



18 December 2023

Incanthera plc

("Incanthera" or the "Company")

Commercial Skincare Deal with Marionnaud (part of the A.S. Watson Group)

Oversubscribed Institutional led Subscription and Conversion for £1.0m

Incanthera plc, the specialist company focused on dermatology and oncology, is delighted to announce a commercial deal for the launch of Skin + CELL (Incanthera's unique, high-end skincare range) with Marionnaud Switzerland and Austria ("Marionnaud"), part of the A.S. Watson Group ("A.S. Watson").

A.S. Watson is the world's largest international health, beauty, and lifestyle brand retailer with 16,100 stores serving 5.3 billion customers across 28 markets.

Skin + CELL is Incanthera's new luxury skincare brand utilising our ground-breaking formulation and delivery expertise, bringing scientifically proven formulations to cosmetics.

The launch of Skin + CELL with Marionnaud is transformational for Incanthera and based on the potential market forecasts of Marionnaud, is expected to generate significant revenues and profitability in 2024 and beyond.

DEAL HIGHLIGHTS:

- Incanthera's unique skincare range will be launched under our luxury skincare brand Skin + CELL which will be available exclusively initially in Marionnaud's stores in Switzerland and Austria from Q2 2024 with the roll out into the remaining 1,100 stores across European markets expected to follow thereafter in 2024.
- Further rollouts are being planned across Asia. These are considered ideal markets for our products given the consumer focus on skin-health and beauty and A.S. Watson's sheer dominance in these retail markets.
- The launch of Skin + CELL is expected to generate significant revenues and profitability for Incanthera, in 2024 and beyond.
- To meet the initial launch orders for Switzerland and Austria, Incanthera is manufacturing 25,000 units, increasing accordingly as the roll out progresses into Europe and Asia.
- Manufacturing, quality control and packaging of Skin + CELL has been sub-contracted to Frike Cosmetic AG ("Frike"), Switzerland's leading skincare contract manufacturer producing skincare for the world's leading skincare brands with the experience and focus on quality and excellence.

This commercial deal with Marionnaud, is managed through Skin and Cell AG ("S+C"), Incanthera's wholly owned subsidiary based in Switzerland, which has been formed specifically and exclusively for the worldwide promotion and distribution of Incanthera's Skin + CELL skincare range of products.

In addition, Incanthera has contracted the manufacturing of our skincare range to Frike via S+C in Switzerland. Frike is the largest independent contract manufacturer in Switzerland, with over 70 years' experience in manufacturing the highest quality skincare products for some of the world's leading skincare brands in the market. Frike has assumed responsibility for the manufacturing, packaging and quality control of our product range to satisfy our international retail contracts.

Incanthera's skincare technology harnesses unique delivery pathways through recently patented formulations designed by our in-house experts who have previously formulated skincare for some of the world's leading skincare and pharmaceutical companies. These formulations fortify otherwise depleted physiological pathways to improve the skin's performance, ability to self-repair and to address previously unmet cosmetic conditions in skin health.

- Skin + CELL's unique formulations, enriched with targeted bioactive B3 (an activated form of niacinamide) is delivered directly into the skin's cells to optimise cellular health, energy and protective capabilities.
- Independent studies show Incanthera's technology is uniquely effective in delivering Bioactive B3 below the dermal barrier, energising the living cells of the skin to maintain natural health and protection against adverse environmental challenges and maintaining even skin tones.
- Skin + CELL's complementary range of products are based on advanced, clinically designed, formulation concentrates which combine leading edge pharmaceutical enhancement technology with selected prestige cosmetic ingredients to give an effective product which gives a silky emollient in use and leaves the skin visibly radiant, energised and protected.
- Skin + CELL's luxury skincare range currently extends across face, serum, body, and hand and will include SPF concentrations and further bioactive derivatives of vitamins in the future.

Subscription, Conversion and Admission

In order to fund the initial launch orders and to provide it with additional working capital, the Company is pleased to announce that it has raised £1.0 million by way of a subscription and conversion for new ordinary shares at a premium.

The fundraise, which was oversubscribed and supported by both new institutional investors and existing long term institutional shareholders, has raised £800,000 by way of a subscription ("Subscription") for 11,428,571 new ordinary shares ("Subscription Shares") at a price of 7p per Subscription Share, an 11.1% premium to the mid-price at close of trading on Friday, 15 December 2023 of 6.30p. The Company is optimistic that manufacturing for future orders will be funded by way of trade finance, preserving equity value for shareholders.

Pursuant to a variation of the Pipeline agreement with the University of Bradford ("UOB") entered into on 31 August 2022, UOB has elected to convert £200,000 owed to it into 2,857,143 new ordinary shares ("Conversion Shares") at the same price as the Subscription. UOB was a founding shareholder of the Company and continues to support its development. Following admission to the AQSE Growth Market ("Admission") of the Subscription Shares and the Conversion Shares (together "New Ordinary Shares"), UOB will be interested in 10,349,183 ordinary shares, representing 11.2 per cent. of the Company's enlarged issued share capital.

Additionally, the Company has granted warrants to advisers to subscribe for 800,000 new ordinary shares at a price of 7 pence per share for a period of 10 years.

The New Ordinary Shares represent 15.5 per cent. of the enlarged issued share capital of the Company upon Admission. The New Ordinary Shares will rank pari passu with the existing ordinary shares and application has been made for Admission which is anticipated to occur at 8.00 a.m. on or around 21 December 2023.

Following Admission of the New Ordinary Shares, the Company's enlarged issued share capital will comprise 92,109,880 ordinary shares of 2 pence each. This figure may be used by shareholders in the Company as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change in the interest in, the share capital of the Company under the FCA's Disclosure and Transparency Rules.

Commenting on the announcement:

Dr Simon Ward, Chief Executive of Incanthera plc

"I am delighted to deliver our first commercial cosmetic skincare deal and especially with Marionnaud, part of the A.S. Watson Group, the world's largest international health and beauty retailer.

To have agreed the first launch of our new skincare technology platform with Marionnaud who have demonstrated such keen enthusiasm and demand for our Skin + CELL bioactive skincare range, is recognition of Incanthera's expertise in formulation and delivery technologies in skincare.

We look forward to working in partnership with Marionnaud and the further A.S. Watson Group in 2024 and beyond."

Tim McCarthy, Chairman of Incanthera plc

"Today's announcement marks a huge milestone for Incanthera. A truly transformational moment for the Company and for our longstanding and very supportive shareholders.

This is the culmination of many years of innovative research and development, hard work, and ultimately successful negotiation of the introduction of our Skin + CELL product range into the extensive store network of Marionnaud and A.S. Watson, the undisputed global leader in health and beauty retailing."

I take this opportunity to recognise the patience of our longstanding shareholders and our advisers and to thank you for your unwavering support.

I am also delighted at the enthusiasm and support received in the fundraise we have just achieved and to welcome new investors to Incanthera. This fundraise has received unanimous support including new and existing long-standing holders and institutional investors, which evidences the strong recognition of the scale of this commercial deal and its potential impact on the future of Incanthera.

We now look forward to delivering on our promise to build great value creation through our innovative technology and its introduction into the global market."

Emilio Leon, Managing Director, Marionnaud Switzerland and Austria

"I am delighted with the new Skin + CELL concept of skincare developed with Incanthera plc. We are very excited to bring this into Marionnaud as part of our exclusive luxury skincare range"

Daniel Mertl, Product Manager, Sales and Business Development, Frike Cosmetic AG, Switzerland

"I love the new Skin + CELL skin creams based on Incanthera's unique skincare technology. I see a lot of skincare products come and go in my role as global product manager for sales at Frike and Skin + CELL is definitely one of the most exciting products I have seen in a very long time. I really believe in its future success, and I am very happy Frike can be part of this".

This announcement contains inside information for the purposes of Article 7 of EU Regulation 596/2014 (which forms part of domestic UK law pursuant to the European Union (Withdrawal) Act 2018).

Incanthera plc

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Notes to Editors

About Incanthera plc

Incanthera is a specialist company focused on innovative technologies in dermatology and oncology. It seeks to identify and develop innovative solutions to current clinical, commercially relevant unmet needs, utilising new technology from leading specialists and academic institutions as well as its in-house development team.

The Company originated from the Institute of Cancer Therapeutics ("ICT") at the University of Bradford. Incanthera's strategy is to develop each candidate in its portfolio from initial acquisition or discovery to securing its future through commercially valuable partnerships at the earliest opportunity in its development pathway.

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

[@incantherapl](#)

About Marionnaud

Marionnaud is the largest luxury perfumery and cosmetics chain in Europe with over 1,220 stores and a 27% market share in France. Marionnaud is part of the AS Watson Group based in Hong Kong, the world's largest international health and beauty retailer.

<https://www.marionnaud.com>

About A.S. Watson

The A.S. Watson Group is the world's largest international health and beauty retailer, with 16,100 stores in 28 markets, primarily in Asia and Europe. A member of CK Hutchison Holdings, A.S. Watson operates the world's largest portfolio of retail formats, retail brands and has the largest geographical presence.

<http://www.aswatson.com/>

<https://youtu.be/IZ6TolZi4Go>

About Frike Cosmetic AG

Frike Cosmetic AG is the largest independent contract manufacturer in Switzerland with over 70 years' experience in manufacturing private and branded products for customers with leading names around the world. As an experienced market presence, Frike is an expert in all areas of core contract manufacturing within the international market.

<https://www.frike-group.com>

About Skin + Cell

Skin + CELL is Incanthera's revolutionary (biotech) skincare range that leverages the power of cutting-edge delivery technology with a unique formulation to activate skin's cells to perform optimal repair, restore and protective functions, bringing scientifically proven formulations to cosmetics.

Incanthera's recent commercial discussions identified a recognised demand across the vast skincare and health and beauty marketplace for innovative formulation technologies that improve efficacy, protection and reduce side effects with delivery capability to reach critical cellular level to effect action and change.

The skincare market (including dermatology and cosmetics) is massive and growing rapidly, with global revenues projected to reach \$180 billion by 2024.

Skin + CELL's formulations fortify pathways, with targeted bioactive Vitamin B3, to improve the skin's performance, ability to self-repair and address previously unmet cosmetic solutions for conditions across skin health.

This range will now be launched under Incanthera's own luxury skincare brand Skin + CELL.

Skin + CELL's luxury skincare range currently extends across face, serum, body and hand and will include SPF concentrations and further bioactive derivatives of vitamins in the future.