



Incanthera plc

25 March 2024

("Incanthera" the "Company")

Commercial Update

Incanthera plc (AQSE:INC), the company specially focussed on innovative technologies in dermatology and oncology is pleased to announce a commercial update on the launch of Skin + CELL with Marionnaud Switzerland and Austria ("Marionnaud"), managed by the world's largest health, beauty and lifestyle retailer, A.S. Watson Group ("AS Watson").

In December 2023, Incanthera announced a commercial skincare deal with Marionnaud for the launch and distribution of Skin + CELL, Incanthera's luxury skincare brand range, utilising our ground-breaking formulation and delivery expertise, to bring scientifically proven formulations to cosmetics.

Under the terms of the deal, Skin + CELL will be initially launched in c. 100 of Marionnaud's stores in Switzerland and Austria, followed by a planned roll out into the remaining 1,100 European stores, with subsequent anticipated roll outs into major Asian markets. Marionnaud is a subsidiary of CK Hutchison which also owns A.S. Watson who operate over 16,000 retail and online stores globally.

Commercial Update Highlights:

- **First order will generate revenue to Incanthera of c. £2m and has doubled in size from Marionnaud's initial order for Skin + CELL products, from original 25,000 units* to 50,000 units:** *One unit being one bottle of product i.e. face cream, hand cream etc.
 - Strong demand from customers anticipated by Marionnaud's management.
 - **Enlarged order is being manufactured and on track** for delivery to Marionnaud in Switzerland and Austria during Q2 2024.
- **Second order expected to be 250,000 units, increasing further with roll out:**
 - Significant increase in expected order to allow for anticipated high demand and to fulfil European launch and start of planned Asian roll out in Q1 2025.
 - Expected economies of scale from increased manufacturing to further drive gross margin and net revenue to Incanthera.
- **Projected revenue of £10m (and profitability) for full year**
- **Extension of Skin + CELL product range:**
 - Incanthera also today announces that the **fifth product in the Skin + CELL skincare range, a Skin + CELL eye serum**, has been completed, by our in-house formulators.
 - Skin + CELL eye serum will **be included in addition to the original four formulations of face, hand, body and face serum products in the initial launch for Marionnaud.**
- **Initiation of Research Note by Stanford Capital Partners.**
 - This will shortly be available on the Incanthera plc website www.incanthera.com

The launch of Skin + CELL with Marionnaud is transformational for Incanthera and based on the market position of Marionnaud is expected to generate revenues to Incanthera of £10m (and make Incanthera profitable) in the financial year (“FY”) to 31 March 2025, growing to revenues of £33m (and increased profitability) in the following FY to 31 March 2026 based on discussions with the Marionnaud management team from expected retail price and order volume.

The company is delighted in the confidence expressed by Marionnaud for Skin + CELL’s strong science-based skincare offer in their European network, and the growing relationship between the companies.

Incanthera retains the right to commercial discussions for potential licensing deals with other organisations in all other global territories outside those in which Marionnaud and AS Watson will have geographical exclusivity to Skin +CELL.

Commenting on the commercial update, Chairman, Tim McCarthy said;

“We are delighted to be able to announce such a positive commercial update, following on from the announcement in December of our deal with Marionnaud, anticipating first annual revenues of £10m, our first profitability and with revenues and profitability growing significantly over the next few years.

The immediate doubling of our first manufacturing batch is a fantastic endorsement of our product range and demonstrates the high confidence and anticipation with which we are preparing for Skin + CELL’s promotional launch on the shelves of Marionnaud’s European stores.

This is enhanced by the earlier than expected launch of our fifth product, our eye serum, for which I would like to recognise the expertise of our in-house formulators.

We look forward to fulfilling the first order and updating the market further on the operational roll out across European stores.”

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).

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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

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About Skin + CELL

Skin + CELL is Incanthera's luxury skincare brand utilising our ground-breaking formulation and delivery expertise, to bring scientifically proven formulations to cosmetics. Skin + CELL's unique formulations, enriched with targeted bioactive B3 (an activated form of niacinamide) are delivered directly into the skin's cells to optimise and protect cellular health, energy and protective capabilities.

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, currently enriched with targeted bioactive B3 (an activated form of niacinamide) but anticipating further bioactive ingredient formulations are delivered directly into the skin's cells to optimise cellular health, energy and protective capabilities.
- Independent studies have shown 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 current range extends across face, body, hand, face serum and eye serum, and will also include SPF concentrations and further bioactive derivatives of vitamins in the future.

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 managed by 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 including a significant online retail presence.

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

<https://youtu.be/lZ6TolZi4Go>

Forward looking statement disclaimer:

Certain statements made in this announcement are forward-looking statements. These forward-looking statements are not historical facts but rather are based on the Company's current expectations, estimates, and projections about its industry; its beliefs; and assumptions. Words such as 'anticipates,' 'expects,' 'intends,' 'plans,' 'believes,' 'seeks,' 'estimates,' and similar expressions are intended to identify forward-looking statements. These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties, and other factors, some of which are beyond the Company's control, are difficult to predict, and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements. The Company cautions shareholders and prospective shareholder holders not to place undue reliance on these forward-looking statements, which reflect the view of the Company only as of the date of this announcement. The forward-looking statements made in this announcement relate only to events as of the date on which the statements are made. The Company will not undertake any obligation to release publicly any revisions or updates to these forward-looking statements to reflect events, circumstances, or unanticipated events occurring after the date of this announcement except as required by law or by any appropriate regulatory authority.