



Incanthera plc

("Incanthera" the "Company")

Half-yearly results for the six months ended 30 September 2023

Incanthera plc (AQSE:INC), the company specially focussed on innovative technologies in dermatology and oncology presents its interim results for the six months ended 30 September 2023.

The period under review has seen the Company's activity concentrate on moving its first commercial deal to completion.

Following the period end, Incanthera is pleased to have announced, on 18 December 2023, a commercial skincare deal for Incanthera's dermatological technologies with Marionnaud, part of the world's largest health, beauty and lifestyle brand retailer A.S. Watson Group ("AS Watson").

The post-balance sheet event of the commercial skincare deal is expected to transform Incanthera into a company with significant revenues and profits, generating free cash flow from roll out in Q2 2024.

In conjunction with announcement of the commercial deal, the Company also announced an institutional led Subscription and Conversion for £1 million with investment coming from new and existing institutional investors which was oversubscribed and undertaken at a premium to the mid-market price.

The fundraise also provides the Company with sufficient working capital to fund the manufacturing of the initial launch orders. Once trading in its products starts, the Company intends to issue regular trading updates regarding revenue generation and the financial position of the company as the roll out of the commercial deal takes effect in 2024.

Therefore these half- yearly results presented are not expected to be indicative of the company's financial performance for the financial year starting in April 2024.

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 focus is a range of dermatological applications utilising its unique formulation and delivery technologies to meet currently unmet needs in the skincare market.

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.

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.

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

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Incanthera plc

HALF-YEARLY RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023

Consolidated Statement of Comprehensive Income
for the six months ended 30 September 2023 - unaudited

	Notes	Six months ended 30 September 2023 £'000 Unaudited	Six months ended 30 September 2022 £'000 Unaudited	Year ended 31 March 2023 £'000 Audited
Operating expenses		(587)	(486)	(811)
Share-based compensation	4	(28)	(25)	(149)
Total operating expenses		(615)	(511)	(960)
Operating loss (pre-exceptional items)		(615)	(511)	(960)
Loss on ordinary activities before taxation		(615)	(511)	(960)
Exceptional costs				
Cost of issue of shares to service providers		-	-	(78)
Impairment of Intellectual Property		-	-	(409)
Operating loss (post exceptional items)		(615)	(511)	(1,447)
Loss before taxation		(615)	(511)	(1,447)
Taxation		-	-	75
Loss and total comprehensive expense attributable to equity holders for the period		(615)	(511)	(1,372)
Loss per share attributable to equity holders of the parent (pence)	3			
Basic loss per share (pence)		(0.80)	(0.69)	(1.82)
Diluted loss per share (pence)		(0.80)	(0.69)	(1.82)
Loss per share before exceptional costs (pence)		(0.80)	(0.69)	(1.18)

**Consolidated Statement of Financial Position
as at 30 September 2023 - unaudited**

	Notes	As at 30 September 2023 £'000 Unaudited	As at 30 September 2022 £'000 Unaudited	As at 31 March 2023 £'000 Audited
ASSETS				
Non-current assets				
Property, plant and equipment		1	1	1
Intangible assets		58	409	58
Total non-current assets		59	410	59
Current assets				
Trade and other receivables		33	115	62
Current tax receivable		73	77	73
Cash and cash equivalents		(4)	28	3
Total current assets		102	220	138
Total assets		161	630	197
LIABILITIES AND EQUITY				
Current liabilities				
Trade and other payables		633	202	280
Total current liabilities		633	202	280
Non-current liabilities				
Convertible loan		195	-	131
Total liabilities		828	202	411
Equity				
Ordinary shares	5	1,556	1,528	1,528
Share premium		5,239	5,057	5,169
Reorganisation reserve		2,715	2,715	2,715
Warrant reserve		1,129	1,088	1,129
Other reserves		55	-	19
Share based compensation		287	210	259
Retained deficit		(11,648)	(10,170)	(11,033)
Total equity attributable to equity holders of the parent		(667)	428	(214)
Total liabilities and equity		161	630	197

Consolidated Statement of Changes in Equity
for the six months ended 30 September 2023 – unaudited

	Share capital £'000	Share premium £'000	Merger reserve £'000	Warrant reserve £'000	Other reserves £'000	Share based compensation £'000	Accumulated losses £'000	Total £'000
Balance at 1 April 2023	1,528	5,169	2,715	1,129	19	259	(11,033)	(214)
Total comprehensive expense for the period	-	-	-	-	-	-	(615)	(615)
Transactions with owners								
Equity investment	28	70	-	-	-	-	-	98
Equity component on convertible loan notes	-	-	-	-	36	-	-	36
Share-based compensation – share options	-	-	-	-	-	28	-	28
Total transactions with owners	28	70	-	-	36	28	-	162
Balance at 30 September 2023	1,556	5,239	2,715	1,129	55	287	(11,648)	(667)

	Share capital £'000	Share premium £'000	Merger reserve £'000	Warrant reserve £'000	Other reserves £'000	Share based compensation £'000	Accumulated losses £'000	Total £'000
Balance at 1 April 2022	1,482	5,055	2,715	1,054	-	185	(9,659)	832
Total comprehensive expense for the period	-	-	-	-	-	-	(511)	(511)
Transactions with owners								
Share-based compensation – creditor non-cash settlement	46	36	-	-	-	-	-	82
Share-based compensation – warrants	-	(34)	-	34	-	-	-	-
Share-based compensation – share options	-	-	-	-	-	25	-	25
Total transactions with owners	46	2	-	34	-	25	-	25
Balance at 30 September 2022	1,528	5,057	2,715	1,088	-	210	(10,170)	428

	Share capital £'000	Share premium £'000	Merger reserve £'000	Warrant reserve £'000	Other reserves £'000s	Share based compensation £'000	Accumulated losses £'000	Total £'000
Balance at 1 April 2022	1,482	5,055	2,715	1,054	-	185	(9,659)	832
Total comprehensive expense for the period	-	-	-	-	-	-	(1,372)	(1,372)
Transactions with owners								
Equity component on convertible loan notes	-	-	-	-	19	-	-	19
Share issue – advisor agreements	46	114	-	-	-	-	-	160
Share-based compensation – share options	-	-	-	75	-	74	-	149
Total transactions with owners	46	114	-	75	19	74	-	328
Balance at 31 March 2023	1,528	5,169	2,715	1,129	19	259	(11,033)	(214)

The registered number of Incanthera plc is 11026926.

Consolidated Statement of Cash Flows
for the six months ended 30 September 2023 - unaudited

	Six months ended 30 September 2023 £'000 Unaudited	Six months ended 30 September 2022 £'000 Unaudited	Year ended 31 March 2023 £'000 Audited
Cash flows from operating activities			
Loss before taxation for the period	(615)	(511)	(1,447)
Depreciation and amortisation	-	130	71
Impairment	-	-	409
Share-based compensation	28	25	149
	(587)	(356)	(818)
Changes in working capital			
Decrease in trade and other receivables	29	3	56
Increase in trade and other payables	453	6	234
Creditor non-cash settlement	-	82	-
Cash used in operations	482	91	290
Taxation received	-	(2)	75
Net cash used in operating activities	(105)	(267)	(453)
Cash flows from financing activities			
Proceeds from issue of shares	98	-	160
Net cash generated from financing activities	98	-	160
Movements in cash and cash equivalents in the period	(7)	(267)	(292)
Cash and cash equivalents at start of period	3	295	295
Cash and cash equivalents at end of period	(4)	28	3

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 consolidated financial statements have not been reviewed by the Groups auditors.

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:

	Six months ended 30 September 2023 £'000 Unaudited	Six months ended 30 September 2022 £'000 unaudited	Year ended 31 March 2023 £'000 Audited
Loss for the period attributable to equity holders for basic loss and adjusted for the effects of dilution	(615)	(511)	(1,372)
Loss for the period attributable to equity holders for basic loss and adjusted for the effects of dilution (excl. Exceptional Costs)	(615)	(511)	(885)
	As at 30 September 2023 Number Unaudited	As at 30 September 2022 Number unaudited	As at 31 March 2023 Number Audited
Weighted average number of ordinary shares	77,242,219	74,120,611	75,211,874
Weighted average number of ordinary shares adjusted for the effects of dilution	77,242,219	74,120,611	75,211,874
	Pence	Pence	Pence
Loss per share – basic and diluted	(0.80)	(0.69)	(1.82)
Loss per share – before exceptional costs	(0.80)	(0.69)	(1.18)

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 2023	5,975,000	11.78
Granted during the period	-	-
Exercised during the period	-	-
Lapsed/cancelled during the period	-	-
Outstanding at 30 September 2023	5,975,000	11.78

During the six month period ended 30 September 2023, a share-based payment charge of £27,763 (2022: £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)
At 31 March 2023	76,385,028	1,528
At 30 September 2023	77,824,166	1,556

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.