incanthera

INNOVATIVE TECHNOLOGIES FOR DERMATOLOGY AND ONCOLOGY

Incanthera plc
Annual Report & Accounts 2025

Registered number: 11026926

Delivering solutions of the future

Incanthera's mission has always been to bring life changing treatment options to the public arena, whilst seeking commercial opportunities for future growth and discovery.

Highlights

Post Balance Sheet Highlights:

- Skin+CELL luxury skincare range launched 11 August 2025 via a dedicated Direct To Consumer ('DTC') website Link: www.skinandcell.com
- DTC campaign launched across social media, building into digital and traditional media
- Skin+CELL products available for purchase include face serum, body, hand, face and eye creams
- Proof of concept achieved for Skin+CELL formulation technology, demonstrating protective effects of Skin+CELL against UV-induced damage in human skin cells

Financial Highlights:

- First revenues of Skin+CELL achieved in first weeks of launch
- Institutional fundraise of £508,000 June 2025
- Tight cost controls through lean business model
- Protection of valuable IP across global territories

Our history:
www.incanthera.com/about-us/our-history

Skincare Market

US$677.19bn

- **Beauty & personal care market 2025 indicates continued growth: estimated revenue of US$677.19 billion.** **Personal Care** remains dominant segment; estimated market volume of US$293.08 billion*

*Market size estimates sourced from external commercial sector reports.

30.0%

Online sales: Digital channels projected to contribute a **substantial 30.0% of the total market revenue.**

Social commerce: Platforms like **TikTok and Instagram are crucial for brand engagement and sales,** with **many consumers discovering and purchasing products directly through social media.**

Key trends for 2025:

- Expanding influence of **technology:** Brands exploring **biotech innovations** to create sustainable ingredients
- **Consumers,** particularly **Gen Z,** are **increasingly** taking a **more comprehensive view of skin health,** focusing on **long-term wellness and functional efficacy** rather than just surface-level issues.
- **Wellness integration: Link between beauty and overall well-being strengthening**, consumers seeking products that promote a holistic, healthy lifestyle.

Why invest?

Global Opportunity:

- **Global launch of Skin+CELL**
- Multi-billion US$ market
  - **Incanthera controls** (premium) **retail selling price** of the range
  - **Increased revenues** by **selling direct** to the customer
  - **Greatly increased gross margins** attributable direct to the Company
  - **Immediate positive cash flow** as payments for orders are received in real time

Unique IP & Expertise:

- **Breakthrough findings** on Skin+CELL formulation technology:
  - **Protecting** from the harmful effects of UV exposure
  - **Cellular** energy **regeneration**
  - **Scientific proof of principle** for future product innovation
  - **Protected Brand and IP: Fully patent protected** across global territories

Incanthera Business Model:

- Revenues reinvested in inventory build supporting roll out and shareholder returns
- Tight cost controls through lean business model

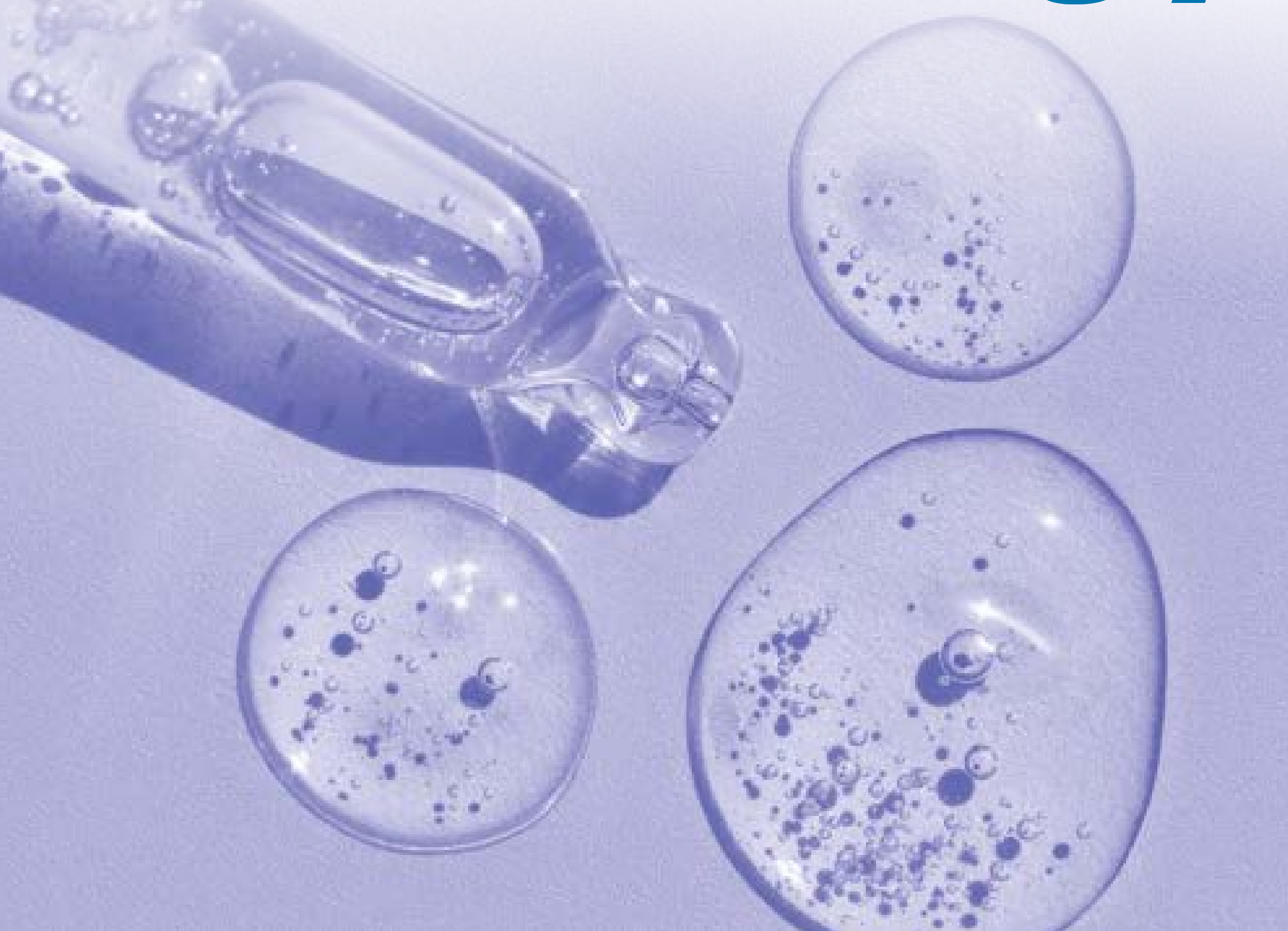
City Support:

- Institutional fundraise June 2025
- Longstanding institutional and retail shareholder base

Corporate Communications Strategy:

- Wealth of Newsflow
- Engaged, proactive IR & Comms

Delivering through technology



Incanthera's formulations are precisely finessed to deliver bioactive ingredients across the skin barrier, where it can reach the cellular structure, energising skin cells to effect change from the inside out.

Independent studies have shown our targeted bioactive B3 formulations fortify the skin's ability to protect itself and facilitate self-repair, fundamental processes that are foundations to healthy skin.

Incanthera's unique Skin+CELL range launched 11 August 2025 through a targeted marketing campaign utilising a global social media influencer and ambassador network. Sales are being completed via our dedicated website www.skinandcell.com designed to market and sell the full product range.

Delivering future health and well-being through commercial success

Incanthera's mission has always been to bring life changing healthcare options to the public arena, whilst seeking commercial opportunities for future growth and discovery.

Our unique business model seeks to identify the potential for groundbreaking technologies and to develop those through to commercialisation, for a faster route to market and financial return to shareholders.

Incanthera consistently refines that model and its outlook in our vision for commercial success and shareholder value, with expansion and growth for our Company.

World-leading evaluation of the value and quality of Skin+CELL, and Incanthera's unique formulation and delivery technologies, is perfectly demonstrated in our newly launched Skin+CELL product range, now available for sale globally.

Through the Direct to Consumer Agreement, announced in June 2025, Incanthera's unique science-based luxury skincare formulation is now promoted and sold via our dedicated website www.skinandcell.com with orders facilitated for worldwide sale.

Independent research findings received in June 2025 demonstrates the protective effects of Skin+CELL against UV-induced damage in human skin cells, confirming that Skin+CELL protects the skin's energy centres, the mitochondria, which play a key role in overall skin health and appearance.

Bringing our mission statement to real life, Skin+CELL addresses and enhances life quality through effective delivery of bioactive ingredients capable of energising the skin's natural repair and defence processes at the cellular level.

Beauty & personal care market indicates continued growth: estimated revenue of

US$677.19bn

in 2025*

* Market size estimates sourced from external commercial sector reports.

Commercialisation Ambitions Achieved

"The launch of the Skin+CELL cosmetic range is the beginning of our commercial ambitions globally. It provides an opportunity for growth, product development and international recognition alongside shareholder returns."

Tim McCarthy, Chair

Welcome to Incanthera's Annual Report 2025.

Since this reporting period end, I am delighted that our unique, science-based luxury formulations are now introduced onto a global stage and selling on our own dedicated commercial website: www.skinandcell.com.

On 11 August 2025, Incanthera launched Skin+CELL to the global marketplace with a full range of our luxury skincare now available worldwide.

Our full range of five products in the Skin+CELL brand: face, body and hand, face serum and eye cream formulations, is being sold, promoted worldwide and receiving strong, very favourable feedback.

The difference and immediate effects are what we have always known our technologies could deliver to customers, but it is a very rewarding experience to have that reported back to us from users of the products.

This global launch is achieved against the most challenging of circumstances during the reporting year, as was widely reported and conveyed to the market and our shareholders.

Despite these considerable setbacks, the team has worked tirelessly and with focus and commitment to deliver the global launch of Skin+CELL.

DTC Business Agreement

The commercialisation of our technologies to the market, as long promised to shareholders, has been achieved through the signing of a Direct to Consumer Business (DTC) Agreement for the global launch of Skin+CELL, announced in June 2025.

Under the terms of the agreement, the DTC Agency launched Skin+CELL into the market place through our dedicated website which has been expertly created, built and designed by the DTC Agency to promote and sell our full range of products.

Launching with a promotional roll out across social media, via influencers and brand ambassadors, in social media posts and full advertisements, this builds daily across media platforms, in a campaign that will build into digital and traditional media, targeted to consumer, beauty and science specialists.

Launch Progress

The initial campaign commenced roll out across essential social media platforms of TikTok, Facebook, Instagram and YouTube, as the commercial website opened its doors for sale with a full advertisement by a key brand ambassador.

The social media campaign has built, so far launching 65 adverts on Instagram, 76 adverts on TikTok 7 adverts on YouTube and 21 adverts on Facebook, which engage social ambassador and influencer followers to introduce Skin+CELL and its unique revolutionary skin DNA capabilities.

Content will not disappear and will gain many more views over time. The videos themselves are all bespoke, establishing a grass-roots platform that will adopt views as the campaign gains traction.

The fully functional e-commerce website now showcases the product, providing a seamless shopping experience. Reels, adverts, and campaigns are live, amplifying the brand's voice and capturing attention in a world full of noise in an over-saturated market.

Press materials for consumer interviews and introduction to key beauty journalists are now live in a focussed drive to mainstream media. The campaign will continue to build further across the social media network of influencers, into more traditional media across retail, beauty and science mediums and publications as the campaign unfolds further.

The company is considering further promotional activities as we enter the run up to the Christmas period.

Initial sales have been reflective of the introduction of the media campaign, with the most influential social media platform being Instagram in successful conversion to sales.

The Board is pleased with the response to the initial launch and whilst it is too early to predict an indicative trend, we are seeing a definitive uptake in sales orders, as the DTC campaign converts media and website hits to sales, increasing specifically in the last couple of weeks.

Whilst the DTC campaign continues to build, the company also continues to look to all opportunities to promote and sell the Skin+CELL range and is currently exploring additional global retail and wholesale opportunities.

The development of our marketing campaign and other initiatives, will lead to an expected further increase in sales, and optimism in our current expectation to sell 100,000 units of our initial launch stock by the end of the current financial year (31 March 2026).

The company will provide further updates on sales and revenues to provide guidance and visibility for shareholders.

Growing Infrastructure Support

Orders placed via the Skin and cell website are processed via a third-party logistics (3PL) facilitation house in Switzerland which pick, pack and post the products to the consumer. This facility was established in conjunction with the DTC agreement to hold the current Skin+CELL stock, receive the sales orders and sending direct to the customer.

The manufacturing of Skin+CELL is by Frike, in Switzerland who produce products for leading global skincare companies.

Commercial Innovation

Incanthera continues to look to future product innovation and opportunities for commercial success.

Independent data, announced in June 2025, has provided further important proof of Skin+CELL's formulation technology, confirming its proven safe **protective effects against UV-induced damage in human skin cells**, and paving the way for many more innovative products to come, with suncare and environmental protection already in development for launch in 2026.

Incanthera remains dedicated to identifying and commercialising novel therapeutics, combined with uniquely targeted delivery technologies that show the potential to transform the future of healthcare.

Shareholder support

We have received strong institutional support from our largest shareholders to gear up ahead of the DTC launch campaign and announced a £508,000 raise in June 2025 by new and existing investors, all the Directors of the Company; non-director members of the management team and director of the Company's subsidiary Skin+CELL AG.

Outlook

The launch of Skin+CELL cosmetic range is the beginning of our commercial ambitions in formulation and delivery expertise, globally. It provides an opportunity for growth, product development and international recognition, alongside shareholder returns.

At the date of approval of this annual report the Group is at a transformational point in its commercialisation journey. The DTC marketing campaign is a change from the previously announced model based upon large scale distribution. The directors are confident that business will be able to generate significant revenues and profits from Skin+CELL and that the Group will be cash generative within a short period of time. The DTC business model is new to the Group and the absence of historical data to validate the level of potential revenues, coupled with the proximity of the launch date to the date of approval of these financial statements, represents a considerable inherent uncertainty in relation to the funding of the Group's working capital requirements.

Incanthera has taken steps to redeploy, temporarily, cash which had been earmarked for product development and put in place arrangements for the deferral of salary and other costs to provide additional working capital in the event that sales revenues from the DTC campaign are lower than anticipated. If revenues from the DTC product launch are insufficient to cover the running costs of the business in the going concern period, further investment will be required in the form of additional equity capital and/or working capital finance. Although the availability of additional funding, should it be required, is not confirmed the directors, having discussed the prospects for fundraising with the Group's capital markets advisers, are confident that it will be available.

I, as always, pay credit to the passion, total belief and dedication of our team, who have once again demonstrated their sheer grit and determination to withstand the hardest of challenges and setbacks to dig deep and continue to sacrifice and give their all to the path forward for our company and our shareholders.

Again, their skillset, resilience and belief have required management strength at the very highest level. I thank them all and I could not be prouder of the team.

Our team is surrounded by the constant advice and guidance to navigate these times, led by our fantastic advisory teams. Our relationships are close, long held and we are indebted for your support.

I thank you our loyal shareholders for steadfast loyalty, a huge amount of faith and your patience in the most extraordinary of years, with such highs and lows however, with now a clear path created to great opportunity. It would not be possible without the support of you all.

Tim McCarthy
Chairman
29 September 2025

Delivering Commercial Opportunity

Commercialisation of our technologies through the global launch of Skin+CELL through roll out across social media, via influencers and brand ambassadors, provides enormous commercial opportunities.

Social commerce via platforms such as TikTok, Facebook and Instagram are crucial for brand engagement and sales, accounting for almost a third of estimated revenues of US$677.19 billion in the beauty and self care market worldwide.

Promotion and sale of our product range via our own dedicated website brings pricing, margins and ability to scale under our own control while providing total visibility of our customer base.

Recent independent studies have shown breakthrough proof of our Skin+CELL formulation delivery capabilities in UV protection and cellular regeneration, providing inherent IP value for future product innovation to deliver further commercial opportunity and value to shareholders.

The story so far...

2010

Incanthera established as a spin-out from the University of Bradford Institute of Cancer Therapeutics ('ICT').

2011

Receives first institutional investment alongside assignment of intellectual property and enters into the Pipeline Agreement with ICT.

2012

Receives further institutional investment for the development of a revolutionary new cancer therapy arising from ICT. The Company uses the investment to complete several pre-clinical studies adding significant value to its rapidly increasing data package.

2013

Launches a partnership with global investment group Technomark Life Sciences. The two businesses begin to work together to prepare ICT2588 – Incanthera's revolutionary solutions for solid tumours – for clinical trials.

2014

Acquires Onco-NX, an anti-cancer drug discovery company. Begins an advanced preclinical programme for ICT03-Es5. Granted a patent in the US and Japan for ICT01-2588.

2015

Completes a successful fundraise of £1.3 million, acquires a new drug programme through Spear Therapeutics Limited and acquires further technology through the Pipeline Agreement.

2016

Incanthera is granted patents in Great Britain and the US for its programme ICT03-Es5 and acquires further technology through the Pipeline Deal.

2018

Incanthera signs extension to the unique Pipeline Deal with the ICT for a further ten years.

2020

Incanthera announces successful flotation on London's AQSE Growth Market.

2023

Incanthera develops its unique delivery technologies and formulation expertise to create Skin+CELL, a luxury cosmetic skincare range, bringing scientifically proven formulations to cosmetics, for commercial opportunity.

2024

Skin+CELL range in production for launch.

2025

Incanthera plc announces Direct to Consumer Agreement for Skin+CELL ready for Q3 launch.

Skin+CELL launched on **www.skinandcell.com**

Social, digital and multi-media campaign launched by DTC Agency.

Open for Business!

"I am immensely proud that Skin+CELL is available to the worldwide market. Research highlights its potential as a powerful tool in daily skincare protection and rejuvenation. I'm very proud of the product range and our in-house skincare team that have made this possible. We have a worldwide stage from which we can educate in the science of our formulations and future innovation."

Dr. Simon Ward,
Chief Executive Officer

Welcome to Incanthera's Annual Report 2025.

I am immensely proud to open with the achievement that our Skin+CELL product range is available to the world-wide market.

Skin+CELL became available to buy globally in August 2025.

I am very proud of the product range and of our in-house skincare team that have made this possible. Five variants have launched across body, face, serum, eye and hand. The formulations are precisely finessed to deliver bioactive ingredients across the skin barrier, where it can reach the cellular structure, energising skin cells to effect change from the inside out.

The Science

Our targeted bioactive B3 formulations fortify the skin's ability to protect itself and facilitate self-repair, fundamental processes that are foundations to healthy skin.

Independent research has demonstrated the protective effects of Skin+CELL against UV-induced damage in human skin cells. A study run by Skin Life Analytics Ltd, Newcastle confirms that Skin+CELL protects the skin's energy centres, the mitochondria, which play a key role in overall skin health and appearance. This data, received in June 2025, has provided further evidence of the benefits of using our proprietary formulations.

Key findings include:

- **UV Protection:** Skin cells pre-treated with 1% Skin+CELL for six days showed a 6.5-fold reduction in mitochondrial DNA damage after solar UV exposure, indicating robust protection against cellular ageing.
- **Enhanced Energy:** Measurements of cell energy production using advanced technology (the Seahorse Bioanalyser) demonstrated that treated skin cells showed a marked increase in energy production, suggesting Skin+CELL not only protects but also boosts mitochondrial performance.

- **Proven Safety:** Skin+CELL is well-tolerated by human skin fibroblasts, showing no harm to human cells.

Skin cells treated with Skin+CELL showed an impressive boost in their maximum energy production capability. This indicates the product not only protects but may also enhance the performance of the skin cells' powerhouses, thereby contributing to healthier skin.

Continued use of Skin+CELL creates a shield that helps maintain the cell's core energy source and potentially reduces premature skin ageing.

This research highlights Skin+CELL's potential as a powerful tool in daily skincare, offering both protection and rejuvenation.

Direct to Consumer (DTC) Business Agreement

The DTC Agreement announced in June was a hugely pivotal time for Incanthera.

Skin+CELL has been given a stage from which we can sell and promote our product range, educate on the science of our formulation technology and debut it to the world.

We are very pleased to have signed the Agreement with the agency, who have not only created and built a fantastic commercial website at www.skinandcell.com but have launched our range across multiple social media channels in a managed campaign that will only build as it continues to roll out.

Brand ambassadors and social media influencers began posting crafted content and advertisements of our products at launch in August and this builds into a media campaign for consumers across skincare and beauty marketplaces.

I would like to thank the agency for their work in Skin+CELL's launch to date, and we look forward to all that is to come.

Our Business

Incanthera remains committed to researching and developing products that support vibrant, energetic skin, where skin protection and rejuvenation are within everyone's reach. Following the launch of Skin+CELL, there is scope across many arenas for our delivery expertise and unique formulations.

The infrastructure, in which we have invested and developed across the past couple of years, is in great shape to support a global business. Our operational and infrastructure teams are working in great synergy, and I would like to thank all our subsidiary, manufacturing and support services for their continued effort.

Our Team

Our Board and management team have navigated a very difficult year, culminating in the global launch of Skin+CELL despite these unprecedented challenges.

I once again acknowledge their conviction and passion for our business and their relentless hard work with pride.

Determination to achieve our end goal is supported by the very best in our formulation and technology experts, whose skills are proven undoubtedly in the recent research findings of our products. This scientific data exemplifies the extraordinary capabilities they have harnessed in our unique formulations. I thank them for their continued great work.

Support

Incanthera also depends on the support surrounding us. Our long-standing advisory teams work incredibly hard for us and for the success of this Company and we have relied on them heavily in this year under review. They not only champion our ambitions but ensure regulatory order, while providing a friendly sounding board.

I thank the teams at Haseltine Lake Kempner LLP, Gateley Plc, Stanford Capital Partners and Cairn Financial Advisers LLP for their superb guidance this year.

I would also like to thank our many long-standing shareholders for their continued loyalty to our business and our institutional City investors, who have once again supported us in the fundraise announced in June, as we prepared for initial launch through our DTC Agency.

We do not forget the loyalty and patience of all our shareholders, and we welcome your input and communications with us.

Growth

Following the launch of Skin+CELL, we have a clear opportunity for growth, both globally, and through future product innovation as we continue to refine, finesses and diversify our formulations.

Once again, we remain a humble, grounded and accomplished team, looking forward to achieving our goals and rewarding our shareholders, supporters, and the market with further news.

Dr. Simon Ward
Chief Executive Officer
29 September 2025

Since inception, Incanthera's purpose has been to deliver innovative technologies in dermatology and oncology, through targeted formulation therapeutics, via unique delivery mechanisms.

Commercialisation skills & infrastructure for global roll-out

Our strategy is to **identify, prepare** and **commercialise** our portfolio candidates for faster market entry and early revenue generation for the Company, ensuring continued development of our technologies matched with returns to shareholders.

In the year under review Incanthera has delivered on its strategic framework to achieve its commercial ambitions, to deliver to our shareholders and to the markets.

Identify: Drawing on the team's experience and background, Incanthera **identified** and presented a unique dermatological formulation technology, ensuring targeted delivery of bioactive nutrition into the skin's cellular structure, to ignite the skin's optimum performance of self-heal, repair and protection mechanisms.

Prepare: Our in-house team who have respected and proven excellence in delivering and formulating skincare for large pharmaceuticals, **prepared** the IP through development and refining of the formulation for proven targeted delivery, safety and efficacy controls, and an exemplary aesthetic, to deliver an optimum world-first skincare solution.

Commercialise: The Company has signed a business agreement with a global DTC marketing agency, paving the way to the launch of the Skin+CELL range, which took place during August 2025.

Launching initially via a digital marketing strategy, executed by influencer and brand ambassador campaigns, sales of Skin+CELL will be satisfied through the dedicated Skin+CELL e-commerce website, which has been designed to market the full product range, and to receive sales orders.

Incanthera is delighted to have delivered on its strategic framework in identifying, developing and commercialising our IP through the unique talents and experience within our team, delivering our promise to shareholders and delivering proof of our capabilities and ambitions.

Incanthera continues to protect and evolve every area of our strategic framework to ensure we have an all-encompassing network to provide the very best opportunities for our business.

Looking for further opportunities, the Company continues to work closely with the academics, professors and students at the Institute of Cancer Therapeutics ('ICT') at the University of Bradford. Receiving first sight of some incredibly exciting potential new oncology IP, we continue to be inspired by the brilliant technologies in development at this dedicated oncology facility.

Key objectives and performance 2025

Objective	Key progress during the period: Apr 2024 – current date
To progress to revenue generation and profitability in 2025/26	**Successful Product Launch during August 2025** Our team continue to work on developments to further expand and enhance our product range, creating numerous potential revenue streams across DTC and other commercial agreement possibilities.
To ensure the ongoing potential for pipeline IP for future development	**Expert formulators for dermatology indications** The Company's Skin+CELL range, launched in August 2025 to a global audience, establishes Incanthera's expertise in formulation. The range is launching with five products, and there is huge potential for product extension within the range, and for Incanthera's delivery technology, providing excellent scope for future indications across cosmetic and clinical marketplaces. The Company continues to work closely with the ICT at the University of Bradford to review all potential future oncology IP including the Skin Sciences Division at the ICT to bridge oncology and dermatology resource and opportunities.
To build infrastructure to support product and ongoing commercial deals	**Essential infrastructure established in laboratory and commercial relationships to achieve global launch** Incanthera's Skin+CELL could not have been launched without the essential infrastructure investment in laboratory production facilities and commercial relationships. The Company invested in infrastructure through its Sheffield laboratory facilities to ensure formulation testing and sample production for commercial launch and continues to utilise these established facilities for critical formulation work and potential future IP, for the subject of future commercialisation deals.
To protect the Company's valuable IP and patent technologies across global territories	**The Company continues to be advised and protected by experienced patent attorneys for our IP across global territories** Skin+CELL IP is wholly owned by Incanthera, as is the brand and is fully patent protected.
To ensure financial security through management and controls	**Lean business model for tight cost controls** Incanthera operates a lean business model with tight cost controls to ensure the financial security of our Company.

Strategic Priorities

Priorities	Progress to date
Identify	• Incanthera's specialist dermatology and oncology portfolio consists of novel technologies developed internally and our exclusive pipeline deal with the ICT. • Our formulation and delivery technology asset is now the subject of a global commercial deal, launched in August 2025. The expertise and experience within our team works in partnership with dermatology and oncology specialists to look at opportunities for future IP and commercial development including the ICT and Skin Sciences Division within the ICT.
Prepare	• Our expert formulators refine our skin products to meet the global commercial market. • Contractually secured commercial relationships provide essential infrastructure support. • Manufacturing facility at Sheffield produces formulations for commercial samples. • Labelled trademark bottles, packaging and manufacturing facilities with world-leading skincare manufacturer established and ready for global roll out. • Swiss subsidiary Skin+CELL AG, 100% owned by Incanthera plc, for key commercial deal relationship and worldwide distribution management.
Commercialise	• Incanthera's Skin+CELL luxury skincare brand launched globally. • In addition, the Company is applying its expertise and technology for further targeted products. • Our pipeline consists of technologies at various stages of development. • The Company's strategy is to turn novel technologies into commercial opportunities, deliver shareholder value, and provide a diverse current portfolio and pipeline to new opportunities.

Following the reporting period end, Incanthera presented a Direct to Consumer commercial agreement for Incanthera's unique delivery and formulation skincare range, Skin+CELL to be launched across a global network, demonstrating its strategic framework to shareholders and the public market.

Achieving global commercialisation

In June 2025, Incanthera announced the signing of an Agreement to launch our unique skincare formulation range, Skin+CELL direct to consumers via a dedicated commercial website.

Launching across social media platforms through a managed campaign of social influencers and brand ambassadors, the launch campaign will flow into traditional and digital marketing campaigns targeting beauty, science and retail markets.

Incanthera's expert in-house formulators harness the Company's unique IP, in our targeted formulation for our skincare range, Skin+CELL.

Incanthera's expertise in IP and management skills show the potential for worldwide retail opportunities, for solutions with indications across science-based skincare for future development and commercialisation.

In the year under review, our resources remained concentrated on developing and investing further in our critical infrastructure, gearing up facilities capable of producing, stocking and delivering our skincare range for worldwide distribution.

Our 100% owned Swiss subsidiary company, Skin+CELL AG, oversees logistics between Incanthera and manufacturer/suppliers.

Following announcement of the DTC Agreement, a facilitation house in Switzerland has been contracted, a third-party logistics operation that is responsible for stocking, picking, packing and posting the Skin+CELL range to customers worldwide.

The DTC Agency created and built a commercial website that educates, promotes and sells the Skin+CELL range to customers worldwide.

Sales revenue, inventory and consumer liaison are all managed and overseen through Skin+CELL AG to Incanthera plc.

Strategic liaison with Skin Life Analytics in Newcastle produced new breakthrough data on our Skin+CELL formulation in June 2025, delivering scientific proof of our technologies' ability to enhance mitochondrial energy, promoting repair and protection from UV exposure.

This data further enhances our IP offering and is invaluable in future product innovation and offerings, providing enormous potential commercial value.

Our direct focus is the successful launch and roll out of our Skin+CELL range, proving our commercialisation abilities, management skills and operational infrastructure.

Our management team and Board have demonstrated abilities to withstand commercial and operational challenges in the reporting year, and to deliver an alternative commercial opportunity for the value of shareholders and our Company.

Our financial picture remains tightly controlled to ensure a lean operating business model, with the ability to invest in developing future commercial IP and evaluation of opportunities from a global online platform.

Our Skin+CELL range presents science-based skincare that offers the potential for expansion across many dermatological indications and fields, within a multi-billion US$ global market.

Incanthera continues to work closely with the Skin Sciences Division at the ICT at the University of Bradford, who assist in vital testing and clinical data, evaluating our formulation against currently marketed commercial products.

Finessing our goals

"I am pleased to share our full results for the year to 31 March 2025. This year has been a balance of developing infrastructure for launch of Skin+CELL, whilst maintaining a lean model."

Laura Brogden,
Chief Financial Officer

The financial performance for the year ended 31 March 2025 was in line with expectations.

Losses

The total group loss for the year before exceptional items was £1,997k (2024: £1,380k) including a charge for share-based compensation of £214k (2024: £115k). Operating expenses excluding share-based compensation Increased to £1,783k (2024: £1,265k) as we scale up in preparation for product launch.

Share-based compensation

Accounting standards require a charge to be made against the grant of share options and recognised in the Consolidated Statement of Comprehensive Income. This amounted to £214k (2024: £115k) and has no impact on cash flows.

Headcount

Average headcount of the Group for the year was Eight (2024: Seven).

Taxation

The Group has not elected to claim research and development tax credits under the small or medium enterprise research and development scheme. (2024: nil).

Cash flows and financial position

The cash position at 31 March 2025 reduced to £80k (31 March 2024: £61k). During the year the Group completed an investment round of £2.6m and completed successful warrant exercises generating additional gross proceeds of £732k. For the whole of the year the group remained in a pre-revenue phase. Post year end, on 30 June a further investment round was completed, raising gross proceeds of £508k to contribute to the costs of the DTC product launch and for general working capital requirement

The DTC business model is new to the Group and the absence of historical data to validate the level of potential revenues, coupled with the proximity of the launch date to the date of approval of these financial statements, represents a considerable inherent uncertainty in relation to the funding of the Group's working capital requirements. The Group has taken steps to temporarily redeploy cash which had been earmarked for product development and put in place arrangements for the deferral of salary and other costs to provide additional working capital in the event that sales revenues from the DTC campaign are lower than anticipated. If revenues from the DTC product launch are insufficient to the cover the running costs of the business in the going concern period, further investment will be required in the form of additional equity capital and/or working capital finance. Although the availability of additional funding, should it be required, is not confirmed the directors, having discussed the prospects for fundraising with the Group's capital markets advisers, are confident that it will be available.

Dividends

No dividend is recommended (2024: nil) due to the early stage of the development of the Group.

Loss Per Share

The basic and diluted loss per share was 1.77p (before exceptional costs) (2024: 1.79p).

Key performance indicators

Key Performance Indicators include a range of financial and non-financial measures (such as development progress). Details about the progress of our development programmes (non-financial measures) are included elsewhere in this Strategic Report, and below are the other indicators (financial measures) considered pertinent to the business.

Year-end cash and short-term investments, and cash on deposit held

Net cash (outflow)/inflow

(including short-term investments):

Operating loss

The operating loss reflects continued investment into our development programmes as well as costs associated with our continued listing on the AQSE Growth Market.

Laura Brogden
Chief Financial Officer
29 September 2025

Incanthera operates within a complex business environment and an industry that is fundamentally driven by regulatory processes. A robust understanding of the risks and uncertainties involved is fundamental to Incanthera's success.

The Board regularly considers these principal risks and uncertainties and reviews its strategies for minimising any adverse impact to the Company or its investors. The principal risks and uncertainties have been grouped into four categories: market, biopharmaceutical environment, operational and financial.

Market Risks

Economic	Mitigating Factors
Global Inflation Cost of Living Interest Rates	The pressure on pricing, energy costs and global inflation transcends every industry and company around the world. Incanthera is a lean virtual team. Our model ensures: • In-house experience • Minimal expenditure • No rental overheads • Manufacturing capabilities for formulation sample production • Committed management team prepared to sacrifice • Tight rein on external costs with financial management control and regulation • Advisory parameters checked and adhered to • A mission to drive commercial revenues through commercial deals.

Geopolitical	Mitigating Factors
War & Conflict	• The ongoing geopolitical situation with worldwide conflicts, continues to have wide ranging implications, affecting food production, gas and oil prices, creating an inflationary effect across the globe, including stock markets and valuations.
Pressure on prices around the world Food/energy supply shortages Global uncertainty	• Incanthera seeks to mitigate this by the controls detailed above and by seeking to ensure financial stability by appropriate methods whilst committing to the drive to a commercial deal generating revenues and returns to shareholders, and the future growth of the Company. We continue to actively review, as we all navigate the current geopolitical effects.

Biopharmaceutical Environment Risks

Research and Development	Mitigating Factors
The Company is operating in the biopharmaceutical development sector and the Company will continue to seek out other opportunities within the sector in order to expand its present development pipeline. The Company and its research partners will therefore continue to be involved in complex scientific research. Industry experience indicates that there may be a very high incidence of delay or failure to produce valuable scientific results. Further to this, the Company may not be successful in developing new products based on the scientific discoveries developed by the Company and its research partners. There is no guarantee that the Company will be able to identify specific market needs that can be addressed by its technology. The ability of the Company to develop new products relies on the recruitment of sufficiently qualified research and development partners with expertise in the biopharmaceutical sector. The Company may not be able to develop its relationships and recruit research partners of a sufficient calibre to satisfy its growth rate and develop future pipeline as planned.	Incanthera's management team have many years of experience in research and development and a robust understanding of the regulatory process. This experience should help ensure that such risks are minimised. In addition, key external advisors support the management team.
Intellectual Property	**Mitigating Factors**
The field of biopharmaceutical development is highly litigious. The Company's priorities are to protect its IP and seek to avoid infringing other companies' IP. However, no guarantee can be made that infringement proceedings will not be initiated against the Company. A patent is limited territorially to the country or economic area in which it was granted. There are countries in which the Company has not filed patent applications. Some territories have patent applications pending and not all patent applications filed by the Company have gone through the full patent prosecution process.	The Company engages reputable legal advisers to mitigate the risk of patent infringement and to assist with the protection of the Company's IP.
Liability and Insurance	**Mitigating Factors**
The nature of the Company's business means that the Company may be exposed to potentially substantial liability for damages in the event of product failure or side effects. Any such liability could have a materially adverse effect on the Company's business and financial condition. There can be no assurance that future insurance cover will be available to the Company at an acceptable cost, if at all, nor that in the event of any claim, the level of insurance carried by the Company now or in the future will be adequate or that a product liability or other claim would not materially and adversely affect the business of the Company.	The Company factors potential liability risks into decision making and maintains corporate and clinical trials insurance to mitigate this risk.

Operational Risks

Legal Changes in Legislation

The Company is operating in the biopharmaceutical development sector. This field of development is highly litigious. In order to protect the value of the Company, predominantly valued by its IP, the Company must remain vigilant of current legislation and any changes that may affect the legality surrounding its process of assessing, valuing and protecting the IP.

Changes to industry legislation, if neglected, may impact the Company's valuation and core assets, and/or its ability to commercialise or license technologies, the ability to negotiate new IP into the Company.

Inadequate registration and monitoring of patents. The Company's portfolio is valued through its IP. Failure to register new patents or to remove patents no longer within the Company's IP would breach regulation and Governance resulting in a considerable regulatory, reputational and Governance risk, resulting in potential devaluation of the business and/or failure of the Company to continue its business.

Mitigating Factors

The Company is monitored and advised by its Lawyers and Patent.

Attorney on all aspects of IP, corporate and industry law.

The Company complies with the strictest operation of patent registration, monitoring, protection and valuation. The Company is advised by its retained Patent Attorney.

Regulatory Approvals

The Company will need to obtain various regulatory approvals and comply with extensive regulations regarding safety, quality and efficacy standards in order to ultimately market its products. These regulations vary from country to country and the time required for regulatory review can be lengthy, expensive and uncertain.

Mitigating Factors

The Company's management team have extensive experience in the area of regulatory approvals and, in addition, takes advice and guidance from a range of external specialised regulatory advisers to ensure compliance with all regulatory requirements.

Dependence on Key Personnel

The success of the Company, in common with other businesses of a similar size, will be highly dependent on the expertise and experience of the Directors and key senior management. However, the retention of such key personnel cannot be guaranteed. Should key personnel leave, the Company's business, prospects, financial condition or results of operations may be materially adversely affected.

Mitigating Factors

The Directors and key senior management are all committed to the future success of the Company and have demonstrated this in their endeavours in establishing the Company, developing it and its product portfolio to achieve a successful public listing in 2020 and further progression and achievements achieved in the year to review. Retention is further enhanced by the fact that each employee is also a shareholder in the Company and incentivised through participation in performance-based share options. This ongoing commitment has continued to be underpinned by the Directors' and Management Team's further investment into the Company.

Dependence on Third Parties	Mitigating Factors
The Company outsources certain functions, tests and services to contract research organisations, medical institutions and other specialist providers, and the Company relies on these third parties for clinical and regulatory expertise. There is no assurance that such individuals or organisations will be able to provide the services as agreed upon and the Company could suffer significant delays in the development of its products.	The Company works with respected third party organisations and regularly monitors their performance.

Competition	Mitigating Factors
The Company is developing products in the intensely competitive market of cancer therapeutics and dermatology. Currently, as far as the Directors are aware, there is no competition from direct competitors developing products with identical mode of actions. However, outside of these areas there are many other assets in development with identical indications which, if successful, will compete with Incanthera's products from a commercial perspective.	The Company remains aware of the continually evolving competitive landscape of the product areas in which it operates. This awareness is factored into its decision making for its pipeline programmes.

Financial Risks

Future Funding Requirements

The Company may need to raise additional funding to undertake work beyond that being funded by the current cash resources. There is no certainty that this will be possible at all, or on acceptable terms. In addition, the terms of any such financing may be dilutive to, or otherwise adversely affect, shareholders.

Mitigating Factors

The Company remains focused on delivering the objectives of its business plan in order to add value and to generate opportunities to earn revenue. The intention in the event of any future fundraising is to demonstrate value added progress such that funds may be raised at the most advantageous pricing and minimum dilution to shareholders.

Share Price and Liquidity

The trading price of the Ordinary Shares may be subject to wide fluctuations in response to a number of events and factors, such as:

- variations in operating results;
- announcements of innovations or new services by the Company or its competitors;
- changes in financial estimates and recommendations by securities analysts;
- the share price performance of other companies that investors may deem comparable to the Company;
- news reports relating to trends in the Company's markets;
- large purchases or sales of Ordinary Shares;
- liquidity (or absence of liquidity) in the Ordinary Shares;
- currency fluctuations;
- legislative or regulatory changes; and
- general economic conditions.

Mitigating Factors

The Company recognises the potential for share price fluctuation and low liquidity trading in its shares.

To address this, it has a proactive programme of investor relations and is committed to a regular and transparent communications policy with its shareholders and the investment market generally.

Identifying and developing innovative solutions to current clinical, commercially relevant unmet needs

Innovative technologies, passionate team, ethical responsibilities

"Our Company takes seriously obligations of sustainability, ethical and social care."

Dr. Simon Ward,
Chief Executive Officer

Overview

Incanthera's mission is to provide innovative technologies in Dermatology and Oncology. The Company was established to identify, acquire and develop quality, groundbreaking medicines to improve the lives of patients. Incanthera's origin is in cancer therapeutics with recent technology bridging treatment areas of oncology and dermatology.

Our recent focus has been towards dermatology as our unique delivery and formulation expertise has presented a world first in targeting delivery of optimal nutrition directly to the skin's cellular structure to effect optimum self-repair, restore and performance mechanisms.

This offers the promise of delivering not only world-beating cosmeceutical indications, as the science-backed skincare has effects of cellular change and addresses many cosmetic indications, it also potentially presents future solutions to dermatological indications that have previously not been met and yet cause untold physical and psychological suffering and trauma.

Our mission to bring innovative technologies with life-enhancing results is delivered through our Skin+CELL range which can deliver optimum nutrition in a formulation targeted directly at the cellular structure where proven change can be affected, which can show transformational results.

Incanthera's commercialisation model means we can deliver a faster route for solution to the public via investment into a business model that brings our products to market and an attractive return to shareholders.

We have delivered a global Direct to Consumer Agreement that will not only deliver a range of world-class cosmeceuticals to the global arena, but that will have the potential for us to address many indications for more serious and as yet unsolved solutions.

Alongside, Incanthera maintains its oncology portfolio and continues to work with the University of Bradford with a pipeline agreement that provides us with first sight of innovative oncology research emanating from the Institute of Cancer Therapeutics ('ICT') from which Incanthera was established.

A partnership in expertise between oncology and dermatology shows the further potential opportunities to address novel treatments and methods where effective treatment is as yet unmet.

Recent years' events have resulted in a worldwide shift in approach to individual healthcare as we all take more proactive responsibility for our own health and seek out the most innovative solutions to modern disease in the most effective and least problematic way.

The global spotlight on healthcare through uniquely adaptive and innovative methods and technologies is here to stay and awareness of the essential and groundbreaking work in research, discovery and development of therapeutic solutions is now an essential part of our everyday conscience, through ever increasing demand and worldwide awareness through the media and in fact a desire to take control of our own destinies.

People

Incanthera's team is dedicated and passionate about the Company we have built and what it stands for. Each member of our team brings passion, expertise, devotion to the cause and a great sense of social justice to match the corporate outlook. A strong core of like-minded and committed people protects the current and future successes of our Company and the past year's success owes much to their determination and talents that have ensured achievement and delivery of promises to shareholders.

The Board and the senior management team all share the passion and commitment to drive progressive, novel treatments to patients, each bringing unique skill sets to produce a strong, combined team that covers all areas required to make this business a success.

We all stand by the beliefs of diversity, inclusion and well-being as well as a strong work ethic and a commitment to our shareholders to build on their trust and investment, to ensure the progression and success of this business.

The safety and well-being of our colleagues is a priority. A workforce that is safe and physically and mentally healthy is the foundation of everything that Incanthera stands for.

In order to reward and thank the loyalty of our team, we have put in place the provision for effective rewards and benefits programmes that will attract, motivate and retain the best talent in our field. Well-structured benefits packages support colleagues to meet their current and future financial needs.

Colleague opinion and input is sought to support and inform our decision-making, increase engagement and drive innovation.

Environmental Responsibility

Within the over-riding ambitions of the Company is the desire to look to the future of our planet.

Throughout the identification, development and progression of our technologies is the consideration of the impact upon our climate and environment, and our aim is to mitigate those in any way we can.

The Company operates virtually, maintaining a registered office address c/o our lawyers in Manchester, but is proud to promote a lean, skilled team, each working from home, unless group meetings are required thus ensuring travel, fossil fuel emissions and carbon footprint is mindfully observed. We seek partners who can take our new products to market without the need for duplication of resources, manufacturing and other strains on our environment.

Shareholder Responsibility

We have worked hard to ensure the investment of our shareholders has been deployed to our best abilities, to progress and develop technologies for optimum return.

We have maintained a lean and virtual model to ensure all investment has been deployed directly into the path towards commercialisation, which we are thrilled to have delivered to shareholders and we believe is recognition of the team's expertise, the Company's valuable IP and the future potential on a world stage.

The path to commercialisation took great efforts of patience, determination and sacrifice by many but we have achieved the very best outcome for our shareholders that will bring investment returns but also deliver future growth and more opportunities for expansion. A business should meet the needs of multiple stakeholders, not just shareholders. Colleague opinion and input is sought to support and inform our decision-making, increase engagement and drive innovation.

Summary

Our Company takes seriously our responsibilities towards customers, employees, stakeholders and the economy, but also to the wider picture, considering our obligations of sustainability, ethical and social care of our planet.

Dr. Simon Ward
Chief Executive Officer
29 September 2025

Incanthera plc is compliant with Section 172 of the Companies Act, understanding its duty to promote the success of the Company.

The Directors and the Senior Management Team have been fully briefed by our corporate adviser, in accordance of the Company's listing on the AQSE Growth Market and agree to act in the way we consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members, considering:

- the likely consequences of any decision in the long term;
- the interests of the Company's employees;
- the need to foster the Company's business relationships with suppliers, customers and others;
- the impact of the Company's operations on the community and the environment;
- the desirability of the Company maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between members of the Company.

Board Responsibilities

The Board undertakes and agrees to take decisions and opportunities in the day-to-day management and leadership of the Company for the benefit of all members and the value for shareholders. The Board is briefed on responsibilities and will practice them in running the business. The Board will consider the welfare and benefits of its employees in all daily conduct and decisions.

Engaging with Stakeholders

Incanthera is proud to be a public listed company and understands that this is achieved through the support and belief of existing and newly invested shareholders.

The success of our business is dependent not only on the decisions and management of the Board and the team, but on the support of all our stakeholders. Building positive relationships with stakeholders that share our values is important to us, and working together towards defined goals assists us in delivering long-term success.

As a company, we have an open and transparent communications policy, seeking opportunities to engage and communicate with our shareholders wherever possible.

We seek opportunities to discuss our progress, ambitions and financial results, whilst always reporting timely announcement of corporate news, meeting our financial calendar obligations and with a clearly defined communications strategy and timetable to ensure compliance.

The Company's comprehensive communications planning incorporates management, Board and advisory meetings, the Chair's communication with shareholders, regulatory announcements, and is proactively supported by an investor relations programme in conjunction with our brokers, to potentially attract new investment and opportunities for the Company.

We believe a policy that incorporates essential team contact, advisory input, and engages and involves shareholders at each stage of our journey encompasses the ambitions and culture set out on admission to the public market, ensuring inclusive involvement in the Company's evolution.

Corporate Relationships

We are proud of the strong relationships we have built since inception.

The collaborative working relationship with the Institute of Cancer Therapeutics involves Professors, Directors and scientists, to encourage and promote successes in new and innovative research and progressive medicine. Through our exclusive pipeline deal with the Institute, we have access to future intellectual property, and we are proud of the two-way stream of information, development and promotion. We are committed to supporting this essential relationship.

Our professional and commercial relationships continue to grow as an essential part of the Company's evolution, as evidenced by this year's progression and the commercial dermatology formulation and manufacturing and commercial expertise secured.

Community

The Directors and team have a background within the industry, and progressive and collegiate nature of relationships within that industry is paramount to the future of medicines and healthcare in this country. We are proud of our place in this industry and will ensure that all team members conduct their relationships within the community with dignity and respect, for the benefits of all.

Advisory Relationships

A public listed Company requires much guidance and advice. The teams we have built long-standing and productive relationships with have shared the Company's journey to this stage, and are essential to our successes to date.

We are indebted to their support and evolutionary thinking to help us realise our ambitions and we look forward to building on the successful good nature, guidance and respect we have built amongst the teams as we progress.

People

Incanthera is proud of every member of our team, and we congratulate and applaud the dedication, hard work and personal commitment required to be at this stage of the Company's development. We will continue to ensure the welfare and well-being of every member is considered across our operations, and to respect their ambitions, involvement and essential role as part of our Company.

Strength in our leadership

The Board and the Senior Management Team all share the passion and commitment to drive progressive, novel treatments to patients.

Key

- Board of Directors
- Key senior management

Tim McCarthy
Chair

Tim has more than 40 years' international senior level business experience in the Healthcare, Biotech and Technology sectors.

He is also the Non-Executive Chairman & CEO of ImmuPharma plc, an AIM-quoted specialist drug discovery and development company.

Tim is a former Chairman, CEO and Finance Director of a number of public and private companies, including 4basebio plc, Alizyme plc and Peptide Therapeutics Group plc. He has also co-founded a number of healthcare and biotechnology companies. A Fellow of the Association of Chartered Certified Accountants, he also has an MBA from Cranfield School of Management.

Dr. Simon Ward
Chief Executive Officer

Simon is a co-founder of Incanthera and has more than 30 years' senior experience in academia and business.

He was a founder and CEO of Molecular SkinCare Limited, a pioneer and developer of novel dermatology products for the prevention and management of skin diseases. As CSO of York Pharma plc, he was responsible for bringing innovative dermatology product through to market.

Simon graduated from the University of London's School of Pharmacy (UK) with a Joint Honours Degree in Pharmacology and Toxicology and was awarded a DPhil in the Department of Human Anatomy, Oxford University under a Glaxo Group Research Studentship.

John Howes
Senior Independent Non-Executive Director

John is a senior city professional, having more than 43 years in the UK equity capital markets and an established reputation in the small and mid-cap sectors. John brings a wealth of knowledge and institutional relationship experience and contacts, holding previous positions as Partner with Matrix Corporate Capital and senior positions at Seymour Pierce, Panmure Gordon, Northland Capital and Stanford Capital.

Caroline Murray
Non-Executive Director

Caroline is a market specialist in dermatology with 25 years' experience in Pharmaceutical and Biotech including Novartis, BMS and Sanofi. Holding various medical and senior commercial roles whilst working closely alongside the professional community, Caroline has delivered partnership, educational and healthcare communications success.

Laura Brogden
Chief Financial Officer

With over 16 years at the helm of finance functions for SMEs across diverse industries, Laura is an accomplished CFO and strategic financial leader.

An Associate of the Chartered Institute of Management Accountants, her expertise in financial management, coupled with her role as a Partner at Fact3, where she drives accounting, HR, and IT support for SMEs, showcases her commitment to holistic business growth.

Suzanne Brocks
Company Secretary and Head of Communications

Suzanne has over 35 years' City experience.

She was a Senior Director in Financial and Corporate Communications with Buchanan Communications, advising on IPOs and mergers and acquisitions, in addition to general financial public relations consultancy and strategic direction for a wide range of public companies. Previously Suzanne was a Relationship Manager in private banking with Hill Samuel advising clients in London and the Far East.

Chair's introduction

"I pay credit to the passion, belief and dedication of our team, who have once again demonstrated their determination, resilience and skillset to the path forward for our Company and our shareholders."

Tim McCarthy, Chairman

Incanthera's Board and management is a committed and dedicated team of loyal and dedicated specialists with wide-ranging experience within the healthcare industry and their specialist fields.

Our **CEO, Dr. Simon Ward's** oncology, dermatology and scientific educational background, along with commercial experience has driven his vision to transform the method and quality of technologies from laboratory to patient, that is the heart of Incanthera's business.

In addition, Simon's background in dermatology is the perfect profile to have led the development and now the launch of Skin+CELL into commercialisation.

My position as **Chair** is supported by over 40 years' experience within biotechnology and healthcare companies and international corporate roles. My role prioritises the strategic direction and management of the Company, the collegiate environment and support of the management team, and the appointment of corporate and commercial relationships, aiding my commitment to deliver to our shareholders.

Our positions are aided by the positions of two Non-Executives to our Board.

Senior independent Non-Executive Director, Mr. John Howes, has more than 43 years' senior experience in the UK equity capital markets. John's wealth of knowledge and institutional relationship experience and contacts is an invaluable asset to the Company as it continues to engage with and increase its institutional shareholder base.

Our Board is given excellent market and commercial credence with **Caroline Murray** as **Non-Executive Director**. Caroline's extensive product management and marketing experience perfectly suits our Company's commercial skincare products.

Our Key Senior Management team's skills and commitment continue to drive our journey.

Laura Brogden, CFO, has the critical role of ensuring the financial roadmap and security of our Company is assured.

Laura expertly manages the balance of cost control, financial model management and essential commercial forecasting with expertise, and strict regulatory compliance. Laura's steady hand is exemplary in both protecting and projecting us, and now to see sight of real time sales in our product range directly from the commercial sales platforms, allowing for visibility in controls and budget management.

Suzanne Brocks, Company Secretary and Head of Communications, oversees City, Company and public facing communications.

Understanding this essential priority, Suzanne strives to deliver our message and maximise our opportunities, liaising with our advisors, the AQSE Exchange and engaging in shareholder communications. In her role as Company Secretary, she ensures the Company meets all its regulatory and reporting requirements as a public company.

Our team is supported through the key infrastructure, in which we have invested and developed over the past two years to support our commercial product launch and ongoing ambitions.

Skin+CELL AG is our wholly owned subsidiary, based in Switzerland. Overseeing the logistical and operational hub of our commercial operations, our dedicated manufacturing team for our Skin+CELL product range and our facilitation house.

The Direct to Consumer Agency has a small dedicated team managing our commercial website, responsible for sales, promotion, launch and further roll out of our product, and a managed campaign across media platforms including digital and traditional media.

The in-laboratory facilities established at Sheffield University last year provides an in-house small-scale manufacturing capability to provide product samples for commercial evaluation, and many capabilities beyond. This is an excellent asset with wide potential, but also tightly managed and cost controlled.

This year has drawn on the experience and skillset of each individual, as we have sought to expertly refine our product, step up our commercial infrastructure and tightly preserve and control costs while maintaining the ability to evaluate and assess the market around us, retaining our critical advisory network.

The landscape for our Company has continued to evolve into increasing commercial potential this year. This requires a concentrated focus, expansion of skills and mindset, and the firm belief in a pivotal moment from our small team.

It is my pleasure to work with such a determined and talented team.

Research and Development Team

Industry Expertise

Dr. Kevin Hammond, Industry Expert

Dr. Hammond has over 30 years' experience working with some of the world's leading Pharmaceutical, FMCG and Healthcare companies, where he has held responsibilities in directing new product innovation, partnering, licensing, and technology acquisition, for companies such as Reckitt Benckiser, Unilever, PZ Cussons, CB Fleet (US) and GSK. His experience includes operations in Europe, Latin America, North America, and South East and Central Asia.

Dr. Neil Kilcullen, Formulation & Product Development Specialist

Dr. Kilcullen is experienced in all aspects of product development encompassing concept development, formulation development, scale-up and production. Previous roles with Unilever, EC De Witt, and Reckitt Benckiser included product development for brands such as Witch, T-Zone, Clearasil and E45.

The Directors recognise the importance of sound corporate governance. The Company has adopted the QCA code and appropriate disclosures are made on the Company's website and within this Annual Report and Accounts as specified by the QCA code.

Board of Directors

The Board comprises of four Directors, of which two are executive and two are independent and non-executive, reflecting a blend of different experiences and backgrounds.

Performance Evaluation

The Directors are responsible for formulating, reviewing and approving the Company's strategy, budget and major items of capital expenditure. The Board meets on a monthly basis to review, formulate and approve the Company's strategy, budgets and corporate actions and oversee the Company's progress towards its goals.

Risk Management and Internal Communications

The Board is also responsible for monitoring the Company's risks as well as for implementing other systems of control which are deemed necessary.

Board Committees

The Directors have established an Audit Committee and a Remuneration Committee, each with formally delegated rules and responsibilities. These Committees meet at least twice yearly.

Audit Committee

The Audit Committee determines and examines matters relating to the financial affairs of the Company, including the terms of engagement of the Company's auditors and, in consultation with the auditors, the scope of the audit. It receives and reviews reports from management and the Company's auditors relating to the half-yearly and annual accounts and systems of accounting and internal control in use throughout the Company.

Remuneration Committee

The Remuneration Committee reviews and makes recommendations in respect of the Directors' remuneration and benefits packages and that of senior employees, including share options and the terms of their appointment. The Remuneration Committee also makes recommendations to the Board concerning the allocation of share options to employees.

Share Dealing Code

Incanthera plc has adopted and operates a share dealing code governing the share dealings of the Directors of the Company and applicable employees with a view to ensuring compliance with the AQSE Growth Market Rules.

Investor Relations

The Company adopts an open and transparent communications policy, seeking opportunities to engage and update shareholders. Following the Company's listing on the AQSE Growth Market, the Annual General Meeting is the principal forum for dialogue with shareholders. Updates on the progress of the business are regularly published on the Group's website.

The Company ensures email alerts are issued to shareholders on all regulatory news announcements on the Aquis Stock Exchange and engages in posting all news and announcements via social media platforms: X feed at @incantheraplc, LinkedIn @incantheraplc and Telegram pages of dedicated chat group 'Incanthera discussion group', and support and publication of articles on the Telegram group 'Ask Charles', a respected stocks discussion group established by Charles Archer, financial journalist.

The Company also has a dedicated electronic communication line via its website at www.incanthera.com specifically for shareholders' enquiries.

Corporate and Social Responsibility

The Company understands that its impact reaches beyond that of its core business and into the environment and society in which it operates. With integrity at the heart of our corporate social goals our aim is to make a lasting positive contribution to all our stakeholders.

The Company seeks to protect the interests of stakeholders in the Company through its policies, combined with ethical and transparent business operations.

Environment

Incanthera plc is sensitive to the environment in which it operates and seeks to ensure environmental standards are complied with.

Human Rights

Incanthera plc is committed to social and morally responsible research, development and manufacturing processes for the benefit of all stakeholders. The activities of the Company are in line with applicable laws on human rights.

Tax Evasion

Incanthera plc adopts a policy of ensuring that all associated persons, including employees and those acting on the Company's behalf, do not facilitate tax evasion.

Employees

Our employees are key to achieving the business objectives of the Company. The Company has established policies for recruitment, diversity and equal opportunities, training and development.

Our priority is to provide a working environment in which our employees can develop to achieve their full potential and have opportunities for both professional and personal development. We aim to invest time and resource to support, engage and motivate our employees to feel valued, to be able to develop rewarding careers and want to stay with us. The Company embraces employee participation in issue raising and resolution through regular update sessions that value contributions from all levels regardless of position in the business.

Shareholders

The Board of Directors actively encourage communication with shareholders and they seek to protect the interest of shareholders at all times. The Company updates shareholders regularly through regulatory news and financial reports. The Company also engages directly with shareholders at our Annual General Meeting and ad hoc through regular investor meetings.

Health and Safety

Company activities are carried out in accordance with its Health and Safety Policy which adheres to all applicable laws.

The directors are responsible for preparing the Annual Report and the financial statements in accordance with Company law, which requires the directors to prepare group and parent company financial statements for each financial year.

Under that law the Directors have elected to prepare the Group consolidated and Parent Company financial statements in accordance with UK Adopted International Financial Reporting Standards ('IFRSs'). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and of the profit or loss of the Group and the Parent Company for that period.

In preparing each of the Group and Parent Company financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether they have been prepared in accordance with IFRSs as adopted by the UK or UK Accounting Standards have been followed, subject to any material departures disclosed and explained; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Parent Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the Parent Company and the Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also generally responsible for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Information published on the website is accessible in many countries and legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Directors consider that the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy. Each of the Directors confirms that, to the best of their knowledge.

The Group financial statements, which have been prepared in accordance with IFRSs as adopted by the UK, give a true and fair view of the assets, liabilities, financial position and profit of the Group; and the Annual Report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties that it faces.

By order of the Board

Suzanne Brocks
Company Secretary
29 September 2025

The Remuneration Committee reviews and makes recommendations in respect of the Directors' remuneration and benefits packages and that of senior employees, including share options and the terms of their appointment. The Remuneration Committee also makes recommendations to the Board concerning the allocation of share options to employees.

Remuneration Committee Report

The members of the Remuneration Committee were Caroline Murray, Non-Executive Director for the whole year, and John Howes, Senior Independent Non-Executive Director effective from appointment on 10 June 2024.

The responsibilities of the Committee include the following:

- Determining and agreeing with the Board the remuneration policy for all Directors and the senior management team.
- Within the terms of the agreed policy, determining the total individual remuneration package for Executive Directors and the senior management team.
- Overseeing the evaluation of Executive Officers.

Our aim is to deliver a remuneration programme that rewards both achievement of short-term goals and fulfilment of our longer-term objectives in realising the potential of our portfolio.

The remuneration policy is the responsibility of the Remuneration Committee, a sub-committee of the Board. Details of the remit of the Committee is provided in the Corporate Governance section. The Executive Directors attend meetings by invitation but no Director is involved in discussions relating to their own remuneration.

We recognise the need to retain and motivate our Executive Directors and senior management team and the need to avoid making remuneration decisions solely based on shorter-term volatility whilst making good use of the Group's resources. Accordingly, we include two performance-based elements in our remuneration programme; a shorter-term annual bonus programme, with payment amounts based on the previous year's achievement against preset personal and corporate goals for that year; and a longer-term equity-based programme of share options, vesting over three years and directed towards the achievement of substantial, longer-term strategic objectives.

Remuneration Policy for Executive Directors

The Remuneration Committee sets a remuneration policy that aims to align Executive Directors' remuneration with shareholders' interests and attract and retain the best talent for the benefit of the Group. The Company seeks to strike an appropriate balance between fixed and performance-related reward, forming a clear link between pay and performance.

The remuneration of the Executive Directors during the year ended 31 March 2025 is set out below:

Basic salary

Basic salaries are reviewed annually. The purpose of the base salary is to:

- reflect market rates to support the recruitment and retention of key individuals;
- reflect the individual's experience, role and contribution with the Company; and
- ensure that the Executive Directors are fairly rewarded for carrying out their duties.

Directors' remuneration during the year ended 31 March 2025

The Directors received the following remuneration during the year:

	Salaries and fees £	Taxable benefits £	Bonuses £	Pension £	**Total year to 31 March 2025 £**	Total year to 31 March 2024 £
Executive						
Timothy McCarthy	180,000	6,657	nil	18,000	**204,657**	138,359
Simon Ward	180,000	2,659	nil	18,000	**200,659**	134,536
Non-Executive						
John Howes	37,308	n/a	n/a	n/a	**37,308**	n/a
Caroline Murray	40,000	n/a	n/a	n/a	**40,000**	36,000
Total	**437,308**	**9,316**	**Nil**	**36,000**	**482,624**	**308,895**

Benefits/Pensions

Details of payments in respect of benefits and pensions arrangements for the Executive Directors are set out in the table above.

Long-Term Incentives

Following admission, the Company adopted the LTIP which allows for share awards to be made in the form of options, at costs to be determined at the time of the award and in line with the current share price. The Company believes that the LTIP aligns the interest of Executive Directors and the Senior Management Team with those of shareholders and on an ongoing basis will form a significant part of their performance-related pay.

For the purposes of the Schemes, a maximum of 10 per cent. of the Company's issued share capital in aggregate, from time to time, may be issued without the prior approval of shareholders of the Company.

Vesting criteria for options granted under the Schemes are subject to time and performance conditions as follows:

Amount Vesting	Time Condition
36 per cent. ('Tranche One')	On the first anniversary of the date of the grant
32 per cent. ('Tranche Two')	On the second anniversary of the date of the grant
32 per cent. ('Tranche Three')	On the third anniversary of the date of the grant

Performance Condition: For options granted on 16 April 2021; entering into a commercial agreement relating to its intellectual property. For options granted on 21 February 2024; reporting first revenues.

The Schemes provide for good/bad leaver provisions and other standard terms normally associated with such schemes.

Directors' shareholdings

The Directors who served during the year, together with their beneficial interest in the shares of the Company are as follows:

Ordinary shares of 2p each	At 31 March 2025	At 31 March 2024
Executive		
Timothy McCarthy	**4,218,362**[1]	3,931,646
Simon Ward	**3,349,914**[2]	3,064,199
Non-Executive		
John Howes	**–**	–
Caroline Murray	**–**	–

1 Of the total shares attributable to Timothy McCarthy, 2,030,264 are held by Unnamed Ltd, a company owned and controlled by Timothy McCarthy, and 524,382 are held in a SIPP belonging to Timothy McCarthy.

2 Of the total shares attributable to Simon Ward, 724,399 are held in a SIPP belonging to Simon Ward.

Bonus

Executive Directors and the Senior Management Team participate in a bonus plan under which they are entitled to a maximum annual bonus of 50% of salary. Annual bonus entitlements are based on the achievement of pre-set Group corporate, financial and personal performance targets.

The performance targets for the financial year ending 31 March 2025 have been set by the Remuneration Committee and include Group corporate, financial and personal performance targets.

The Remuneration Committee considers that the targets will support the business strategy, and that bonus arrangements represent an important element of the performance-related pay for the Executive Directors and the Senior Management Team.

In order to align executives' interests with those of shareholders and manage cash costs, a proportion of the bonus payable to the Executives may be paid in cash and a proportion may be paid in shares through the Deferred Bonus Plan which was adopted by the Company on Admission. The Committee will determine on an annual basis the level of deferral of the bonus payment into Company share awards in the form of nil cost options up to a maximum of 50% of the bonus earned. DBP awards will vest at the end of a three-year period from the relevant date of grant.

There was no bonus declared or paid during the year to 31 March 2025 (31 March 2024: nil).

Directors' Share Options

In July 2020 the first grant of options was made to the Directors as part of an approved scheme.

In April 2021 a further grant of options was made to the Directors as part of an approved scheme.

In February 2024 a further grant of options was made to the Directors as part of both an approved and unapproved scheme.

These options are set out below and are subject to the performance conditions as described above.

The Company has granted the following options under the Scheme:

Option holder	Scheme	Date of grant	At 1 April 2024	Granted during the period	At 31 March 2025	Price per share Pence	Date from which exercisable	Expiry Date
Tim McCarthy	Approved	4 July 2020	1,100,000	–	1,100,000	9.5p	4 July 2023	4 July 2030
	Approved	16 April 2021	275,000	–	275,000	20.0p	16 April 2024	16 April 2031
	Approved	21 February 2024	650,000	–	650,000	8.8p	21 February 2027	21 February 2034
			2,025,000	**–**	**2,025,000**			
Simon Ward	Approved	4 July 2020	1,100,000	–	1,100,000	9.5p	4 July 2023	4 July 2030
	Approved	16 April 2021	275,000	–	275,000	20.0p	16 April 2024	16 April 2031
	Approved	21 February 2024	650,000	–	650,000	8.8p	21 February 2027	21 February 2034
			2,025,000	**–**	**2,025,000**			
Caroline Murray	Unapproved	21 February 2024	200,000	–	200,000	8.8p	21 February 2027	21 February 2034
			200,000	**–**	**200,000**			
Total			**4,250,000**	**–**	**4,250,000**			

Caroline Murray
Remuneration Committee Chair
29 September 2025

Financial Statements

The Directors of Incanthera plc (registered in England and Wales: 11026926) present their report together with the audited consolidated financial statements and the Company financial statements for the year ended 31 March 2025.

Directors

The Directors of the Company who served during the year and up to the date of this report, unless otherwise indicated, are as follows:

Tim McCarthy	Chair	Appointed 23 October 2017
Simon Ward	Chief Executive Officer	Appointed 23 October 2017
John Howes	Non-Executive and Senior Independent Director	Appointed 10 June 2024
Caroline Murray	Non-Executive Director	Appointed 23 February 2022

Biographical details of Incanthera Directors are shown on pages 32 and 33.

The Group maintained Directors' and Officers' liability insurance cover throughout the year.

Principal activities of the Group

Details of current and future trading as well as the principal risks and uncertainties are included in the Strategic Report.

Business Review and Key Performance Indicators

The review of the business, future trading and key performance indicators are covered in the Strategic and Financial Reports.

Financial results and dividends

The Group's results for the year ended 31 March 2025 are presented from page 48.The Group's net loss after tax for the year was £1,997k (2024: £1,372k).

Directors' interests in share options

Details of Directors' interests in shares, share options and service contracts are shown in the Directors' Remuneration Report.

Research and Development

The Group is continuing to research products in its chosen area.

Employee involvement

Employee involvement in the overall performance of the Group is encouraged through both formal and informal meetings which deal with a range of matters including the Group's financial performance, development progress and health and safety. Copies of the Annual Report and Interim Report are made available to all employees.

Financial Risk Management

Details of financial risk management are provided in Note 2 to the accounts.

Political and charitable donations

The Group made no political donations in the current or prior year.

Substantial shareholdings

At 6 August 2025, the Company had received notification from the following financial institutions of their and their clients' interest in the following disclosable holdings, which represent 3% or more of the voting rights of the issued share capital of the Company:

Shareholders having a major interest	Number of shares held	% of issued share capital
Tyndall Investment Management	21,707,597	15.7%
North West Funds (Biomedical) LP	16,164,540	11.7%
Unicorn Asset Management	13,408,007	9.7%
University of Bradford	13,065,834	9.5%
Timothy McCarthy	4,218,362	3.1%
Simon Ward	3,349,914	2.4%

Going concern

As part of their going concern review the directors have prepared detailed financial forecasts and cash flows looking beyond 12 months from the date of the approval of these financial statements (the going concern period). In preparing these forecasts, the directors have made certain assumptions based upon their view of the current and future economic conditions that will prevail over the going concern period.

Financial position and liquidity

On 11th August 2025, the Group launched its premium cosmetic skincare range through a direct to consumer ('DTC') marketing campaign funded by the business. This is a change from the previously announced model which was based upon large scale third party distribution. The directors are confident that the launch will be a success and that the business will be able to generate significant revenues and profits and that the Group will be cash generative within a short period of time. However, the DTC business model is new to the Group and there is minimal historical data to validate the level of potential revenues.

At 31 March 2025, the Group had cash and cash equivalents of £80,000. As set out in note 21, on 30 June 14,514,286 ordinary shares of 2p were issued at a price of 3.5p, raising gross proceeds of £508,000 to contribute to the costs of the DTC product launch and for general working capital requirements.

At 31 August 2025 the Group had cash and cash equivalents of £26,000. The Group has therefore temporarily redeployed cash which had been earmarked for product development and put in place arrangements for the deferral of salary and other costs to provide additional working capital in the event that sales revenues are lower than anticipated. If revenues from the DTC product launch are insufficient to cover the running costs of the business in the going concern period, further investment will be required in the form of additional equity capital and/or working capital finance. Should such additional funding be required the directors, having discussed the prospects for fundraising with the Group's capital markets advisers, are confident that funding will be available. However, the availability of new funding is not confirmed.

Assumptions and economic conditions

The absence of historical data to validate the level of potential revenues from the new DTC business model, coupled with the proximity of the launch date to the date of approval of these financial statements, represents a considerable inherent uncertainty in relation to the assumptions that the Directors have made in relation to estimated net revenues from product sales in the going concern period. This represents a material uncertainty in relation to the Company's funding arrangements. The Directors have prepared a number of scenarios incorporating sensitivity analysis on levels of revenues and margin achieved, along with assumptions about cost reductions and deferrals which could be deployed in order to mitigate lower than expected revenue generation.

Risk assessment and sensitivity analysis

The Directors have considered potential risks and uncertainties that could impact the Group, including:

- Market volatility and economic fluctuations
- Potential disruptions to revenue streams; and
- Increased costs

If revenues from the product launch are insufficient to cover running costs in the going concern period and if the directors are unable to secure sufficient additional funding they could be forced to take all necessary steps to reduce outgoings and/or take other actions which could include the sale of assets or the winding up of the Company, that may cast significant doubt on the ability of the Company and the Group to continue as a going concern.

Conclusion

For these reasons, the Directors are confident in the Group's ability to continue as a going concern for the foreseeable future. Therefore, the financial statements have been prepared on a going concern basis. No adjustments have been made to the financial statements that would be necessary if the going concern basis of preparation were deemed inappropriate. See Note 2 on page 53.

Disclosure of information to auditor

In the case of each of the persons who are Directors of the Company at the date when this report is approved:

- so far as each of the Directors is aware, there is no relevant audit information (as defined in the Companies Act 2006) of which the Company's auditor is unaware; and
- each of the Directors has taken all steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

Independent Auditors

Crowe U.K. LLP has indicated that it will seek reappointment as the Company's Auditor at the Annual General Meeting.

Annual General Meeting

The notice convening and giving details of the 2025 AGM of the Company to be held at 11am on Friday 7 November 2025, at the offices of Gateley Plc, 1 Paternoster Square, London EC4M 7DX has been sent to shareholders.

Approved by the Board of Directors and signed on behalf of the Board.

Tim McCarthy
Chair
29 September 2025

Incanthera plc
C/o
Gateley Plc
Ship Canal House 98 King Street Manchester
M2 4WU

Company registration number: 11026926

Independent Auditor's Report to the Members of Incanthera Plc

Opinion

We have audited the financial statements of Incanthera Plc (the "parent company") and its subsidiaries (the "group") for the year ended 31 March 2025 which comprise the consolidated statement of comprehensive income, the consolidated and the company statements of financial position, the consolidated and company statements of changes in equity, the consolidated and company statements of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and UK- adopted International Accounting Standards ('UK IFRS'). The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosures Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2025 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards.
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 2 in the financial statements, which indicates that the group currently has low levels of cash and has not generated any significant revenue to date. The absence of historical data to validate the level of potential revenues from the new DTC business model, coupled with the proximity of the launch date to the date of approval of these financial statements, represents a considerable inherent forecasting uncertainty. The Group has therefore temporarily redeployed cash which had been earmarked for product development and put in place arrangements for the deferral of salary and other costs to provide additional working capital in the event that sales revenues are lower than anticipated. If revenues from the DTC product launch are insufficient to cover the running costs of the business in the going concern period, further investment will be required in the form of additional equity capital and/or working capital finance. Should such additional funding be required the directors, having discussed the prospects for fundraising with the Group's capital markets advisers, are confident that funding will be available. However, the availability of new funding is not confirmed.

If revenues from the product launch are insufficient to cover running costs in the going concern period and if the directors are unable to secure sufficient additional funding they could be forced to take all necessary steps to reduce outgoings and/or take other actions which could include the sale of assets or the winding up of the Company. This represents a material uncertainty in relation to the Company's funding arrangements that may cast significant doubt on the ability of the Company and the Group to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the ability of the group and the parent company continue to adopt the going concern basis of accounting included the following procedures:

- discussion with management in relation to the future plans of the company;
- reviewing activity after the year end to the date of signing of the financial statements;
- reviewing the directors' going concern assessment and cashflow forecasts that covers at least 12 months from the date of approval of the financial statements;
- evaluating the reliability of the data underpinning the cashflow forecasts;
- considering the options available to management for further fundraising or additional sources of finance;
- considering potential downside scenarios and the resulting impact on funding requirements and the group's ability to raise such funds and discussing with the Group's capital markets advisers the prospects for an additional fundraise, if required; and
- assessing the completeness and accuracy of the disclosures made on going concern in the annual report and financial statements

The going concern assessment period used by the Directors was at least 12 months from the date of the approval of the financial statements. We assessed the appropriateness of the approach, assumptions and arithmetic accuracy of the model used by management when performing their going concern assessment.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Overview of our audit approach

Materiality

In planning and performing our audit we applied the concept of materiality. An item is considered material if it could reasonably be expected to change the economic decisions of a user of the financial statements. We used the concept of materiality to both focus our testing and to evaluate the impact of misstatements identified.

Based on our professional judgement, we determined the overall materiality for the company financial statements as a whole to be £90,000 (2024: £65,000), based on approximately 5% of loss before tax for the year.

We use a different level of materiality ('performance materiality') to determine the extent of our testing for the audit of the financial statements. Performance materiality is set based on the audit materiality as adjusted for the judgements made as to the entity risk and our evaluation of the specific risk of each audit area having regard to the internal control environment. Performance materiality was set at 70% of materiality for the financial statements as a whole, which equates to £63,000 (2024: £45,500).

Where considered appropriate performance materiality may be reduced to a lower level, such as, for related party transactions and directors' remuneration.

We agreed with the audit committee to report to it all identified errors in excess of £4,500 (2024: £3,250) Errors below this threshold would also be reported to the Audit Committee if, in our opinion as auditor, disclosure was required on qualitative grounds.

The parent company materiality was assessed as £55,000 (2024: £41,000) based on approximately 5% loss for the year. As the parent company does not trade in its own right, we determined that the majority of the balances were expenses and intercompany transactions. We therefore believe that loss is the most appropriate benchmark for determining materiality. Parent company performance materiality was £38,500 (2024: £28,700) and triviality was £2,750 ((2024: £2,050).

Overview of the scope of our audit

Our audit was scoped by obtaining an understanding of the group and its environment, including the group's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the directors that may have represented a risk of material misstatement.

In establishing our overall approach to the group audit, we determined the type of work that needed to be undertaken at each of the components. The parent company, R&D Limited, Skin+Cell AG and Therapeutics Limited. The parent company was subject to a full scope audit and our audit was conducted from the UK. The consolidation was also subject to a full scope audit. R&D Limited and Skin+Cell were audited to component materiality for the purpose of consolidation into the group accounts.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We identified going concern as a key audit matter and have detailed our response in the conclusions relating to going concern section above.

Our audit procedures in relation to these matters were designed in the context of our audit opinion as a whole. They were not designed to enable us to express an opinion on these matters individually and we express no such opinion.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our audit

- the information given in the strategic report and directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report and strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 38, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and company and the procedures in place for ensuring compliance in the jurisdiction where the group and company operate, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 and relevant tax legislation.

We assessed the nature of the group's business, the control environment and performance to date when evaluating the incentives and opportunities to commit fraud.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management to manipulate financial reporting and misappropriate funds. Our procedures to address the risk of management override included:

- enquiries of management about their own identification and assessment of the risks of irregularities, including any non-compliance with laws or regulations, or any potential claims of fraud;
- reviewing minutes of board meetings throughout the period;
- reviewing the system for the generation, authorisation and posting of journal entries;
- obtaining supporting evidence for a risk-based sample of journals, derived using a data analytics tool;
- considering significant estimates and judgements made by management for evidence of bias, and performing retrospective reviews where applicable;
- considering audit adjustments identified from our audit work for evidence of bias in reporting;
- audit of significant transactions outside the normal course of business, or those that appear to be unusual; and
- reviewing the other information presented in the annual report for fair presentation and consistency with the audited financial statements and the information available to us as the auditors.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements of the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). The potential effects of inherent limitations are particularly significant in the case of misstatement resulting from fraud because fraud may involve sophisticated and carefully organized schemes designed to conceal it, including deliberate failure to record transactions, collusion or intentional misrepresentations being made to us.

A further description of our responsibilities for the audit of the financial statements is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Stephen Bullock
Senior Statutory Auditor

For and on behalf of
Crowe U.K. LLP
Statutory Auditor
London

29 September 2025

	Notes	**Year ended 31 March 2025 £'000**	Year ended 31 March 2024 £'000
Operating expenses			
Operating expenses	3	**(1,783)**	(1,265)
Share-based compensation	16	**(214)**	(115)
Total operating expenses	3	**(1,997)**	(1,380)
Operating loss	3	**(1,997)**	(1,380)
Exceptional items			
Expenses of establishing a subsidiary for trade		**–**	(94)
Loss on ordinary activities before taxation		**(1,997)**	(1,474)
Taxation	6	**–**	(73)
Loss and total comprehensive expense attributable to equity holders of the parent for the year		**(1,997)**	(1,547)
Loss per share attributable to equity holders of the parent (pence)			
Loss per share – basic and diluted	7	**(1.77)**	(1.90)
Loss per share before exceptional costs	7	**(1.77)**	(1.79)

CONSOLIDATED AND COMPANY STATEMENTS OF FINANCIAL POSITION

As at 31 March 2025

	Notes	Group As at 31 March 2025 £'000	Group As at 31 March 2024 £'000	Company As at 31 March 2025 £'000	Company As at 31 March 2024 £'000
ASSETS					
Non-current assets					
Property, plant and equipment	8	**3**	3	**–**	–
Intangible assets	9	**7**	58	**–**	–
Investments in and loans to subsidiaries	10	**–**	–	**–**	947
Total non-current assets		**10**	61	**–**	947
Current assets					
Inventory and WIP	11	**869**	–	**–**	–
Trade and other receivables	12	**741**	44	**163**	4
Cash and cash equivalents	13	**80**	61	**79**	56
Total current assets		**1,690**	105	**242**	60
Total assets		**1,700**	166	**242**	1,007
LIABILITIES AND EQUITY					
Current liabilities					
Trade and other payables	14	**547**	731	**393**	445
Total current liabilities		**547**	731	**393**	445
Equity					
Ordinary shares	15	**2,427**	1,842	**2,427**	1,842
Share premium	15	**8,903**	5,954	**8,903**	5,954
Reorganisation reserve	15	**2,715**	2,715	**–**	–
Warrant reserve	15	**1,294**	1,185	**708**	599
Share-based compensation	15	**391**	319	**391**	319
Retained deficit	15	**(14,577)**	(12,580)	**(12,580)**	(8,152)
Total equity attributable to equity holders of the parent		**1,153**	(565)	**(151)**	562
Total liabilities and equity		**1,700**	166	**242**	1,007

As permitted by s408 of the Companies Act 2006, Incanthera Plc has not presented its own income statement. The loss for the financial year within the financial statements of the Parent Company was £4,428k (2024: £823k).

The financial statements on pages 48 to 66 were approved by the Board of Directors and authorised for issue on 29 September 2025 and were signed on its behalf by:

Dr. Simon Ward
Chief Executive Officer
29 September 2025

Incanthera plc

Registered number: 11026926

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 March 2025

	Ordinary shares £'000	Share premium £'000	Reorganisation reserve £'000	Warrant reserve £'000	Other reserves £'000	Share-based compensation £'000	Retained deficit £'000	Total £'000
Balance at 31 March 2023	1,528	5,169	2,715	1,129	19	259	(11,033)	(214)
Total comprehensive expense for the period	–	–	–	–	–	–	(1,547)	(1,547)
Transactions with owners								
Equity component on convertible loan notes	–	–	–	–	(19)	–	–	(19)
Share issue – SJW July 23	7	17	–	–	–	–	–	24
Share issue – Advisor agreements	21	54	–	–	–	–	–	75
Share issue – Convertible loan notes	57	143	–	–	–	–	–	200
Share issue – Investment December 23	229	571	–	–	–	–	–	800
Share-based compensation – share options	–	–	–	56	–	59	–	115
Total transactions with owners	**314**	**785**	**–**	**56**	**(19)**	**59**	**–**	**1,195**
Balance at 31 March 2024	**1,842**	**5,954**	**2,715**	**1,185**	**–**	**319**	**(12,580)**	**(565)**
Total comprehensive expense for the period	–	–	–	–	–	–	(1,997)	(1,997)
Transactions with owners								
Share issue – in lieu of creditors	89	291	–	–	–	–	–	380
Warrants issued	148	551	–	–	–	–	–	699
Share issue – Investment June 24	348	1,999	–	–	–	–	–	2,347
Warrant extension	–	–	–	75	–	–	–	75
Share-based compensation – share options	–	108	–	34	–	72	–	214
Total transactions with owners	**585**	**2,949**	**–**	**109**	**–**	**72**	**(1,997)**	**3,715**
Balance at 31 March 2025	**2,427**	**8,903**	**2,715**	**1,294**	**–**	**391**	**(14,577)**	**1,153**

COMPANY STATEMENT OF CHANGES IN EQUITY
For the year ended 31 March 2025

	Ordinary shares £'000	Share premium £'000	Warrant reserve £'000	Share-based compensation £'000	Retained deficit £'000	Total £'000
Balance at 31 March 2023	1,528	5,169	543	259	(7,330)	169
Total comprehensive expense for the period	–	–	–	–	(822)	(822)
Transactions with owners						
Share issue – SJW July 23	7	17	–	–	–	24
Share issue – Advisor agreements	21	54	–	–	–	75
Share issue – Convertible loan notes	57	143	–	–	–	200
Share issue – Investment December 23	229	571	–	–	–	800
Share-based compensation – share options	–	–	56	59	–	115
Total transactions with owners	**314**	**785**	**56**	**59**	**–**	**562**
Balance at 31 March 2024	**1,842**	**5,954**	**599**	**318**	**(8,152)**	**1**
Total comprehensive expense for the period	–	–	–	–	(822)	(822)
Transactions with owners						
Impairment of investment in and loans to subsidiaries	–	–	–	–	(3,661)	(3,661)
Share issue – in lieu of creditors	89	291	–	–	–	380
Warrants issued	148	551	–	–	–	699
Share issue – Investment June 24	348	1,999	–	–	–	2,347
Warrant extension	–	–	75	–	–	75
Share-based compensation – share options	–	108	34	72	–	214
Total transactions with owners	**585**	**2,949**	**109**	**72**	**(3,661)**	**54**
Balance at 31 March 2025	**2,427**	**8,903**	**708**	**391**	**(12,580)**	**(151)**

CONSOLIDATED AND COMPANY STATEMENT OF CASH FLOWS
For the year ended 31 March 2025

	Group		Company	
	Year ended 31 March 2025 £'000	Restated Year ended 31 March 2024 £'000	**Year ended 31 March 2025 £'000**	Year ended 31 March 2024 £'000
Cash flows from operating activities				
Loss before taxation	**(1,997)**	(1,474)	**(4,428)**	(822)
Non-cash charges	**–**	150	**–**	–
Depreciation and amortisation	**58**	1	**–**	–
Impairment	**–**	–	**3,661**	–
Share-based compensation	**214**	115	**214**	115
	(1,725)	(1,208)	**(553)**	(707)
Changes in working capital				
(Increase)/decrease in inventory and WIP	**(869)**	–	**–**	–
(Increase)/decrease in trade and other receivables	**(697)**	18	**(159)**	–
Increase/(decrease) in trade and other payables	**196**	352	**(2,386)**	(134)
Sum of Working Capital Changes	**(1,370)**	370	**(2,545)**	(134)
Net cash used in operating activities	**(3,095)**	(838)	**(3,098)**	(841)
Cash flows (used in)/generated from investing activities				
Acquisition of fixed assets	**(7)**	–	**–**	–
Net cash (used in)/generated from investing activities	**(7)**	–	**–**	–
Cash flows from financing activities				
Proceeds from warrant extension	**75**	–	**75**	–
Proceeds from issue of shares	**3,342**	900	**3,342**	900
Issue costs	**(296)**	(1)	**(296)**	(1)
Net cash generated from financing activities	**3,121**	899	**3,121**	899
Movements in cash and cash equivalents in the period	**19**	58	**23**	55
Cash and cash equivalents at start of period	**61**	3	**56**	1
Cash and cash equivalents at end of period	**80**	61	**79**	56

1. General Information

Incanthera plc ('the Company') is a public limited company, limited by shares, incorporated in England and Wales and is admitted to trading on the Apex Market of the AQSE Exchange, under the symbol INC. The address of its registered office is 98 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. Significant Accounting Policies and Basis of Preparation

Basis of preparation

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

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. Foreign transactions are accounted in accordance with the policies set out below.

Basis of consolidation

The financial statements incorporate the financial statements of the Company and entities controlled by the Company. Control is achieved when the Company has the power over the investee; is exposed, or has rights, to variable return from its involvement with the investee; and has the ability to use its power to affect its returns. The Company reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the period are included in the Consolidated Statement of Comprehensive Income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the Group's accounting policies.

All intra-Group assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

Going concern

As part of their going concern review the directors have prepared detailed financial forecasts and cash flows looking beyond 12 months from the date of the approval of these financial statements (the going concern period). In preparing these forecasts, the directors have made certain assumptions based upon their view of the current and future economic conditions that will prevail over the going concern period.

On 11th August 2025, the Group launched its premium cosmetic skincare range through a direct to consumer ('DTC') marketing campaign funded by the business. This is a change from the previously announced model which was based upon large scale third party distribution. The directors are confident that the launch will be a success and that the business will be able to generate significant revenues and profits and that the Group will be cash generative within a short period of time. However, the DTC business model is new to the Group and there is minimal historical data to validate the level of potential revenues.

At 31 March 2025, the Group had cash and cash equivalents of £80,000. As set out in note 21, on 30 June 14,514,286 ordinary shares of 2p were issued at a price of 3.5p, raising gross proceeds of £508,000 to contribute to the costs of the DTC product launch and for general working capital requirements. At 31 August 2025 the Group had cash and cash equivalents of £26,000. The Group has therefore temporarily redeployed cash which had been earmarked for product development and put in place arrangements for the deferral of salary and other costs to provide additional working capital in the event that sales revenues are lower than anticipated. If revenues from the DTC product launch are insufficient to cover the running costs of the business in the going concern period, further investment will be required in the form of additional equity capital and/or working capital finance. Should such additional funding be required the directors, having discussed the prospects for fundraising with the Group's capital markets advisers, are confident that funding will be available, However, the availability of new funding is not confirmed.

The absence of historical data to validate the level of potential revenues from the new DTC business model, coupled with the proximity of the launch date to the date of approval of these financial statements, represents a considerable inherent uncertainty in relation to the funding of the Group's working capital requirements. If revenues from the product launch are insufficient to cover running costs in the going concern period and if the directors are unable to secure sufficient additional funding they could be forced to take all necessary steps to reduce outgoings and/or take other actions which could include the sale of assets or the winding up of the Company. This represents a material uncertainty in relation to the Company's funding arrangements that may cast significant doubt on the ability of the Company and the Group to continue as a going concern.

The financial statements do not include any adjustments which would be necessary should the Company and the Group be unable to remain a going concern.

1. General Information continued

Currencies

Functional and presentational currency

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or at an average rate for a period if the rates do not fluctuate significantly. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated Statement of Comprehensive Income. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Intangible assets

Intangible assets with finite useful lives that are acquired externally are carried at cost less accumulated amortisation and impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives as below. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Licences – 10–20 years

An impairment review is performed annually.

2. Significant Accounting Policies and Basis of Preparation continued

Intangible assets acquired either as part of a business combination or from contractual or other legal rights are recognised separately from goodwill provided they are separable and their fair value can be measured reliably. This includes the costs associated with acquiring and registering patents in respect of intellectual property rights.

Where intangible assets recognised have finite lives, after initial recognition their carrying value is amortised on a straight line basis over those lives. The nature of those intangibles recognised and their estimated useful lives are as follows:

Patents – straight line over remaining useful life, up to 20 years

IP assets – straight line over remaining useful life, up to 20 years

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

Office equipment	33% straight line
Furniture, fixtures and fittings	33% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Consolidated Statement of Comprehensive Income.

At each reporting date, the Group reviews the carrying amounts of its property, plant and equipment assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

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.

Inventory and Work in Progress

Inventories and work in progress are stated at the lower of cost and net realisable value. Cost includes all direct costs of purchase, costs of conversion (including a proportion of production overheads where applicable), and other costs incurred in bringing the inventories to their present location and condition.

For manufactured products, cost includes production costs from our manufacturing partner. Net realisable value is the estimated expected selling price in the ordinary course of business, less applicable variable selling expenses and costs to complete.

Since the Company has not yet made any sales, net realisable value is based on expected selling prices and sales volumes after launch. The Directors have considered the viability of the product range, marketing plans, and shelf life in concluding that inventory is recoverable and that no impairment is required at the reporting date.

Where inventories are held in a foreign currency, they are translated into sterling at the exchange rate ruling at the date of the transaction. At the reporting date, monetary items are retranslated at the closing rate. Exchange differences arising on retranslation are recognised in the statement of profit or loss in accordance with IAS 21 The Effects of Changes in Foreign Exchange Rates.

Income tax

The tax expense or credit represents the sum of the tax currently payable or recoverable and the movement in deferred tax assets and liabilities.

(a) Current income tax

Current tax, including R&D tax credits, is based on taxable income for the period and any adjustment to tax from previous periods. Taxable income differs from net income in the Consolidated Statement of Comprehensive Income because it excludes items of income or expense that are taxable or deductible in other periods or that are never taxable or deductible. The calculation uses the latest tax rates for the period that have been enacted or substantively enacted by the dates of the Consolidated Statement of Financial Position.

(b) Deferred tax

Deferred tax is calculated at the latest tax rates that have been substantially enacted by the reporting date that are expected to apply when settled. It is charged or credited in the Consolidated Statement of Comprehensive Income, except when it relates to items credited or charged directly to equity, in which case it is also dealt with in equity.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable income and is accounted for using the liability method.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable income will be available against which the asset can be utilised. Such assets are reduced to the extent that it is no longer probable that the asset can be utilised.

Deferred tax has not been recognised in relation to goodwill arising from business combinations.

Deferred tax assets and liabilities are offset when there is a legal right to offset current tax assets and liabilities, and when the deferred tax assets and liabilities relate to taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Deferred tax assets are not recognised due to uncertainty concerning crystallisation.

Payroll expense and related contributions

Wages, salaries, payroll tax, paid annual leave and sick leave, bonuses, and non-monetary benefits are accrued in the period in which the associated services are rendered.

Pension costs

The Group makes contributions to the private pension schemes of Directors and employees.

Share-based compensation

The Group issues share-based payments to certain employees and Directors and warrants have been issued to certain suppliers. Equity-settled share-based payments are measured at fair value at the date of grant and expensed on a straight-line basis over the vesting period, along with a corresponding increase in equity.

At each reporting date, the Group revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market-based vesting conditions. The impact of any revision is recognised in the Consolidated Statement of Comprehensive Income, with a corresponding adjustment to equity reserves.

The fair value of share options and warrants are determined using a Black-Scholes model, taking into consideration the best estimate of the expected life of the option or warrant and the estimated number of shares that will eventually vest.

Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is responsible for allocating resources and assessing performance of operating segments.

The Directors consider that there are no identifiable business segments that are subject to risks and returns different to the core business. The information reported to the Directors, for the purposes of resource allocation and assessment of performance, is based wholly on the overall activities of the Group. The Group has therefore determined that it has only one reportable segment under IFRS 8.

The results and assets for this segment can be determined by reference to the Consolidated Statement of Comprehensive Income and Consolidated Statement of Financial Position.

2. Significant Accounting Policies and Basis of Preparation continued

Group reorganisation accounting

The Company acquired its 100% interest in Incanthera Research and Development Limited ('Incanthera') by way of a share for share exchange. This is a business combination involving entities under common control and the consolidated financial statements are issued in the name of the Group but they are a continuance of those of Incanthera. Therefore, the assets and liabilities of Incanthera have been recognised and measured in these consolidated financial statements at their pre-combination carrying values. The retained earnings and other equity balances recognised in these consolidated financial statements are the retained earnings and other equity balances of the Company and Incanthera. The equity structure appearing in these consolidated financial statements (the number and the type of equity instruments issued) reflect the equity structure of the Company including equity instruments issued by the Company to effect the consolidation.

The difference between consideration given and net assets of Incanthera at the date of acquisition is included in a Group reorganisation reserve.

The Company acquired its 100% interest in Skin+CELL AG ('Skin+CELL') by way of a cash consideration of CHF100,000, on 12 December 2023. This is a business combination involving entities under common control and the consolidated financial statements are issued in the name of the Group but they are a continuance of those of Skin+CELL. Therefore, the assets and liabilities of Skin+CELL have been recognised and measured in these consolidated financial statements at their pre-combination carrying values. The retained earnings and other equity balances recognised in these consolidated financial statements are the retained earnings and other equity balances of the Company and Skin+CELL. The equity structure appearing in these consolidated financial statements (the number and the type of equity instruments issued) reflect the equity structure of the Company including equity instruments issued by the Company to effect the consolidation.

The difference between consideration given and net assets of Skin+CELL at the date of acquisition is included in a Group reorganisation reserve.

Investment in subsidiaries

Investment in subsidiaries is shown in the Company balance sheet at cost and is reviewed annually for impairment.

Financial instruments

Financial assets and financial liabilities are recognised in the Group's Consolidated Statement of Financial Position when the Group becomes party to the contractual provisions of the instrument. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire or when the contractual rights to those assets are transferred. Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expired.

Trade and other receivables

Trade receivables, which generally have 30-to-60-day terms, are measured at amortised cost. Loss allowances for trade receivables are measured at an amount equal to a lifetime expected credit loss ('EC'). Lifetime ECLs are the ECLs that result from all possible default events over the expected life of the receivables. ECLs are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls. The gross carrying amount of trade receivables are written off to the extent that there is no realistic prospect of recovery.

Cash, cash equivalents and short-term investments

Cash and cash equivalents consist of cash on hand, demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Trade and other payables

Trade and other payables are not interest-bearing and are stated at nominal value.

Classification as debt or equity

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all its liabilities. Equity instruments issued by the Group are recognised as the proceeds received, net of direct issue costs.

Financial risk management

Financial risk factors

The Group's activities expose it to certain financial risks: market risk, credit risk and liquidity risk. The overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. Risk management is carried out by the Directors, who identify and evaluate financial risks in close co-operation with key staff.

(a) Market risk

Market risk is the risk of loss that may arise from changes in market factors such as competitor pricing, interest rates, and foreign exchange rates (see Note 17).

(b) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to financial instruments fails to meet its contractual obligation. Credit risk arises from the Group's cash and cash equivalents, and receivables balances.

(c) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. This risk relates to the Group's prudent liquidity risk management and implies maintaining sufficient cash. The Directors monitor rolling forecasts of the Group's liquidity, and cash and cash equivalents based on expected cash flow.

Capital risk management

The Group has been funded by equity. The components of shareholders' equity are:

(a) The share capital and share premium account arising on the issue of shares.

(b) Reorganisation reserve, which was created as a result of the acquisition by the Company of the entire issued share capital of Incanthera Research and Development Limited on 26 February 2020 and of Skin+CELL AG on 12 December 2023. This reserve is not considered to be distributable.

(c) The share-based compensation reserve results from the Group's grant of equity-settled share options to selected employees and Directors.

(d) The retained deficit reflecting comprehensive loss to date.

The Group's objective when managing capital is to maintain adequate financial flexibility to preserve its ability to meet financial obligations, both current and long-term. The capital structure of the Group is managed and adjusted to reflect changes in economic conditions. The Group funds its expenditures on commitments from existing cash and cash equivalent balances, primarily received from issuances of shareholders' equity. There are no externally imposed capital requirements. Financing decisions are made based on forecasts of the expected timing and level of capital and operating expenditure required to meet the Group's commitments and development plans.

Fair value estimation

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values because of the short-term nature of such assets and the effect of discounting liabilities is negligible.

Judgements

Judgements made in applying the Group's accounting policies that have the most significant impact on the amounts recognised in the financial statements are:

Intangible Assets

The assessment of the future economic benefits generated by these separately identifiable intangible assets and the determination of its amortisation profile involve a significant degree of judgement based on management estimation of future potential revenue and profit and the useful life of the assets. Reviews are performed regularly to ensure the recoverability of these intangible assets.

Estimates

The key sources of estimation uncertainty that have a significant risk of causing material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below.

Impairment of amounts due from subsidiaries

Receivables from subsidiaries are tested for impairment using an expected credit loss model. This requires estimation of the probability of default, the exposure at default and the loss given default in order to calculate the expected credit loss of the loans to subsidiaries. Receivables from the subsidiary represents interest-free amounts advanced to Group companies with no fixed repayment dates, being amounts due from Incanthera plc advanced to support the Group's research expenditure. In accordance with IFRS 9 'Financial Instruments', where the counterparty would not be able to repay the loan if demanded at the reporting date, the Company has made an assessment of expected credit losses.

Taxation

In recognising income tax assets and liabilities, management makes estimates of the likely outcome of decisions by tax authorities on transactions and events whose treatment for tax purposes is uncertain. Where the final outcome of such matters is different, or expected to be different, from previous assessments made by management, a change to the carrying value of income tax assets and liabilities will be recorded in the period in which such a determination is made. The carrying values of current tax are disclosed separately in the statement of financial position.

Share-based payment charge

Historically the Group issued a number of share options to certain employees. A Black-Scholes model was used to calculate the appropriate charge for these periods. The use of this model to calculate a charge involves using a number of estimates and judgements to establish the appropriate inputs to be entered into the model, covering areas such as the use of an appropriate interest rate and dividend rate, exercise restrictions and behavioural considerations. A significant element of judgement is therefore involved in the calculation of the charge. The total charge recognised in the year to 31 March 2025 was £214k (year to 31 March 2024: £96k).

2. Significant Accounting Policies and Basis of Preparation continued

New standards, amendments and interpretations

New standards are not expected to impact the Company as they are either not relevant to the Company's activities or require accounting which is consistent with the Company's current accounting policies.

The Directors have considered those standards and interpretations which have not been applied in these financial statements but which are relevant to the Company's operations that are in issue but not yet effective and do not consider that they will have a material effect on the future results of the Company.

3. Operating Loss

An analysis of the Group's operating loss has been arrived at after charging/(crediting):

	Year ended 31 March 2025 £'000	Year ended 31 March 2024 £'000
Operating expenses:		
Research and development	**393**	246
Staff costs (see Note 5)	**138**	85
Establishment and general:		
Staff costs (see Note 5)	**1,105**	536
Depreciation of property, plant and equipment	**2**	1
Amortisation of Intangible Assets	**56**	–
Other administrative expenses	**303**	513
Total operating expenses	**1,997**	1,380

The Group has one reportable segment, namely the development of dermatology and pharmaceutical product, within the United Kingdom and Switzerland.

4. Auditor's Remuneration

The analysis of the auditor's remuneration is as follows:

	Year ended 31 March 2025 £'000	Year ended 31 March 2024 £'000
Fees payable to the Group's auditors for the audit of:		
the consolidated and Company annual accounts	**50**	45
the subsidiary's annual accounts	**–**	–
Total audit fees	**50**	45
Audit-related services	**–**	–
Total audit-related fees	**–**	–
Other services	**–**	–
Total non-audit fees	**–**	–

5. Employees and Directors

The average monthly number of persons (including Executive Directors) employed by the Group was:

	Group		Company	
	Year ended 31 March 2025 Number	Year ended 31 March 2024 Number	Year ended 31 March 2025 Number	Year ended 31 March 2024 Number
Directors	**2**	2	**2**	2
Management Team	**2**	2	**2**	2
Non-Executive	**2**	1	**2**	1
R&D	**2**	2	**–**	–
Average total persons employed	**8**	7	**6**	5

As at 31 March 2025 the Group had eight employees (31 March 2024: seven).

Staff costs in respect of these employees were:

	Group		Company	
	Year ended 31 March 2025 £'000	Year ended 31 March 2024 £'000	**Year ended 31 March 2025 £'000**	Year ended 31 March 2024 £'000
Wages and salaries	**988**	468	**874**	411
Employer's National Insurance	**122**	56	**108**	50
Pension contributions	**61**	38	**56**	38
Share-based payments	**72**	59	**67**	59
Total employee costs	**1,243**	621	**1,105**	558

The Group makes contributions to the private pension schemes of Directors and employees.

The total remuneration of the highest paid Director excluding grants of share options was £311,504 (31 March 2024: £153,229).

The Directors have the authority and responsibility for planning, directing and controlling, directly or indirectly, the activities of the Group and they therefore comprise key management personnel as defined by IAS 24.

Aggregate emoluments of four Directors of Incanthera plc:

	Group and Company	
	Year ended 31 March 2025 £'000	Year ended 31 March 2024 £'000
Salaries and other short-term employee benefits	**604**	276
Employer's National Insurance	**75**	34
Pension contributions	**36**	24
Options vesting under share option schemes	**—**	–
Total remuneration including vesting of share options	**715**	334
Aggregate emoluments of five Directors within the Group:		
Salaries and other short-term employee benefits	**657**	321
Employer's National Insurance	**82**	39
Pension contributions	**43**	29
Options vesting under share option schemes	**—**	–
Total remuneration including vesting of share options	**782**	389

Directors' emoluments include amounts payable to third parties as described in Note 18.

6. Taxation

	Year ended 31 March 2025 £'000	Year ended 31 March 2024 £'000
Current tax		
Current period – UK corporation tax	**–**	–
R&D tax credit	**–**	(73)
Net tax credit	**–**	(73)

The tax credit for each period can be reconciled to the loss per Consolidated Statement of Comprehensive Income as follows:

	Year ended 31 March 2025 £'000	Year ended 31 March 2024 £'000
Loss on ordinary activities before taxation	**(1,997)**	(1,474)
Loss before tax at the effective rate of corporation tax in the United Kingdom of 25% (2024: 19%)	**(499)**	(280)
Effects of:		
Non-deductible expenses	**76**	21
Losses not recognised	**423**	259
R&D tax credit	**–**	73
Tax credit for the year	**–**	73

The Incanthera Group also has a deferred tax asset being accelerated capital allowances, for which the tax, measured at a standard rate of 25% (2024: 19%) is £14,000 (2024: £5,000).

The Incanthera Group has a deferred tax asset for share-based payments, for which the tax, measured at a standard rate 25% (2024: 19%) is £281,000 (2024: £173,000).

The net deferred tax asset of £295,000 (2024: £178,000) has not been recognised in respect of these losses due to uncertainty of timing of taxable profits.

7. 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 year.

As at 31 March 2025, the Group had 20,890,689 (2024: 29,606,516) share options, warrants and subscriptions outstanding which are potentially dilutive.

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

	Year ended 31 March 2025 £'000	Year ended 31 March 2024 £'000
Loss for the year attributable to equity holders for basic loss and adjusted for the effects of dilution	**(1,997)**	(1,547)
Loss for the year attributable to equity holders for basic loss and adjusted for the effects of dilution (excl. exceptional costs)	**(1,997)**	(1,453)

	Year ended 31 March 2025 Number	Year ended 31 March 2024 Number
Weighted average number of ordinary shares for basic loss per share	**112,595,162**	81,343,486
Effects of dilution:		
Share options	**–**	–
Weighted average number of ordinary shares adjusted for the effects of dilution	**112,595,162**	81,343,486

	Year ended 31 March 2025 Pence	Year ended 31 March 2024 Pence
Loss per share – basic and diluted	**(1.77)**	(1.90)
Loss per share – before exceptional costs	**(1.77)**	(1.79)

The loss and the weighted average number of ordinary shares for the years ended 31 March 2024 and 2025 used for calculating the diluted loss per share are identical to those for the basic loss per share. This is because the outstanding share options would have the effect of reducing the loss per ordinary share and would therefore not be dilutive under the terms of International Accounting Standard ('IAS') No 33.

8. Property, Plant and Equipment

Group	Office equipment, fixtures and fittings £'000	Plant and Machinery £'000	Total £'000
Cost			
At 31 March 2023	**49**	**–**	**49**
Additions	3	–	3
At 31 March 2024	**52**	**–**	**52**
Additions	**1**	**1**	**2**
At 31 March 2025	**53**	**1**	**54**
Accumulated Depreciation			
At 31 March 2023	48	–	48
Charge for the period	1	–	1
At 31 March 2024	**49**	**–**	**49**
Charge for the period	**2**	**–**	**2**
At 31 March 2025	**51**	**–**	**51**
Net Book Value			
At 31 March 2023	1	–	1
At 31 March 2024	3	–	3
At 31 March 2025	**2**	**1**	**3**

Depreciation is charged to operating expenses.

9. Intangible Assets

Group	Patents £'000	IP Assets £'000	Website £'000	Total £'000
Cost				
At 31 March 2023 and 2024	**988**	**475**	**–**	**1,463**
Additions	–	–	5	5
Disposals	(438)	(137)	–	(575)
At 31 March 2025	**550**	**338**	**5**	**893**
Amortisation and impairment				
At 31 March 2023 and 2024	**930**	**475**	**–**	**1,405**
Disposals	(382)	(137)	–	(519)
At 31 March 2025	**548**	**338**	**–**	**886**
Net Book Value				
At 31 March 2023	58	–	–	58
At 31 March 2024	58	–	–	58
At 31 March 2025	**2**	**–**	**5**	**7**

Patents are amortised on a straight-line basis over 20 years. Amortisation provided during the period is recognised in administrative expenses. The Incanthera Group does not believe that any of its patents in isolation is material to the business.

New IP assets are amortised on a straight-line basis over the estimated economic life of the underlying assets, based on the lifespan of applicable patents. Amortisation provided during the period is recognised in administrative expenses. The time remaining life ranges from 0 to 15 years.

The Group reviewed the amortisation period and the amortisation method for the intangible assets at the end of the reporting period and considered them appropriate.

The Group continually monitors events and changes in circumstances that could indicate that the intangible assets may be impaired. The Group has given consideration to assets which have been fully assigned and the resulting removal of control over the assets' future development. The Group retains future rights to all assigned intellectual property.

10. Investments in and Loans to Subsidiaries

The consolidated financial statements of the Group as at 31 March 2025 include:

Name of subsidiary	Class of share	Place of incorporation	Principal activities	Proportion of ownership interest	Proportion of voting rights held
Incanthera Research and Development Limited	Ordinary	United Kingdom	Research and development	100%	100%
Skin+CELL AG	Ordinary	Switzerland	Distribution	100%	100%
Incanthera Therapeutics Limited*	Ordinary	United Kingdom	Research and development	100%	100%

* Now dormant.

	Year ended 31 March 2025		Year ended 31 March 2024	
	Investment in subsidiary £'000	**Loans to Group undertakings £'000**	Investment in subsidiary £'000	Loans to Group undertakings £'000
Cost or carrying value at 1 April	**4,614**	**2,733**	4,614	2,028
Additions	**–**	**2,585**	–	680
Cost or carrying value at 31 March	**4,614**	**5,318**	4,614	2,708
Provision at 1 April	**4,372**	**2,028**	4,372	2,028
Provision in the year	**242**	**3,419**	–	–
Carrying value	**–**	**–**	242	680

Investments are tested for impairment at the balance sheet date. The recoverable amount has been determined based on a value in use cash flow model. We note that there is high estimation uncertainty and judgement involved in the preparation of the cash flow forecast and it is sensitive to changes in key assumptions.

10. Investments in and Loans to Subsidiaries continued

The key assumptions in the calculation to assess NPV are the future revenues and the ability to generate future cash flows. The future predictions have focused on the lead programme. Due to the nature of the development of our programmes, and the time between development expenditure and future incomes, the management have looked ahead to the next five years. The projected results were discounted at a rate which is a prudent evaluation of the pre-tax rate that reflects current market assessments at the time value of money and the risks specific to the cash-generating unit.

The key assumptions used for the NPV calculation in 2025 were as follows:

	%
Discount rate	**13.8**

The Directors have made significant estimates on the future revenues based around a direct to consumer revenue model. Assumptions have been made based upon on the size of the potential market as well as the expected revenue across the lifetime of the patent.

The Directors have performed a sensitivity analysis to assess the impact of downside risk of the key assumptions underpinning the projected results of the Group. The projection used is sensitive to the projected revenue assumptions that have been applied. Given the pre-revenue stage it has been deemed prudent to impair the carrying amounts in full.

11. Inventories and Work in Progress

Inventories and Work in Progress represent the lower of cost and net realisable value of products in production and held by our manufacturing partner.

Inventories comprise:

	As at 31 March 2025 £'000s	As at 31 March 2024 £'000s
Finished goods	**869**	–
Total	**869**	–

In addition to finished goods we are carrying a value of £483,000 in trade and other receivables in relation to funds advanced for inventory which has not yet been supplied (see Note 12).

All finished goods are held in Swiss Francs (CHF). These have been translated into Pounds Sterling (£) at the closing exchange rate at the reporting date. Exchange differences on translation of monetary items are recognised in the profit and loss account.

12. Trade and Other Receivables

	Group		Company	
	Year ended 31 March 2025 £'000	Year ended 31 March 2024 £'000	**Year ended 31 March 2025 £'000**	Year ended 31 March 2024 £'000
Amounts receivable within one year				
Other receivables	**245**	3	**161**	–
Inventory advances	**483**	–	**–**	–
Other taxation and social security	**7**	7	**–**	4
Prepayments	**6**	34	**2**	–
Trade and other receivables	**741**	44	**163**	4

The Directors believe that the carrying value of trade and other receivables represents their fair value. In determining the recoverability of trade receivables, the Group considers any change in the credit quality of the receivable from the date credit was granted up to the reporting date. In addition, an expected credit losses model is used which broadens the information that an entity is required to consider when determining its expectations of impairment. Under this model, expectations from future events are taken into account which could result in the earlier recognition of impairments. Details on the Group's credit risk management policies are shown in Note 17. The Group does not hold any collateral as security for its trade and other receivables.

13. Cash, Cash Equivalents and Short-Term Investments

	Group		Company	
	Year ended 31 March 2025 £'000	Year ended 31 March 2024 £'000	**Year ended 31 March 2025 £'000**	Year ended 31 March 2024 £'000
Cash at bank and in hand	**80**	61	**79**	56

The maturity profile of the Group's financial liabilities at 31 March 2025 based on contractual undiscounted payments consist of trade and other payables, all of which are due within three months.

The Directors consider that the carrying amount of the financial liabilities approximate to their fair value.

14. Trade and Other Payables

	Group		Company	
	Year ended 31 March 2025 £'000	Year ended 31 March 2024 £'000	**Year ended 31 March 2025 £'000**	Year ended 31 March 2024 £'000
Amounts falling due within one year				
Trade payables	**46**	160	**18**	19
Other taxation and social security	**286**	39	**263**	55
Accrued expenses	**176**	487	**112**	339
Other payables	**39**	45	**–**	32
Trade and other payables	**547**	731	**393**	445

Trade and other payables principally consist of amounts outstanding for trade purchases and ongoing costs. They are non-interest bearing and are normally settled on 30 to 45 day terms. The Directors consider that the carrying value of trade and other payables approximates to their fair value. All trade and other payables are denominated in Sterling. The Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe and no interest has been charged by any suppliers as a result of late payment of invoices during the period.

The fair value of trade and other payables approximates to their current book values.

15. Issued Capital and Reserves

Ordinary shares

	Company	
Ordinary shares of 2p each:	**Number**	**Share Capital £'000**
At 31 March 2024	**92,109,880**	**1,842**
Issued on placing	29,256,765	585
At 31 March 2025	**121,366,645**	**2,427**

All of the 121,366,645 shares authorised have been issued and fully paid.

During April 2024, a total of 7,166,667 ordinary shares of 2p were issued at a price of 10.0p per share to warrant holders on exercise, raising gross proceeds of £716,667.

On 21 June 2024 17,403,681 ordinary shares of 2p were issued at a price of 15.0p per share to various investors, as part of a subscription, raising gross proceeds of £2,610,000.

On 8 August 2024 215,827 ordinary shares of 2p were issued at a price of 10.0p per share to warrant holders on exercise, raising gross proceeds of £15,000.

On 31 March 2025 4,470,590 ordinary shares of 2p were issued at a price of 8.50p per share to service providers in lieu of contractual amounts owed, raising deemed proceeds of £380,000.

The ordinary shares rank pari passu in all respects in relation to dividends and repayment of capital and have equal voting rights with one vote per share. There are no restrictions on the transferability of the shares.

Other reserves

The share premium reserve represents the difference between the net proceeds of equity issues and the nominal share capital of the shares issued.

The Group reorganisation reserves at 31 March 2025 arose from the acquisition of Incanthera Research and Development Limited on 26 February 2020, which is accounted for using the merger method of accounting.

The warrant reserve reflects the aggregate fair value of warrants issued to investors and commercial advisors.

The share-based compensation reserve reflects the aggregate fair value of equity-settled share-based payment transactions.

Reserves classified as retained deficit represent accumulated losses. None of the reserves are distributable.

16. Share-based Payments

Certain Directors and employees of the Group hold options to subscribe for shares in the Group under share option schemes. The number of shares subject to options, the periods in which they were granted and the period in which they may be exercised are given below.

The Group operates one share option scheme (31 March 2024: one), and in addition share options have been granted under standalone unapproved share option agreements. Options are currently granted for £nil consideration and are exercisable at a price determined on the date of the grant.

16. Share-based Payments continued

At 31 March 2025 the Company had 8,975,000 (2024: 8,975,000) unissued ordinary shares of 2p under the Company's share option scheme.

Movements on share options during the year were as follows:

Exercise price Pence	At 1 April 2024	Granted	Lapsed/ Cancelled	At 31 March 2025	Date from which exercisable	Expiry date
9.5	4,675,000	–	–	**4,675,000**	4 July 2023	4 July 2030
20.0	1,300,000	–	–	**1,300,000**	16 April 2024	16 April 2031
8.8	3,000,000	–	–	**3,000,000**	21 February 2027	21 February 2034
	8,975,000	**–**	**–**	**8,975,000**		

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

	As at 31 March 2025		As at 31 March 2024	
	Number	Weighted average exercise price Pence	Number	Weighted average exercise price Pence
Outstanding at start of the year	**8,975,000**	**10.77**	5,975,000	11.78
Granted	**–**	**–**	3,000,000	8.80
Lapsed/cancelled	**–**	**–**	–	–
Outstanding at end of year	**8,975,000**	**10.77**	8,975,000	10.77
Exercisable at end of year	**5,975,000**	**11.78**	4,675,000	9.50

The weighted average fair value of the options granted on the measurement date was 7.80 pence. The weighted average fair value at the measurement date was £433,964 (2024: £433,964). Fair value was measured using the Black-Scholes option pricing model.

Inputs were as follows:

	2025	2024
Weighted average exercise price (pence)	**10.77**	10.77
Expected life	**2**	5
Risk-free rate	**0.44%**	0.44%

The share-based payment charge for the year was £72,000 (2024: 115,000).

Warrants

On 26 February 2020, the Company issued warrants to subscribe for a total of 7,272,740 Ordinary Shares at a price of 9.5p per Ordinary Share to ImmuPharma pursuant to the ImmuPharma Warrant. These warrants are exercisable at any time and were due to lapse on 6 September 2024. An extension of 12 months to 6 September 2025 was granted in exchange for a cash consideration of £75,000.

On placing, 28 February 2020, the Company issued warrants to subscribe for a total of 2,311,677 new Ordinary Shares at the placing price of 9.5p pursuant to the Cairn Warrant, the Pharmhall Warrant and the Broker Warrant. These warrants are exercisable at any time and have an expiry date of ten years from placing. During the year 215,827 warrants were exercised (see Note 15) leaving a balance in issue of 2,095,850.

On placing, 23 March 2021, the Company issued warrants to subscribe for a total of 9,167,963 new Ordinary Shares at the placing price of 20.0p pursuant to the Investor Warrant. These warrants are exercisable at any time and have an expiry date of two years from placing. On 5 April 2023 a warrant holder meeting was held and a resolution was passed to extend the term to 12 April 2024 and reduce the exercise price to 10.0p. During April 2024 the balance of these warrants were either exercised or lapsed (see Note 15).

On 27 September 2022, the Company issued warrants to subscribe for a total of 1,079,136 new Ordinary Shares at the placing price of 6.95p pursuant to the Broker Warrant. These warrants are exercisable at any time and have an expiry date of five years from placing.

On 18 December 2023, the Company issued warrants to subscribe for a total of 800,000 new Ordinary Shares at the placing price of 6.95p pursuant to the Broker Warrant. These warrants are exercisable at any time and have an expiry date of five years from placing.

On 21 June 2024, the Company issued warrants to subscribe for a total of 945,189 new Ordinary Shares at the placing price of 15.0p pursuant to the Broker Warrant. These warrants are exercisable at any time and have an expiry date of five years from placing.

17. Financial Risk Management

The main risks arising from the Group's financial instruments are cash flow and liquidity and credit risk. The Group's financial instruments comprise cash and various items such as trade receivables and trade payables, which arise directly from its operations.

Cash flow and liquidity risk

Management monitors the level of cash on a regular basis to ensure that the Group has sufficient funds to meet its commitments where due. The table below analyses the Group and Company's financial assets and liabilities by category:

	Group		Company	
	Year ended 31 March 2025	Year ended 31 March 2024	**Year ended 31 March 2025**	Year ended 31 March 2024
	Financial assets at amortised cost £'000	Financial assets at amortised cost £'000	**Financial assets at amortised cost £'000**	Financial assets at amortised cost £'000
Assets as per statement of financial position				
Inventory and WIP	**869**	–	**–**	–
Other receivables	**741**	44	**163**	4
Cash and cash equivalents	**80**	61	**79**	56
	1,690	105	**242**	60

	Group		Company	
	Year ended 31 March 2025	Year ended 31 March 2024	**Year ended 31 March 2025**	Year ended 31 March 2024
	Financial liabilities at amortised cost £'000	Financial liabilities at amortised cost £'000	**Financial liabilities at amortised cost £'000**	Financial liabilities at amortised cost £'000
Liabilities as per statement of financial position				
Trade payables	**46**	160	**18**	19
Other creditors and accruals	**501**	571	**375**	426
	547	731	**393**	445

Credit risk

The Group gives careful consideration to which organisations it uses for banking in order to minimise credit risk. The Group holds cash with two large banks in the UK. The amounts of cash held with this bank at the reporting date can be seen in the financial assets table above. All of the cash and cash equivalents were denominated in UK Sterling.

There was no significant concentration of credit risk at the reporting date.

The carrying amount of financial assets recorded in the Consolidated Statement of Financial Position, net of any allowances for losses, represents the Group's maximum exposure to credit risk without taking account of the value of any collateral obtained.

No allowance has been made for impairment losses. In the Directors' opinion, there has been no impairment of financial assets during the period.

An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows. The Directors consider the above measures to be sufficient to control the credit risk exposure. No collateral is held by the Group as security in relation to its financial assets.

Foreign currency risk

The Group's exposure to the risk of changes in foreign exchange rates relates to the Group's operations via Skin+CELL AG, based in Switzerland, as well as use of suppliers operating overseas, primarily denominated in Swiss Francs, Euros and US Dollars. The Group's foreign transactions and use of foreign suppliers is minimal and as such exposure to foreign currency changes is not material.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the year end were a liability of £175.3k (2024: £1.1k).

At present the Group does not make use of financial instruments to minimise any foreign exchange gains or losses so any fluctuations in foreign exchange movements may have a material adverse impact on the results from operating activities.

17. Financial Risk Management continued

Fair value of financial assets and liabilities

There is no material difference between the fair value and the carrying values of the financial instruments because of the short maturity period of these financial instruments and their intrinsic size and risk.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group's financial assets are cash and cash equivalents and trade and other receivables. The carrying value of these assets represent the Group's maximum exposure to credit risk in relation to financial assets.

The Group's policy is to minimise the risks associated with cash and cash equivalents by placing these deposits with institutions with a recognised high credit rating.

The Group's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables, estimated by the Group's management based on prior experience and their assessment of the current economic environment. An allowance for impairment is made where there is an identified loss event, which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows. The Group continually reviews customer credit limits based on market conditions and historical experience.

Capital risk management

The Group considers capital to be shareholders' equity as shown in the Consolidated Statement of Financial Position, as the Group is primarily funded by equity finance. The Group is not yet in a position to pay a dividend.

The objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and for other stakeholders. In order to maintain or adjust the capital structure the Group may return capital to shareholders and issue new shares.

18. Related Party Transactions

Group

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

Key management compensation is disclosed in Note 5 of the consolidated financial statements. Directors' emoluments are disclosed in the Remuneration Committee Report.

During the year ended 31 March 2025, the Group purchased accountancy and HR services totalling £37,871 (year ended 31 March 2024: £36,085) from summ.it assist LLP t/as Fact3, a company which Laura Brogden is a member. The amount owed to summ.it assist LLP t/as Fact3 at 31 March 2025 was £3,981 (31 March 2024: £3,755).

During the year ended 31 March 2025, the Group received £75,000 from Immupharma plc as a warrant extension fee, a company for which Tim McCarthy is a Director. Immupharma owns no shares in Incanthera, having sold its previous holding on 9 June 2024.

At 31 March 2025, Dr. Simon Ward had a director's loan account balance outstanding due from Incanthera Research and Development Limited of £nil (31 March 2024: £15,188).

At 31 March 2025, Tim McCarthy had a director's loan account balance outstanding due from Incanthera Research and Development Limited of £nil (31 March 2024: £23,488).

Company

The Company is responsible for financing and setting Group strategy. The Company's subsidiary carried out the Group's development strategy and managed the Group's intellectual property. The Company provides funding to its subsidiary in the form of a loan. This loan is classified as non-current to reflect the likely repayment schedule of the loan. Interest is accrued at a rate of 10.5% per annum which is considered to be a market rate. Balance outstanding, including accrued interest and following impairment review, at 31 March 2025 was £680k (31 March 2024: £nil).

19. Contingent Liabilities

The Group has no contingent liabilities at 31 March 2025 (31 March 2024: nil).

20. Lease and Capital Commitments

The Group has no lease or capital commitments at 31 March 2025 (31 March 2024: nil).

21. Events after the Reporting Date

On 30 June 14,514,286 ordinary shares of 2p were issued at a price of 3.5p following investment, raising gross proceeds of £508,000.

On 11 August the commercial website skinandcell.com went live, making the Skin+CELL skincare range available for sale for the first time.

22. Ultimate Controlling Party

There is no ultimate controlling party of the Group.

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