

30 January 2024

Scancell Holdings plc
("Scancell" or the "Company")

Interim Results for the six months ended 31 October 2023

Strong clinical progress in the SCOPE trial with 85% ORR reported from the first 13 patients with unresectable melanoma

Post-period end capital raise of £11.9m to support important clinical milestones in 2024

Scancell Holdings plc (AIM: SCLP), the developer of novel immunotherapies for the treatment of cancer and infectious disease, today announces its interim results for the six months ended 31 October 2023 and provides a business update on progress achieved to date.

Highlights (including post period):

SCIB1 (SCOPE trial)

- SCIB1, an oncology vaccine, reported positive data from the first stage of its Phase 2 SCOPE trial for advanced melanoma.
- SCIB1 in combination with checkpoint inhibitors (CPIs) showed an 85% objective response rate (ORR) to treatment in 13 patients, exceeding the target of 70% ORR and accompanied by meaningful tumour volume reduction. One patient achieved a complete response following treatment.
- In the real world setting in patients receiving doublet standard of care CPI therapy alone, the ORR is 50% with a progression free survival of 11.5 months.
- Recruitment in the second stage is expected to be complete in Q1 2024 with highly anticipated data available in Q3 2024.
- The addition of iSCIB1+ to the SCOPE trial has been approved by the MHRA. Recruitment in this third cohort is expected to start in Q1 2024 with early data available in Q3 2024. iSCIB1+ includes additional melanoma-specific epitopes so it has the potential to be even more effective in a broader patient population.
- A clear development pathway for registration and approval of SCIB1/ iSCIB1+ in the medium term for advanced melanoma has been mapped out.
- This represents a potential \$1.5 billion per annum market and we anticipate significant interest from potential partners.

Modi-1 (ModiFY trial)

- In July 2023, the ModiFY trial moved into the expansion cohorts, following approval by the safety review committee.
- Early data from patients receiving Modi-1 as a monotherapy showed good T cell responses, safety and tolerability, with no dose limiting toxicities observed in dose escalation cohorts. Similar to SCIB1 monotherapy in metastatic disease, one patient achieved a partial response and 60% of patients showed stable disease in response to Modi-1 monotherapy.
- Modi-1 to be assessed in renal cell carcinoma in combination with double CPI therapy in the ModiFY study pending protocol amendment by the MHRA.
- Early clinical data from patients treated with Modi-1 plus CPIs is anticipated in 2024.

Antibodies:

- Development of SC129, out licensed to Genmab, continues on track towards potential clinical development.
- GlyMab® and AvidiMab® platforms provide potential out licensing opportunities with active discussions ongoing with pharmaceutical and biotech companies.

Corporate

- Sath Nirmalanathan appointed as Chief Financial Officer
- Dr Mandeep Sehmi appointed as Head of Business Development

Financial:

- In December 2023, the Company raised gross proceeds of £11.9 million in aggregate (before expenses) through the capital raise with significant participation from both existing and new healthcare specialist investors.
- Group cash balance at 31 October 2023 was £13.1 million (April 2023: £19.9 million) with cash funding through to important clinical milestones on clinical assets.

Prof Lindy Durrant, Chief Executive Officer, Scancell, commented: “The Scancell team continues to produce highly-significant data across its pipeline of cancer vaccines and we have made strong progress in all parts of the business in the first six months of the year. Most notably, we were pleased to announce exceptional data from the first stage of the SCOPE trial with SCIB1 showing an 85% ORR to treatment in 13 patients, exceeding 70% ORR expectations. With important clinical milestones expected this year, including further data from both the SCOPE and ModiFY trials, and with the recently secured funding in place, the company’s prospects in 2024 are exciting.”

Professor Lindy Durrant, Chief Executive Officer, and Sath Nirmalanathan, Chief Financial Officer, will also host a live webcast and Q&A session for analysts and investors today at 14:00 GMT. If you would like to join the webcast, please follow this link:

<https://www.lsegissuerservices.com/spark/ScancellHoldings/events/f581274b-146c-4a89-af15-05bcae874775>

A replay of the webcast will be made available shortly afterwards.

A full copy of the announcement can be found on the Scancell website: www.scancell.co.uk

This announcement contains inside information for the purposes of Article 7 of Regulation (EU) 596/2014 (MAR).

For further information, please contact:**Scancell Holdings plc**

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About Scancell

Scancell is a clinical stage biopharmaceutical company that is leveraging its proprietary research, built up over many years of studying the human adaptive immune system, to generate novel medicines to treat significant unmet needs in cancer and infectious disease. The Company is building a pipeline of innovative products by utilising its four technology platforms: Moditope[®] and ImmunoBody[®] for vaccines and GlyMab[®] and AvidiMab[®] for antibodies.

Adaptive immune responses include antibodies and T cells (CD4 and CD8), both of which can recognise damaged or infected cells. In order to destroy such cancerous or infected cells, Scancell uses either vaccines to induce immune responses or monoclonal antibodies (mAbs) to redirect immune cells or drugs. The Company's unique approach is that its innovative products target modifications of proteins and lipids. For the vaccines (Moditope[®] and ImmunoBody[®]) this includes citrullination and homocitrullination of proteins, whereas its mAb portfolio targets glycans or sugars that are added onto proteins and / or lipids (GlyMab[®]) or enhances the potency of antibodies and their ability to directly kill tumour cells (AvidiMab[®]).

For further information about Scancell, please visit: <https://www.scancell.co.uk/>

CHIEF EXECUTIVE OFFICER'S STATEMENT

I am pleased to report the Group's interim results for the six-month period ended 31 October 2023. During the period, Scancell achieved important clinical milestones in the SCOPE trial with highly encouraging results giving us strong confidence in the SCIB1/iSCIB1+ vaccines for advanced melanoma. We are now well positioned to conclude the SCOPE trial and progress towards the registration Phase 2/3 study. In addition, we intend to investigate Modi-1 in renal cancer in combination with ipilimumab (Yervoy®) plus nivolumab (Opdivo®) checkpoint inhibitors as a new cohort in the ModiFY study. The recent capital raise of £11.9m in gross proceeds with significant participation from existing and new healthcare investors helps maintain our momentum and progress towards these value creating clinical milestones.

Set out below is a summary of progress that has been made across our innovative and proprietary vaccine and antibody platforms.

VACCINES

ImmunoBody® platform

Scancell's ImmunoBody® immunotherapy platform uses the body's immune system to identify, attack and destroy tumours. This is achieved by delivering a DNA plasmid to enhance the uptake and presentation of cancer antigens to harness high avidity T cell responses, offering the potential for enhanced efficacy and safety compared with more conventional approaches. These vaccines have the potential to be used as monotherapy or in combination with checkpoint inhibitors (CPIs) and other agents. This platform has the potential to enhance tumour destruction, prevent disease recurrence and extend survival.

SCIB1

SCIB1 is the lead product from Scancell's ImmunoBody® immunotherapy platform. It is currently being evaluated in the SCOPE trial, a Phase 2 open-label, multi-cohort, multicentre trial in the UK, in combination with CPIs for the treatment of advanced melanoma. The trial includes a cohort of advanced melanoma patients who will receive SCIB1 plus doublet therapy consisting of ipilimumab (Yervoy®) plus nivolumab (Opdivo®) in addition to the cohort who will receive SCIB1 with pembrolizumab (Keytruda®). This reflects the current treatment landscape for unresectable metastatic melanoma patients. The Phase 2 study is designed to assess whether the addition of SCIB1 treatment to CPI standard of care results in an improvement in patient outcomes for patients with metastatic disease. The primary objectives of the trial are tumour response rate, progression-free survival and overall survival in patients with advanced melanoma. The SCIB1 vaccine is delivered via a PharmaJet® needle-free injection, which provides enhanced patient acceptance versus electroporation.

In [September](#) and subsequently in [November](#) 2023, the SCOPE trial reported exceptional results to date with 11 out of 13 patients showing at least a partial response which is an objective response rate (ORR) of 85%, which is better than 70% ORR that the trial was configured to show. This compares to an ORR of 50% reported in patients just receiving this doublet CPI therapy in the real world setting with a progression free survival time of 11.5 months. These responses have been verified in nine patients with a second scan at 19 weeks. Significantly, one of the patients has achieved a complete response following treatment.

The SCOPE trial has now successfully transitioned into the second stage, which will recruit a further 27 patients (for a total of 43). The aim is to achieve at least 18 further responses (i.e., 27 responses in total) which would statistically demonstrate that SCIB1, in combination with doublet therapy, exceeds currently achievable ORRs. The second stage of recruitment is expected to be complete by Q1 2024 with highly anticipated data available in Q3 2024.

iSCIB1+

iSCIB1+ is a modified version of SCIB1 developed using Scancell's AvidiMab® platform to enhance its potency compared to SCIB1 and gives 15 years of extended patent protection. iSCIB1+ also includes additional melanoma-specific epitopes so it has the potential to be effective in a broader patient population beyond the 40% of patients with the tissue type treatable with SCIB1, where treatment is HLA dependent.

In January 2024, the Company received MHRA approval to add a third cohort to the SCOPE trial using iSCIB1+. This cohort will recruit 43 advanced unresectable melanoma patients who will receive iSCIB1+ with doublet therapy, consisting of ipilimumab plus nivolumab. Recruitment is expected to start in Q1 2024 with early data available in Q3 2024.

The results from these SCIB1 and iSCIB1+ cohorts, administered in combination with doublet therapy, will enable the Company to make a data-led decision regarding initiation of a randomised Phase 2/3 adapted registration programme in patients with unresectable melanoma, which represents a potential \$1.5 billion per annum market. The Phase 2 part of the adapted trial is anticipated to take 18 months, with the potential to generate attractive licensing opportunities.

Moditope® platform

Moditope® is a versatile proprietary cancer vaccine platform that targets stress-induced post-translational modifications (siPTMs) of proteins. This discovery has allowed Scancell to develop a completely new class of potent and selective therapeutic vaccines. Examples of such modifications include citrullination, an enzyme-based conversion of arginine to citrulline, and homocitrullination, in which lysine residues are converted to homocitrulline. Expression of peptides containing these modifications have been demonstrated to induce potent CD4 cytotoxic T cells that induce anti-tumour activity without any associated toxicity.

Modi-1

Modi-1, which targets citrullinated cancer antigens, is the first therapeutic vaccine candidate to emerge from Scancell's Moditope® platform. Modi-1 consists of three citrullinated tumour-associated peptides exploiting the normal immune response to stressed cells, which is largely mediated by cytotoxic CD4 T cells.

The ModiFY study is an open-label, multi-cohort, multicentre, adaptive Phase 1/2 trial with Modi-1 being administered alone or in combination with CPIs in patients with head and neck, triple negative breast and renal tumours and as a monotherapy in patients with ovarian cancer, where there are no approved CPI therapies and in patients with the other tumour types where CPIs are not indicated.

The ModiFY trial has completed its dose escalation and safety cohorts. Data from patients receiving the Modi-1 cancer vaccine as a monotherapy showed that it was safe and well tolerated and demonstrated encouraging early efficacy in a head and neck cancer patient and in other hard-to-treat cancers such as high grade serous ovarian carcinoma and triple negative breast cancer. All patients had failed on previous treatments and their disease was actively progressing when they entered the study. Following treatment with Modi-1 60% of patients achieved stable disease for at least eight weeks, with some patients experiencing a longer duration of disease stability for four months or more. The number of patients who have experienced long periods of stable disease following monotherapy with Modi-1 is encouraging and similar to the response rate with SCIB1 monotherapy in advanced disease.

The Company believes that combination therapy with checkpoint inhibitors, could further improve outcomes for this patient group. With this intention we will investigate Modi-1 in renal cancer in combination with ipilimumab (Yervoy®) plus nivolumab (Opdivo®) checkpoint inhibitors. This is partly due to a change of standard of care within the treating community and partly because the SCOPE study results suggest that the double checkpoints are ideal in synergising with vaccines.

Early clinical data from patients treated data with Modi-1 plus CPIs is anticipated in 2024.

Modi-2

Modi-2, which targets homocitrullinated cancer antigens, is the second therapeutic vaccine candidate from the Company's Moditope® platform and has the potential to address different cancer indications to Modi-1, including tumours with a particularly immunosuppressive environment.

In November 2022, Scancell in-licensed the SNAPvax™ technology from Vaccitech plc, a clinical-stage biopharmaceutical company engaged in the discovery and development of novel immunotherapies and vaccines. The agreement allows Scancell to formulate and manufacture Modi-2.

Scancell expects that the combination of Modi-2 with this highly effective platform for inducing T cells will lead to a potentially superior therapeutic vaccine candidate.

ANTIBODIES

The GlyMab® and AvidiMab® platforms provide potential out licensing opportunities with active discussions ongoing with Pharmaceutical and Biotech companies.

GlyMab®

The GlyMab® platform provides a powerful and versatile approach to generating novel antibody drug candidates for our own clinical pipeline but also to create upfront, milestone and revenue generating partnerships with other companies in areas such as drug targeting to capitalise on other groups expertise. The GlyMab® antibodies bind to sugar motifs, rather than peptide epitopes, found on the surface of glycosylated proteins and lipids expressed by cancer cells. The Company currently has a pipeline of five anti-glycan monoclonal antibodies (mAbs): SC129, SC134, SC2811, SC88 and SC27 that target solid tumours including pancreatic, small cell lung, colorectal and gastric cancers. All of these drug candidates have now been successfully humanised and are ready for the next stage of development.

In October 2022, Scancell signed its first commercial license agreement with Genmab. Genmab were granted a worldwide license to an anti-glycan monoclonal antibody generated via Scancell's proprietary GlyMab® platform, for the development and commercialisation of novel therapeutic products. The Company received £5.3 million in up front payment as well as potential milestone payments of up to \$208 million for each product developed and commercialised, up to a maximum of \$624 million if Genmab develops and commercialises products across all defined modalities. The Company will also receive low single digit royalties from Genmab on net sales of all commercialised products. Development of this antibody remains on track as it progresses towards potential clinical development.

AvidiMab®

AvidiMab® is a versatile proprietary platform technology that can enhance the avidity and thereby the potency of any antibody. To date, the Scancell has used AvidiMab® in its internal programmes to:

- Engineer the anti-glycan mAbs to improve their ability to directly kill tumour cells.
- Engineer other mAbs to enhance their potency and/or extend their patent lifetime.
- Increase the breadth of response and potency of Scancell's ImmunoBody® cancer products.
- Increase the potency of the T cell response in Scancell's COVID-19 vaccine which in turn should lead to improvements in long-term protection and immunological memory.

The AvidiMab® platform has been successfully applied to internal programmes, including iSCIB1+ and COVIDITY, and holds potential to enhance the efficacy of third-party antibodies.

FINANCIAL REVIEW

Profit or Loss and Other Comprehensive Income Statement

The Group made an operating loss for the six-month period to 31 October 2023 of £8.12 million (six-month period to 31 October 2022: loss of £1.97 million).

Development expenditure has increased to £5.69 million (2022: £4.35 million) as a result of increased costs on the SCOPE and ModIFY clinical trials.

There was a small increase in administrative expenditure to £2.43 million (2022: £2.37 million).

Interest payable of £0.49 million (2022: £0.57 million) largely relates to the interest on the Convertible Loan Notes (CLNs).

The finance gain on revaluation of £4.86 million (2022: expense: £3.48 million) relates to the derivative liability and is the fair value adjustment of the derivative liability at the respective period ends. The finance gain is not a cash item and has no impact on the Company's cashflow.

The loss before taxation for the period amounted to £3.59 million (2022: £5.9 million). The R&D tax credit increased slightly to £1.04 million (2022: £0.98 million) in spite of an increase in development expenditure. This is because the Government has reduced the amount of tax credits payable to companies.

Overall, the loss post tax for the six-month period was £2.55 million (2022: £4.96 million).

Statement of Financial Position

At 31 October 2023, the net liabilities of the Group amounted to £8.4 million (30 April 2023: £6.2 million) including cash at bank of £13.1 million (30 April 2023: £19.9 million). Post period in December 2023, the Company announced it raised gross proceeds of £11.9 million in aggregate (before expenses) through a capital raise with significant participation from both existing and new healthcare specialist investors.

Current assets include tax receivable due at the end of the period of £3.9 million (April 2023: £4.7 million) and relate to the R&D tax credit for the year ended 30 April 2023 amounting to £2.4 million plus an estimate of the amount recoverable at 31 October 2023.

Within liabilities are CLNs and Derivative Liabilities. The total amount of the CLNs which remain outstanding is £19.65 million which are due to be redeemed in August 2025 (£1.75 million) and November 2025 (£17.9 million).

The Derivative Liabilities represents the fair value of the conversion feature of the CLN at the time of issue of the CLNs with changes in value being shown in the Consolidated Profit or Loss and Other Comprehensive Income Statement as a finance credit or expense.

The current Trade and other payables have reduced to £1.7 million (April 2023: £3.0 million). All balances owing to suppliers at the end of the six-month period were paid in accordance with their terms and conditions.

Consolidated Cash Flow Statement

As at 31 October 2023, Company bank balances amounted to £13.1 million (April 2023: £19.9 million). The reduction in bank balances during the six-month period is primarily due to net cash used in operating activities of £8.5 million (30 April 2023: £9.4 million). This expenditure has been offset by the R&D tax credit received of £1.7 million (30 April 2023: £1.2 million).

OUTLOOK

Given the significant clinical and commercial milestones achieved in the period, positive early efficacy data, and with sufficient resources to fund our current strategy, the Company is confident it will achieve its near-term clinical milestones. Key near-term milestones include:

- Second stage of SCOPE study in advanced melanoma with SCIB1 anticipated to complete recruitment in Q1 2024 with data available in Q3 2024
- iSCIB1+ cohort of the SCOPE study to start recruitment in Q1 2024 with clinical data expected in Q3 2024
- Phase 2/3 randomised adaptive registration trial readiness with trial to begin H2 2024
- ModiFY trial data, including renal cell carcinoma with double checkpoint inhibitors expected in 2024
- Continue to progress out-licensing opportunities for the GlyMab® and AvidiMab® platforms providing a source of non-dilutive cash to drive the Company's other assets forward in development.

The Board is pleased with the progress that the Company has achieved over the period and would like to thank our investors and staff for their continued support.

Professor Lindy Durrant
Chief Executive Officer

29 January 2024

Scancell Holdings plc
Consolidated Profit or Loss and Other Comprehensive Income Statement
for the 6-month period to 31 October 2023

	Unaudited 6 months 31/10/2023	Unaudited 6 months 31/10/2022 Restated¹	Audited Year to 30/04/2023
	£'000	£'000	£'000
Continuing operations			
Revenue	-	5,271	5,271
Cost of Sales	-	(525)	(525)
Gross Profit	-	4,746	4,746
Development expenses	(5,693)	(4,347)	(11,645)
Administrative expenses	(2,427)	(2,373)	(5,021)
OPERATING LOSS	(8,120)	(1,974)	(11,920)
Interest receivable and similar income	161	81	284
Interest payable	(493)	(567)	(1,215)
Finance gain/ (expense) relating to revaluation of derivative liability	4,864	(3,476)	(1,453)
Gain on substantial modification of convertible loan notes	-	-	-
(LOSS)/PROFIT BEFORE TAXATION	(3,588)	(5,936)	(14,304)
Tax on loss on ordinary activities	1,040	980	2,368
(LOSS) FOR THE PERIOD	(2,548)	(4,956)	(11,936)
EARNINGS PER ORDINARY SHARE (PENCE) Note 2			
Basic	(0.31)p	(0.61)pp	(1.46)p

¹ Please refer to note 5 for further details on the prior period restatement

Scancell Holdings plc
Consolidated Statement of Changes in Equity
for the 6-month period to 31 October 2023

	Share capital £'000	Share premium account £'000	Share option reserve £'000	Retained earnings £'000	Total Equity £'000
	<i>Unaudited</i>	<i>Unaudited</i>	<i>Unaudited</i>	<i>Unaudited</i>	<i>Unaudited</i>
At 1 May 2023	819	65,181	2,123	(74,356)	(6,233)
Share issue	1	34	-	-	35
(Loss) for the period	-	-	-	(2,548)	(2,548)
Share option costs	-	-	383	-	383
At 31 October 2023	820	65,215	2,506	(76,904)	(8,363)
At 1 May 2022	815	65,019	1,395	(49,119)	18,110
Prior Period Restatement	-	-	-	(13,301)	(13,301)
At 1 May 2022 (Restated) ¹	815	65,019	1,395	(62,420)	4,809
Loss for the period	-	-	-	(4,956)	(4,956)
Share option costs	-	-	481	-	481
At 31 October 2022	815	65,019	1,876	(67,376)	334
	<i>Audited</i>	<i>Audited</i>	<i>Audited</i>	<i>Audited</i>	<i>Audited</i>
At 1 May 2022	815	65,019	1,395	(62,420)	4,809
Share Issue	4	162	-	-	166
(Loss) for the year	-	-	-	(11,936)	(11,936)
Share option costs	-	-	728	-	728
At 30 April 2023	819	65,181	2,123	(74,356)	(6,233)

¹ Please refer to note 5 for further details on the prior period restatement

Scancell Holdings plc
Consolidated Statement of Financial Position
as at 31 October 2023

	Unaudited 31/10/2023	Unaudited 31/10/2022 Restated ¹	Audited 30/04/2023
	£'000	£'000	£'000
ASSETS			
Non-current assets			
Tangible fixed assets	983	1,467	1,246
Right of use assets	845	1,124	1,003
Goodwill	3,415	3,415	3,415
	<u>5,243</u>	<u>6,006</u>	<u>5,664</u>
Current assets			
Trade and other receivables	476	5,612	538
Income tax assets	3,454	2,760	4,148
Cash and cash equivalents	13,079	24,035	19,920
	<u>17,009</u>	<u>32,407</u>	<u>24,606</u>
TOTAL ASSETS	<u>22,252</u>	<u>38,413</u>	<u>30,270</u>
LIABILITIES			
Non-current liabilities			
Convertible Loan note	(18,947)	(18,396)	(18,481)
Derivative liability	(9,136)	(16,022)	(14,000)
Lease liabilities	(562)	(831)	(746)
	<u>(28,645)</u>	<u>(35,249)</u>	<u>(33,227)</u>
Current liabilities			
Trade and other payables	(1,664)	(2,511)	(2,970)
Lease liabilities	(306)	(319)	(306)
	<u>(1,970)</u>	<u>(2,830)</u>	<u>(3,276)</u>
TOTAL LIABILITIES	<u>(30,615)</u>	<u>(38,079)</u>	<u>(36,503)</u>
NET (LIABILITIES)/ASSETS	<u>(8,363)</u>	<u>334</u>	<u>(6,233)</u>
TOTAL EQUITY			
Called up share capital	820	815	819
Share premium account	65,215	65,019	65,181
Share option reserve	2,506	1,876	2,123
Retained earnings	(76,904)	(67,376)	(74,356)
	<u>(8,363)</u>	<u>334</u>	<u>(6,233)</u>

¹ Please refer to note 5 for further details on the prior period restatement

Scancell Holdings plc
Consolidated Cash Flow Statement
for the 6-month period to 31 October 2023

	Unaudited 6 months 31/10/2023 £'000	Unaudited 6 months 31/10/2022 Restated ¹ £'000	Audited Year to 30/04/2023 £'000
Cash flows from operating activities			
(Loss) before tax for the period	(3,588)	(5,936)	(14,304)
Adjustments for:			
Finance income	(161)	(81)	(284)
Lease interest paid	24	28	54
Convertible Loan note interest	468	539	1,161
Finance (gain)/expense relating to derivative	(4,864)	3,476	1,453
Gain on substantial modification of CLNs	-	-	-
Depreciation	276	261	536
Amortisation of right of use asset	158	197	366
Share based payment charge	383	481	728
Cash used in operations before changes in working capital	(7,304)	(1,035)	(10,290)
Decrease/(increase) in trade and other receivables	62	(4,965)	111
(Decrease)/increase in trade and other payables	(1,306)	373	829
Cash used in operations	(8,548)	(5,627)	(9,350)
Tax credits received	1,734	1,210	1,210
Net cash used in operating activities	(6,814)	(4,417)	(8,140)
Cash flows from investing activities			
Purchase of tangible fixed assets	(13)	(149)	(203)
Finance income	161	81	284
Net cash (used in) investing activities	148	(68)	81
Financing activities			
Proceeds from issue of share capital	35	-	166
Convertible loan interest paid	-	-	(537)
Lease payments	(210)	(205)	(375)
Net cash generated from financing activities	(175)	(205)	(746)
Net increase/(decrease) in cash and cash equivalents	(6,841)	(4,690)	(8,805)
Cash and cash equivalents at beginning of the year	19,920	28,725	28,725
Cash and cash equivalents at end of the period	13,079	24,035	19,920

¹ Please refer to note 5 for further details on the prior period restatement.

Scancell Holdings plc
Notes to the Interim Financial Statements
for the 6-month period to 31 October 2023

1 Basis of preparation

This interim statement for the 6-month period to 31 October 2023 is unaudited and was approved by the Directors on 29 January 2024. The financial information contained in the interim report has been prepared in accordance with the accounting policies set out in the annual report and accounts for the year ended 30 April 2023.

The financial information contained in the interim report does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. The financial information for the full preceding year is based on the statutory accounts for the year ended 30 April 2023, upon which the auditors, BDO LLP, issued an unqualified audit opinion which did not contain any statement under section 498(2) or 498(3) of the Companies Act 2006. The audited statutory accounts for the year ended 30 April 2023 have been submitted to the Registrar of Companies.

As permitted, this interim report has been prepared in accordance with AIM Rule 18 and not in accordance with IAS 34 “Interim Financial Reporting” therefore it is not fully in compliance with IFRS as adopted by the European Union.

2 Earnings per share

Basic earnings per share, from continuing operations, is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

The calculations of earnings per share are based on the following losses and numbers of shares.

	6 months to 31/10/2023 £'000	6 months to 31/10/2022¹ £'000	Year ended 30/04/2023 £'000
(Loss) after taxation	(2,548)	(4,956)	(11,936)
	Number	Number	Number
Weighted average number of shares used in basic eps	819,024,113	815,218,831	816,051,311
Basic earnings per share	(0.31)p	(0.61)p	(1.46)p

Diluted loss per share

As the Group is reporting a loss from continuing operations for all period then, consequentially, the share options are not considered dilutive because the exercise of the share options would have the effect of reducing the loss per share.

At the 31 October 2023 the issued share capital amounted to 819,663,461 ordinary shares.

3 Taxation

Taxation for the 6 months ended 31 October 2023 is based on the effective rates of taxation which are estimated to apply for the year ended 30 April 2024.

4 Interim results

These results were approved by the Board of Directors on 29 January 2023. Copies of the interim report are available to the public from the Group’s registered office and the Group’s website, www.scancell.co.uk.

¹ Please refer to note 5 for further details on the prior period restatement

5 Prior Period Restatement

The Company reviewed the valuation and accounting for convertible loan notes and identified certain corrections required to the prior periods' Group and company results. This is fully described in note 24 to the consolidated financial statements, included in the Annual Report and Accounts for the year ended 30 April 2023.

This prior period restatement also resulted in adjustments to the cashflow statements, in respect of adjusting loss before tax, non-cash revaluation gains/losses and non-cash interest payable. The restatement impact on the results to 31 October 2022 is shown in appendix 1.

There was no impact on cash itself and the prior period restatement does not impact the convertible loans' notional amounts or maturity dates disclosed. The consolidated financial statements are available on the Company website.

6 Subsequent Events

In December 2023, the Company announced it raised gross proceeds of £11.9 million in aggregate (before expenses) through a capital raise. This comprised of (i) gross proceeds of £10.7 million in aggregate through the Placing and the Subscription with significant participation from both existing and new healthcare specialist investors and (ii) gross proceeds of £1.2 million through the Open Offer reflecting renewed support from existing shareholders. Following the capital raise, the issued share capital of the company will be 927,819,977.

Appendix 1: Impact of Prior Period Restatement

Consolidated Profit or Loss and Other Comprehensive Income Statement for the 6-month period to 31 October 2022

	Reported 6 months 31/10/2022	Restatement	Restated 6 months 31/10/2022
	£'000	£'000	£'000
Continuing operations			
Revenue	5,271	-	5,271
Cost of Sales	(525)	-	(525)
Gross Profit	4,746	-	4,746
Development expenses	(4,347)	-	(4,347)
Administrative expenses	(2,373)	-	(2,373)
OPERATING LOSS	(1,974)	-	(1,974)
Interest receivable and similar income	81	-	81
Interest payable	(1,343)	776	(567)
Finance gain/ (expense) relating to revaluation of derivative liability	(910)	(2,566)	(3,476)
Gain on substantial modification of convertible loan notes	-	-	-
(LOSS)/PROFIT BEFORE TAXATION	(4,146)	(1,790)	(5,936)
Tax on loss on ordinary activities	980	-	980
(LOSS) FOR THE PERIOD	(3,166)	(1,790)	(4,956)
EARNINGS PER ORDINARY SHARE (PENCE) Note 2			
Basic	(0.39)p	(0.22)p	(0.61)p

Appendix 1: Impact of Prior Period Restatement (Continued)
Consolidated Statement of Financial Position as at 31 October 2022

	Reported 31/10/2022	Restatement	Restated 31/10/2022
	£'000	£'000	£'000
ASSETS			
Non-current assets			
Tangible fixed assets	1,467	-	1,467
Right of use assets	1,124	-	1,124
Goodwill	3,415	-	3,415
	<u>6,006</u>	<u>-</u>	<u>6,006</u>
Current assets			
Trade and other receivables	5,612	-	5,612
Income tax assets	2,760	-	2,760
Cash and cash equivalents	24,035	-	24,035
	<u>32,407</u>	<u>-</u>	<u>32,407</u>
TOTAL ASSETS	<u>38,413</u>	<u>-</u>	<u>38,413</u>
LIABILITIES			
Non-current liabilities			
Convertible Loan note	(8,322)	(10,074)	(18,396)
Derivative liability	(11,005)	(5,017)	(16,022)
Lease liabilities	(831)	-	(831)
	<u>(20,158)</u>	<u>(15,091)</u>	<u>(35,249)</u>
Current liabilities			
Trade and other payables	(2,511)	-	(2,511)
Lease liabilities	(319)	-	(319)
	<u>(2,830)</u>	<u>-</u>	<u>(2,830)</u>
TOTAL LIABILITIES	<u>(22,988)</u>	<u>(15,091)</u>	<u>(38,079)</u>
NET (LIABILITIES)/ASSETS	<u>15,425</u>	<u>(15,091)</u>	<u>334</u>
TOTAL EQUITY			
Called up share capital	815	-	815
Share premium account	65,019	-	65,019
Share option reserve	1,876	-	1,876
Retained earnings	(52,285)	(15,091)	(67,376)
	<u>15,425</u>	<u>(15,091)</u>	<u>334</u>

Appendix 1: Impact of Prior Period Restatement (Continued)

Consolidated Cash Flow Statement for the 6-month period to 31 October 2022

	Reported 6 months 31/10/2022 £'000	Restatement 6 months £'000	Restated Year to 31/10/2022 £'000
Cash flows from operating activities			
(Loss) before tax for the period	(4,146)	(1,790)	(5,936)
Adjustments for:			
Finance income	(81)	-	(81)
Lease interest paid	28	-	28
Convertible Loan note interest	1,315	(776)	539
Finance (gain)/expense relating to derivative	910	2,566	3,476
Gain on substantial modification of CLNs	-	-	-
Depreciation	261	-	261
Amortisation of right of use asset	197	-	197
Share based payment charge	481	-	481
Cash used in operations before changes in working capital	(1,035)	-	(1,035)
Decrease/(increase) in trade and other receivables	(4,965)	-	(4,965)
(Decrease)/increase in trade and other payables	373	-	373
Cash used in operations	(5,627)	-	(5,627)
Tax credits received	1,210	-	1,210
Net cash used in operating activities	(4,417)	-	(4,417)
Cash flows from investing activities			
Purchase of tangible fixed assets	(149)	-	(149)
Finance income	81	-	81
Net cash (used in) investing activities	(68)	-	(68)
Financing activities			
Proceeds from issue of share capital	-	-	-
Convertible loan interest paid	-	-	-
Lease payments	(205)	-	(205)
Net cash generated from financing activities	(205)	-	(205)
Net increase/(decrease) in cash and cash equivalents	(4,690)	-	(4,690)
Cash and cash equivalents at beginning of the year	28,725	-	28,725
Cash and cash equivalents at end of the period	24,035	-	24,035