are significant management judgements and estimates in applying the accounting policies of the Group that have the most significant effect on the condensed consolidated interim financial information. Actual results may be substantially different.

Research and development expenditure

Careful judgement by the Directors is applied when deciding whether the recognition requirements for development costs have been met. This is necessary as the economic success of any product development is uncertain until such time as technical viability has been proven and commercial supply agreements are likely to be achieved. Judgements are based on the information available at each reporting date which includes the progress with testing and certification and progress on, for example, establishment of commercial arrangements with third parties. In addition, all internal activities related to research and development of new products are continuously monitored by the Directors.

3. LOSS PER SHARE

Basic loss per share is calculated by dividing the loss for the period attributable to equity holders by the weighted average number of ordinary shares outstanding during the period.

For diluted loss per share, the loss for the period attributable to equity holders and the weighted average number of ordinary shares outstanding during the period is adjusted to assume conversion of all dilutive potential ordinary shares. As the effect of the share options would be to reduce the loss per share, the diluted loss per share is the same as the basic loss per share.

The calculation of the Group's basic and diluted loss per share is based on the following data:

	Six months ended 30 September 2021 £'000 Unaudited	Six months ended 30 September 2020 £'000 unaudited	Year ended 31 March 2021 £'000 audited
Loss for the period attributable to equity holders	(582)	(471)	(905)

	As at 30 September 2021 Number Unaudited	As at 30 September 2020 Number unaudited	As at 31 March 2021 Number audited
Weighted average number of ordinary shares	74,082,871	60,859,910	62,926,224
Weighted average number of ordinary shares adjusted for the effects of dilution	74,082,871	60,859,910	62,926,224

	Pence (0.79)	Pence (0.77)	Pence (1.44)
Loss per share – basic and diluted			

4. SHARE-BASED PAYMENTS

As at the end of the current period, the reconciliation of share option scheme movements is as follows:

	As at 30 September 2021 Number	WAEP pence
Outstanding at 1 April 2021	5,775,000	9.50
Granted during the period	1,575,000	20.00
Exercised during the period	-	-
Lapsed/cancelled during the period	-	-
Outstanding at 30 September 2021	7,350,000	11.75

During the six month period ended 30 September 2021, a share-based payment charge of £24,631 (2020: £19,096) was expensed to the consolidated Statement of Comprehensive Income.

The fair values of the options granted have been calculated using a Black-Scholes model.

5. ISSUED CAPITAL AND RESERVES

Ordinary shares

	Company	
	Number of Shares	Share Capital (£'000)
At 31 March 2021	74,082,871	1,482
At 30 September 2021	74,082,871	1,482

Caution regarding forward looking statements

Certain statements in this announcement, are, or may be deemed to be, forward looking statements. Forward looking statements are identified by their use of terms and phrases such as "believe", "could", "should", "envisage", "estimate", "intend", "may", "plan", "potentially", "expect", "will" or the negative of those, variations or comparable expressions, including references to assumptions. These forward looking statements are not based on historical facts but rather on the Directors' current expectations and assumptions regarding the Company's future growth, results of operations, performance, future capital and other expenditures (including the amount, nature and sources of funding thereof), competitive advantages, business prospects and opportunities. Such forward looking statements reflect the Directors' current beliefs and assumptions and are based on information currently available to the Directors.