



**Incanthera plc**

**("Incanthera" the "Company")**

**Half-yearly results for the six months ended 30 September 2022**

**Incanthera plc** (AQSE:INC), the company specially focussed on innovative technologies in dermatology and oncology is pleased to present its unaudited interim results for the six months ended 30 September 2022.

Incanthera is dedicated to improving treatment options with innovative therapeutics combined with targeted delivery technologies.

**Highlights:**

- Commercialisation discussions for our skincare formulations continue to progress positively, specifically concentrated towards the global potential for their various applications.
- Strength in infrastructure and intermediary relationships enhance the pathway to potential commercial success.

**Financial Highlights:**

- Strong financial control through period, ensuring financial position on budget.
- Operating losses for the period £511k (2021: £582k).

As announced alongside the Company's full year results on 2 September, the Company has entered into certain agreements, including inter alia, director's agreements to waive remuneration and a loan facility agreement with certain directors of up to £190,000 (current undrawn balance of £140,000). These arrangements provide the Company with sufficient cash runway to support its operations until Q4 2023.

**Tim McCarthy, Chairman, commented:**

*"The period under review has concentrated upon furthering discussions to capitalise on the potential for various applications of our skincare portfolio for commercial success.*

*These discussions continue to show great potential and the team is dedicated to reaching the right conclusion for the commercialisation of our skincare range as we look to take our Company forward with future success for our team and our shareholders.*

*As we approach the end of 2022, I would like to thank our shareholders for their continuing loyalty and support and our team for their unwavering hard work and dedication. We look forward to sharing further progress as soon as we are able 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 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 pharmaceutical product, and focus, is Sol, an innovative topical product for the treatment of solar keratosis. 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 has several beneficial collaborative relationships with both clinicians and clinical centres.

For more information on the Company please visit: [www.incanthera.com](http://www.incanthera.com)

**Incanthera plc**

**HALF-YEARLY RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022**

**Chairman's Statement**

I am pleased to present our half-yearly results for 2022.

The six months under review has seen much progress behind the scenes, as we refine and concentrate all aspects of the work required to conclude a successful commercial deal for Sol and our skincare portfolio.

The infrastructure that we have established to support further research in skincare technologies earlier in the year has been stepped up across the board, including scaling up for manufacture of samples and exploring new formulations for potential applications in dermatological care, prevention, and treatment.

The work that has been undertaken by all members of our team, in each of their respective roles, converges towards this goal as discussions and tests around exploratory scenarios are further concentrated and responses are met admirably.

The management team feel confident of the potential outcomes for Sol, and we look forward to updating shareholders on our progress as soon as we are able.

Alongside, we continue to work and meet with the specialist academics at The University of Bradford, across both existing and exciting, new potential IP. The relationship and heritage continue from our origins as a spin out of the University many years ago and we value the partnership.

Our specialist patent advisers and team continue to protect our products globally and our financial controls are strict maintaining a very lean and focussed team, intent on successfully delivering our goals, which has been a tough undertaking against the backdrop we have experienced in the past few years.

The advice and guidance of our external advisers is, as ever, a great asset to the Company and I thank them for their support this year.

I remain proud of the team at Incanthera, and I would also like to thank our loyal shareholders for their continued support. We look forward to being able to update you again further, and in the meantime send my wishes for a happy and peaceful Christmas.

**Tim McCarthy**  
**Chairman**

**7 December 2022**

### **Chief Executive's Review**

I am pleased to present Incanthera's half-yearly results for 2022.

This past six months have been focussed on developing our commercial relationships. Against an uncertain economic and, once again, challenging global backdrop, the concentration and dedication of everyone involved has been very high.

Our skincare formulation experts continue to invent, develop, and refine new technologies which we believe will yield a full range of commercial products. Meanwhile, the commercial development of Sol continues to gain strength as a novel treatment for solar keratosis.

Once again, as we close this period under review there is significant opportunity across several areas for both the furthering of commercial deal negotiations and possibilities for portfolio expansion. The global marketplace for us in this space remains a huge opportunity.

## Support

Our manufacturing capability at Sheffield has given us an excellent base to produce batch samples, research new test formulations and technologies for potential applications across a range of dermatological indications. My thanks to the expertise of our team there and the infrastructure that supports the logistics, safety, and storage of our assets.

We also recognise and acknowledge our partnership with the ICT at the University of Bradford, together with their university colleagues in oncology and skin sciences and their unwavering support in our endeavours.

The management team has shown great strength and maturity in their accommodation and progression of commercial discussions this year and it is their dedication and belief in the goals of our company that make a critical difference.

We are a small team, but a determined and ambitious one. We remain confident in our current opportunities, and we look forward to providing further updates.

I would like to thank our shareholders for their continued belief and support in our company.

**Simon Ward**  
**Chief Executive Officer**

**7 December 2022**

### **Consolidated Statement of Comprehensive Income for the six months ended 30 September 2022 - unaudited**

		<b>Six months ended 30 September 2022 £'000 unaudited</b>	Six months ended 30 September 2021 £'000 unaudited	Year ended 31 March 2022 £'000 Audited
Operating expenses		<b>(486)</b>	(557)	(937)
Share-based compensation	<b>4</b>	<b>(25)</b>	(25)	(148)
<b>Total operating expenses</b>		<b>(511)</b>	(582)	(1,085)
<b>Operating loss</b>		<b>(511)</b>	(582)	(1,085)
<b>Loss on ordinary activities before taxation</b>		<b>(511)</b>	(582)	(1,085)
Taxation		-	-	77
<b>Loss and total comprehensive expense attributable to equity holders for the period</b>		<b>(511)</b>	(582)	(1,008)
<b>Loss earnings per share (pence)</b>				
Basic loss per share	<b>3</b>	<b>(0.69)</b>	(0.79)	(1.36)
Diluted loss per share	<b>3</b>	<b>(0.69)</b>	(0.79)	(1.36)

**Consolidated Statement of Financial Position  
as at 30 September 2022 - unaudited**

	Notes	As at 30 September 2022 £'000 Unaudited	As at 30 September 2021 £'000 unaudited	As at 31 March 2022 £'000 Audited
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment		1	-	2
Intangible assets		409	526	538
<b>Total non-current assets</b>		<b>410</b>	526	540
<b>Current assets</b>				
Trade and other receivables		115	220	118
Current tax receivable		77	-	75
Cash and cash equivalents		28	627	295
<b>Total current assets</b>		<b>220</b>	847	488
<b>Total assets</b>		<b>630</b>	1,373	1,028
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities</b>				
Trade and other payables		202	239	196
<b>Total current liabilities</b>		<b>202</b>	239	196
<b>Equity</b>				
Ordinary shares	5	1,528	1,482	1,482
Share premium		5,057	5,055	5,055
Reorganisation reserve		2,715	2,715	2,715
Warrant reserve		1,088	1,054	1,054
Share based compensation		210	62	185
Retained deficit		(10,170)	(9,234)	(9,659)
<b>Total equity</b>		<b>428</b>	1,134	832
<b>Total liabilities and equity</b>		<b>630</b>	1,373	1,028

**Consolidated Statement of Changes in Equity  
for the six months ended 30 September 2022 – unaudited**

	Share capital £'000	Share premium £'000	Merger reserve £'000	Warrant reserve £'000	Share based compensation £'000	Accumulated losses £'000	Total £'000
<b>Balance at 1 April 2022</b>	1,482	5,055	2,715	1,054	185	(9,659)	832
Total comprehensive expense for the period	-	-	-	-	-	(511)	(511)
<b>Transactions with owners</b>							

Share-based compensation – creditor non-cash settlement	46	36	-	-	-	-	82
Share-based compensation – warrants	-	(34)	-	34	-	-	-
Share-based compensation – share options	-	-	-	-	25	-	25
<b>Total transactions with owners</b>	<b>46</b>	<b>2</b>	<b>-</b>	<b>34</b>	<b>25</b>	<b>-</b>	<b>107</b>
<b>Balance at 30 September 2022</b>	<b>1,528</b>	<b>5,057</b>	<b>2,715</b>	<b>1,088</b>	<b>210</b>	<b>(10,170)</b>	<b>428</b>

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

	Share capital £'000	Share premium £'000	Merger reserve £'000	Warrant reserve £'000	Share based compensation £'000	Accumulated losses £'000	Total £'000
<b>Balance at 1 April 2021</b>	<b>1,482</b>	<b>5,055</b>	<b>2,715</b>	<b>1,054</b>	<b>37</b>	<b>(8,651)</b>	<b>1,692</b>
Total comprehensive expense for the period	-	-	-	-	-	(1,008)	(1,008)
<b>Transactions with owners</b>							
Share-based compensation – share options	-	-	-	-	148	-	148
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>148</b>	<b>-</b>	<b>148</b>
<b>Balance at 31 March 2022</b>	<b>1,482</b>	<b>5,055</b>	<b>2,715</b>	<b>1,054</b>	<b>185</b>	<b>(9,659)</b>	<b>832</b>

The registered number of Incanthera plc is 11026926.

### Consolidated Statement of Cash Flows for the six months ended 30 September 2022 - unaudited

	Six months ended 30 September 2022 £'000 Unaudited	Six months ended 30 September 2021 £'000 unaudited	Year ended 31 March 2022 £'000 audited
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<b>Cash flows from operating activities</b>			
Loss before taxation for the period	(511)	(582)	(1,085)
Depreciation and amortisation	130	129	118
Share-based compensation	25	25	148
	(356)	(428)	(819)
<b>Changes in working capital</b>			
(Increase)/decrease in trade and other receivables	3	(86)	18
Increase/(decrease) in trade and other payables	6	74	31
Creditor non-cash settlement	82	-	-
<b>Cash used in operations</b>	<b>91</b>	<b>(12)</b>	<b>49</b>
Taxation received	(2)	110	110
<b>Net cash used in operating activities</b>	<b>(267)</b>	<b>(330)</b>	<b>(660)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	-	-	(2)
<b>Net cash used in investing activities</b>	<b>-</b>	<b>-</b>	<b>(2)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares	-	-	-
Issue costs	-	-	-
<b>Net cash generated from financing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Movements in cash and cash equivalents in the period</b>			
Cash and cash equivalents at start of period	295	957	957
<b>Cash and cash equivalents at end of period</b>	<b>28</b>	<b>627</b>	<b>295</b>

## 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.

### Significant management judgement in applying accounting policies and estimation uncertainty

When preparing the condensed consolidated half-yearly 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 half-yearly 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:

	<b>Six months ended 30 September 2022 £'000 unaudited</b>	Six months ended 30 September 2021 £'000 unaudited	Year ended 31 March 2022 £'000 audited
Loss for the period attributable to equity holders	<b>(511)</b>	(582)	(1,006)

  

	<b>As at 30 September 2022 Number unaudited</b>	As at 30 September 2021 Number unaudited	As at 31 March 2022 Number audited
Weighted average number of ordinary shares	<b>74,120,611</b>	74,082,871	74,082,871
Weighted average number of ordinary shares adjusted for the effects of dilution	<b>74,120,611</b>	74,082,871	74,082,871

**Pence**                      Pence                      Pence

Loss per share – basic and diluted	(0.69)	(0.79)	(1.36)
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#### 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 2022	
	Number	WAEP pence
Outstanding at 1 April 2022	7,214,000	11.59
Granted during the period	-	-
Exercised during the period	-	-
Lapsed/cancelled during the period	-	-
<b>Outstanding at 30 September 2022</b>	<b>7,214,000</b>	<b>11.59</b>

During the six month period ended 30 September 2022, a share-based payment charge of £24,631 (2021: £24,631) 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)
<b>At 31 March 2022</b>	74,082,871	1,482
<b>At 30 September 2022</b>	76,385,028	1,528

##### 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.