This announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) No 596/2014.

Acacia Pharma Group plc

Interim Results for the Six Months ended 30 June 2021 - Barhemsys® and Byfavo® Launches Continue to Achieve Strong Hospital Formulary Adoption

- Barhemsys® and Byfavo® launches continue to show strong progress gaining formulary access in 107 additional accounts over the past 3 months
- For Barhemsys – 260 accounts on formulary with >80% win rate to date and well on track to meet annual formulary goal (300 accounts) by year end
- For Byfavo – 95 accounts on formulary with >90% win rate to date, and on track to meet our annual formulary goal (150 accounts) by year end

Cambridge, UK and Indianapolis, US – 30 September 2021: Acacia Pharma Group plc ("Acacia Pharma", the "Group" or the "Company") (EURONEXT: ACPH), a hospital pharmaceutical company focused on the development and commercialization of new products aimed at improving the care of patients undergoing significant treatments such as surgery, other invasive procedures or cancer chemotherapy, announces its results for the six month period ended 30 June 2021 and provides an update on the commercial progress of Barhemsys® and Byfavo® in the United States.

A presentation of interim results by Acacia Pharma's senior management team will be webcast (listen only) live later today 30 September at 14.00 CEST (08.00 EST) and participants can register by clicking here or from www.acaciapharma.com. A replay will be available after the event at the same link.

International conference call dial-in details are noted below with callers able to participate in a Q&A.

The results report will be available at **www.acaciapharma.com** in the Investors section from 07.00 CEST today and the presentation will be made available before the start of the call.

As previously announced, Acacia will also hold a KOL webinar later today at 18.00 CEST/12.00 EDT to discuss the hospital user experience with Barhemsys and Byfavo. Advanced registration is required, and details can be found on our website under the Media/Events section.

Commenting on the results, Mike Bolinder, Chief Executive Officer, said: "We continue to make significant progress towards becoming a leading US hospital pharmaceutical company. During the first half, our team has done an exceptional job executing on our corporate objectives, despite the challenging operating environment posed by the global pandemic. The commercial launches of both Barhemsys and Byfavo are making excellent progress in terms of formulary access, the most important measure of success in this early phase of their commercialization. Given this strong performance, we remain on track to meet our annual formulary goals for both products.

"One key early indicator of the sales potential of both products is the overwhelmingly positive feedback we have received from customers about their initial experiences. They have been very impressed at how rapidly both drugs have been able to improve their care for patients.

"We continue to experience high levels of engagement and support from Key Opinion Leaders and many of the largest academic institutions across the country. We have already begun the pediatric study for Byfavo at study sites in some of the most well-known and respected pediatric centers in the U.S.

"With Barhemsys, we are planning to initiate our Phase 4 PROMPT study, which is designed to gather real-world evidence on the benefits of using the drug. We believe this study can help quantify and document the difference Barhemsys makes in the real-world setting which will provide further important data to support our marketing efforts. We are also very pleased to report that the Marketing Authorization Application (MAA) for Barhemsys has been submitted, validated and is now under formal review in major European markets and we are working diligently to progress international licensing agreements ahead of the product's anticipated European approval in 2022.

"Lastly, we have continued to make strong progress at the corporate level. We raised €27m (c$33m) in February, made an early repayment of the outstanding Hercules loan facility thereby lowering our borrowing costs and continue to tightly manage our cash burn. Additionally, we were very excited to have appointed

Deb Hussain as our new Chief Commercial Officer who brings tremendous knowledge and experience to the organization."

Operating Highlights for First Half 2021

- Barhemsys and Byfavo launches continue to track well despite the challenging operating environment caused by the global pandemic

    - **Barhemsys** (amisulpride injection)
        - Sales team began customer engagement in October 2020
        - To date, 260 accounts on formulary with >80% win rate
        - Well on track to meet our formulary goal (300 accounts) by year end despite continued COVID-19 related access restrictions
        - Partnering with key institutions to begin the Barhemsys PROMPT study to gather real-world evidence
        - MAA submitted, validated and now under formal review in major European markets

    - **Byfavo** (remimazolam injection)
        - Launched in the U.S. at the end of January 2021
        - To date, 95 accounts on formulary with >90% win rate
        - On track to meet our formulary goal (150 accounts) by year end
        - Byfavo pediatric study initiated

- Commercial traction for both products continues to be strong
    - Positive feedback from customers on initial experience with Byfavo and Barhemsys
    - Engagement with KOLs and key institutions remains high
    - Phase 4 studies being initiated to expand usage
    - Significant addressable markets for both products

- Appointment of new Chief Commercial Officer
    - Deb Hussain joined as Chief Commercial Officer in May 2021 after having spent over 20 years at Eli Lilly and Company, where she led some of the largest and most successful brands in the industry and had profit and loss responsibility for over $2 billion of revenue.

Financial Highlights

Results are presented in US$, reflecting the currency of the majority of expected costs and revenues

- Equity financing of €27m (c$33m) completed in February 2021. Early repayment of Hercules loan completed in May 2021
- Cash and cash equivalents were $47.1m at 30 June 2021 (30 June 2020: $24.6m, 31 December 2020: $46.7m)
- Net revenue for the first half of 2021 was $0.4m (1H 2020: $0.0m)
- Operating loss for the period was $24.9m (1H 2020: $12.8m) as the Group has invested in the launch and commercialization of Barhemsys and Byfavo
    - G&A costs increased $4.1m in 1H 2021 to $8.5m (1H 2020: $4.4m) mainly as a result of the amortization of the Byfavo license ($4.1m)
    - R&D activities have been focused on meeting FDA post-marketing commitments for both Barhemsys and Byfavo. R&D costs in the first half of 2021 increased to $2.1m (1H 2020: $0.6m) as the development activities in relation to our post-marketing commitments were initiated
- Basic loss per share for the first half of 2021 was $0.31 (H1 2020: $0.24) reflecting greater commercial spend and incorporating an increase of 24.8 million shares following the equity raises in August 2020 and February 2021 (1H 2021: 88.7 million average shares outstanding; 1H 2020: 63.9 million average shares outstsanding).

Summary and Outlook for 2021

Acacia Pharma is on track to meet its formulary goals for both Barhemsys and Byfavo for the full year 2021 and the Company has been very encouraged by the positive user feedback received for both products.

The markets being addressed initially are large and the Company is confident that these products will successfully address the current unmet needs in PONV and procedural sedation. A series of Phase 4 studies is now being initiated to provide further impetus and data to expand into additional market segments for both Barhemsys and Byfavo over the longer term.

Furthermore, with the highly experienced team put in place and the strong early foundation being built for Barhemsys and Byfavo through formulary access, we believe Acacia Pharma is well positioned to deliver significant commercial success in the future.

Conference call dial-in details

To join the conference call by telephone, please dial-in 5-10 minutes prior to the start using the password **Acacia Pharma** and any of the phone numbers provided below.

Belgium Toll Free Stavelot: 0800 746 68
Netherlands Toll Free: 0 800 022 9132
UK-Wide: +44 (0) 33 0551 0200
UK Toll Free: 0808 109 0700
New York USA: +1 212 999 6659
USA Toll Free: 1 866 966 5335

Password: Acacia Pharma

Contacts

Acacia Pharma Group plc
Mike Bolinder, CEO
Gary Gemignani, CFO
+44 1223 919760 / +1 317 505 1280
IR@acaciapharma.com

International Media
Frazer Hall, Mark Swallow, David Dible
Citigate Dewe Rogerson
+44 20 7638 9571
acaciapharma@citigatedewerogerson.com

US Investors
LifeSci Advisors
Irina Koffler
+1 917-734-7387
ikoffler@lifesciadvisors.com

Media in Belgium and the Netherlands
Chris Van Raemdonck
+32 499 58 55 31
chrisvanraemdonck@telenet.be

About Acacia Pharma

Acacia Pharma is a hospital pharmaceutical company focused on the development and commercialization of new products aimed at improving the care of patients undergoing significant treatments such as surgery, other invasive procedures, or cancer chemotherapy. The Company has identified important and commercially attractive unmet needs in these areas that its product portfolio aims to address.

Acacia Pharma's first product, Barhemsys® (amisulpride injection) is available in the US for the management of postoperative nausea & vomiting (PONV).

Byfavo® (remimazolam) for injection, a very rapid onset/offset IV benzodiazepine sedative is approved and launched in the US for use during invasive medical procedures in adults lasting 30 minutes or less, such as colonoscopy and bronchoscopy. Byfavo is in-licensed from Paion UK Limited for the US market.

APD403 (intravenous and oral amisulpride), a selective dopamine antagonist for chemotherapy induced nausea & vomiting (CINV) has successfully completed one proof-of-concept and one Phase 2 dose-ranging study in patients receiving highly emetogenic chemotherapy.

Acacia Pharma has its US headquarters in Indianapolis, IN and its R&D operations are centred in Cambridge, UK. The Company is listed on the Euronext Brussels exchange under the ISIN code GB00BYWF9Y76 and ticker symbol ACPH.

www.acaciapharma.com

Forward looking statements

This announcement includes forward-looking statements, which are based on current expectations and projections about future events. These statements may include, without limitation, any statements preceded by, followed by or including words such as "believe", "expect", "intend", "may", "plan", "will", "should", "could" and other words and terms of similar meaning or the negative thereof. Forward-looking statements may and often do differ materially from actual results. These forward-looking statements are subject to risks, uncertainties and assumptions about the Company and its subsidiaries and investments, including, among other things, the development of its business, trends in its operating industry, and future capital expenditures and acquisitions. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Any forward-looking statements reflect the Company's current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Group's business, results of operations, financial position, prospects, growth or strategies and the industry in which it operates. Save as required by law or applicable regulation, the Company and its affiliates expressly disclaim any obligation or undertaking to update, review or revise any forward-looking statement contained in this announcement whether as a result of new information, future developments or otherwise. Forward-looking statements speak only as of the date they are made.

OPERATING REVIEW

We continue to make significant progress in our aim to become a leading US hospital pharmaceutical company. During the first half of the year, our team has done an exceptional job executing on our corporate objectives, despite the challenging operating environment posed by the global pandemic.

The commercial launches of both Barhemsys and Byfavo have shown excellent progress. In this first year following launch we continue to be very focused on formulary access, since this is the most important measure of success in the early phase of commercialization for any hospital product. Our team has been working through the challenges posed by the pandemic and doing an excellent job finding ways to succeed in driving formulary access for our products by engaging virtually with customers and making the most of live interactions whenever possible. Given this early success, we remain on track to meet our annual formulary goals for both products.

One key early indicator of the sales potential of both products is the overwhelmingly positive feedback we have received from customers about their initial experiences. They have been impressed at how rapidly both drugs have been able to improve their care for patients while offering the potential to save costs for the hospital at the same time.

We continue to experience very high levels of engagement and support from Key Opinion Leaders and many of the largest academic institutions across the country. We have initiated the pediatric study for Byfavo at study sites in some of the most well-known and respected pediatric centers in the US.

With Barhemsys, we are planning to begin our Phase 4 PROMPT study, which is designed to gather real-world evidence on the benefits of using the drug outside of a more controlled clinical trial. We believe this study can help quantify and document the difference Barhemsys makes in the real-world setting which will provide further data to support our marketing efforts. Additionally, we are very pleased to report that the MAA for Barhemsys has been submitted, validated and is now under formal review in major European markets and we are working diligently to progress international licensing agreements ahead of the product's anticipated European approval in 2022.

We have continued to make strong progress at the corporate level which provides support for the excellent work carried out by our medical and commercial teams. In February, we completed a capital raise of €27m ($33m) by way of a placing of new ordinary shares providing the Group with additional financial resources to fund the continued launch and roll out of Barhemsys and Byfavo. This capital raise allowed us to make an early repayment of the outstanding Hercules loan facility thereby lowering our overall borrowing costs.

We continue to tightly manage our expenditures and cash burn and ended the period with $47.1m of cash and cash equivalents, which we believe will fund our operations through Q2 2022.

Additionally, we were very excited to have appointed Deb Hussain as our new Chief Commercial Officer who brings tremendous knowledge and experience to the organization. Deb joined the company in May, and we are fortunate to be able to attract someone of her calibre and experience to our senior executive team.

This highly experienced team that we have in place and the strong early foundation built for Barhemsys and Byfavo in the US means Acacia Pharma is well placed to deliver significant commercial success in the future.

Mike Bolinder,
Chief Executive Officer

FINANCIAL REVIEW

Sales & marketing costs

As we transition from a research and development led business towards the launch and commercialization of Barhemsys and Byfavo, our expenditures have shifted towards sales and marketing costs. Consequently, sales and marketing costs for the first half of 2021 increased in comparison to prior year reaching $14.8m (1H 2020: $7.8m), as a result of the increased commercial activities to support the launches of our two key products.

General & administrative costs

General and administrative costs increased by $4.1 in 1H 2021 to $8.5m (1H 2020: $4.4m), mainly as a result of the amortization of the Byfavo license ($4.1m).

Research & development (R&D) expenses

R&D activities have been focused on meeting our further FDA post marketing commitments for both Barhemsys and Byfavo. R&D costs in the first half of 2021 increased to $2.1m (1H 2020: $0.6m) as the development activities in relation to our post-marketing commitment studies were initiated.

Operating loss

The operating loss for the period was $24.9m (1H 2020: $12.8m) reflecting the costs associated with the launches of Byfavo and Barhemsys.

Financial expense/income

Net finance expense for the first half of 2021 was $2.6m (1H 2020: $2.5m). The finance expense in 2021 relates primarily to interest payable on the Hercules Capital term loan and Cosmo loan ($1.5m), the early repayment charge on the Hercules loan ($0.4m) and foreign exchange losses ($0.7m).

Taxation

The Group has claimed UK R&D tax credits in respect of prior years. The claim for 2020 has been estimated at $0.6m and for the first half of 2021, $0.2m. Given the uncertainty surrounding the timing of using tax losses, no deferred tax asset has been recognized.

Loss per share

Basic loss per share for the first half of 2021 was $0.31 (H1 2020: $0.24) reflecting greater commercial spend and incorporating an increase of 24.8 million shares following the equity raises in August 2020 and February 2021 (1H 2021: 88.7 million average; 1H 2020: 63.9 million average.

Current assets

Current assets in the period increased to $53.5m as at 30 June 2021 (30 June 2020: $25.5m, 31 December 2020: $50.4m), with higher cash balances driven by the equity raises in August 2020 and February 2021.

Non-current assets

Non-current assets as at 30 June 2021 increased to $49.0m (30 June 2020: $11.5m, 31 December 2020: $52.4m) as a result of the in-licensing of Byfavo in 2020.

Non-current liabilities

Non-current liabilities as at 30 June 2021 increased to $29.5m (30 June 2020: $2.7m, 31 December 2020: $31.3m) due to the drawdown of the Cosmo loans in July and September 2020.

Current liabilities

Current liabilities decreased to $7.5m as at 30 June 2021 (30 June 2020: $8.6m, 31 December 2020: $11.1m) as a result of the early repayment of the Hercules loan, offset by an increase in committed inventory spend, together with an increase in trade payables reflecting increased sales and marketing activities.

Cash flow

Cash outflow from operating activities in 1H 2021 increased to $19.9m (1H 2020: $11.9m) mainly as a result of the planned increase in sales and marketing activities. Cash and cash equivalents were $47.1m at 30 June 2021 (30 June 2020: $24.6m, 31 December 2020: $46.7m).

Gary Gemignani
Chief Financial Officer

Consolidated Statement of Comprehensive Income

	Note	**Six months ended 30 June 2021 Unaudited $'000**	Six months ended 30 June 2020 Unaudited $'000	Year ended 31 December 2020 Audited $'000
Revenue		**441**	-	211
Cost of Sales		**(63)**	-	(29)
Gross Profit		**378**	-	182
Continuing operations:				
Research and development expenditure		**(2,130)**	(623)	(99)
Sales and marketing expenses		**(14,746)**	(7,781)	(19,438)
Administrative expenses		**(8,464)**	(4,373)	(11,566)
Operating loss		**(24,962)**	(12,777)	(30,921)
Finance income	3	**1**	39	41
Finance expenses	4	**(2,561)**	(2,523)	(3,212)
Loss before income tax		**(27,522)**	(15,261)	(34,092)
Tax on loss	5	**209**	65	614
Loss for the period		**(27,313)**	(15,196)	(33,478)

	Six months ended 30 June 2021 Unaudited $'000	Six months ended 30 June 2020 Unaudited **$'000**	Year ended 31 December 2020 Audited $'000
Loss for the financial year	**(27,313)**	(15,196)	(33,478)
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations	**334**	360	3,218
Other comprehensive expense for the financial year	**334**	360	3,218
Total comprehensive expense for the financial year	**26,977**	(14,836)	(30,260)

Consolidated Statement of Financial Position

Registration number 05934843

	Note	30 June 2021 Unaudited $'000	30 June 2020 Unaudited $'000	31 December 2020 Audited $'000
Assets				
Non-Current Assets				
Intangibles	8	**48,799**	11,180	52,168
Right-of-use asset	9	**230**	325	277
Total Non-Current Assets		**49,029**	11,505	52,445
Current Assets				
Trade and other receivables	10	**691**	221	461
Current income tax assets		**790**	700	574
Inventories	11	**4,889**	-	2,662
Cash and cash equivalents	12	**47,138**	24,612	46,693
Total Current Assets		**53,508**	25,533	50,390
Total Assets		**102,537**	37,038	102,835
Equity and Liabilities				
Equity attributable to equity holders				
Called up share capital	13	**2,796**	1,954	2,518
Share premium account	13	**188,604**	110,083	158,449
Profit and loss account		**(29,591)**	16,029	(2,269)
Share based payment reserve		**8,103**	5,171	6,485
Merger reserve		**(106,625)**	(106,625)	(106,625)
Foreign currency translation reserve		**2,302**	(890)	1,968
Treasury Shares		**(32)**		(41)
Total Equity		**65,566**	25,722	60,485
Liabilities				
Non-current liabilities				
Loans and borrowings	15	**29,466**	2,719	31,275
Current liabilities				
Trade and other payables	14	**7,385**	3,184	5,657
Loans and other borrowings	15	**120**	5,413	5,418
		7,505	8,597	11,075
Total Liabilities		**36,971**	11,316	42,350
Total Equity and Liabilities		**102,537**	37,038	102,835

Consolidated Cash Flow Statement

	Note	**Six months ended 30 June 2021 $'000**	Six months ended 30 June 2020 $'000	Year ended 31 December 2020 $'000
Cash flows from operating activities:				
Cash used in operations	16	**(19,929)**	(11,942)	(26,104)
Income tax credit received			-	740
Net cash used in operating activities		**(19,929)**	(11,942)	(25,364)
Cash flows from investing activities:				
Interest received		**1**	39	41
Net cash generated from investing activities		**1**	39	41
Cash flows from financing activities:				
Proceeds of issuance of Ordinary Shares	13	**33,127**	22.339	51,933
Issue costs of Ordinary Shares	13	**(2,715)**	(255)	(3,533)
Exercise of share options		**30**	-	-
Repayments of lease liabilities		**(59)**	(58)	(115)
Loan proceeds		**-**		13,910
Loan repayments	15	**(5,452)**	(2,221)	(4,621)
Interest and fees paid on loans		**(2,535)**	(427)	(1,586)
Net cash generated from financing activities		**22,396**	19,378	55,988
Net increase / (decrease) in cash and cash equivalents		**2,460**	7,475	30,665
Cash and cash equivalents at beginning of the period		**46,693**	17,009	17,009
Effect of exchange rate movements on cash held		**(2,025)**	128	(981)
Cash and cash equivalents at end of the period	12	**47,138**	24,612	46,693

Statement of Changes in Equity

	Issued Share Capital $'000	Share Premium $'000	Profit and Loss account $'000	Merger reserve $'000	Share based payment reserve $'000	Foreign currency translation reserve $'000	Treasury Shares $'000	Total Equity $'000
Balance at 1 January 2020	**1,619**	**75,588**	**31,225**	**(106,625)**	**3,791**	**(1,250)**	**-**	**4,348**
Loss for the period	-	-	(15,196)	-	-	-	-	(15,196)
Exchange differences	-	-	-	-	-	360	-	360
Total comprehensive expense for the period	-	-	(15,196)	-	-	360	-	(14,836)
Transactions with Owners								
Issue of Ordinary Shares	335	34,750	-	-	-	-	-	35,085
Costs of issue of Ordinary Shares	-	(255)	-	-	-	-	-	(255)
Employee share option scheme	-	-	-	-	1,380	-	-	1,380
Balance at 30 June 2020	**1,954**	**110,083**	**16,029**	**(106,625)**	**5,171**	**(890)**	**-**	**25,722**
Balance at 1 July 2020	**1,954**	**110,083**	**16,029**	**(106,625)**	**5,171**	**(890)**	**-**	**25,722**
Loss for the period	-	-	(18,282)	-	-	-	-	(9,720)
Exchange differences	-	-	-	-	-	2,858	-	(169)
Total comprehensive expense for the period	-	-	(18,282)	-	-	2,858	-	(9,889)
Transactions with Owners								
Issue of Ordinary Shares	497	51,644	-	-	-	-	-	180
Costs of issue of Ordinary Shares	-	(3,278)	-	-	-	-	-	(8)
Issue of Ordinary Shares to the EBT	-	-	-	-	-	-	(57)	(57)
Transfer of shares to employees from EBT	-	-	-	-	-	-	16	16
Employee share option scheme	-	-	-	-	1,314	-	-	2,437
Balance at 31 December 2020	**2,518**	**158,449**	**(2,269)**	**(106,625)**	**6,485**	**1,968**	**(41)**	**60,485**

	Issued Share Capital $'000	Share Premium $'000	Profit and Loss account $'000	Merger reserve $'000	Share based payment reserve $'000	Foreign currency translation reserve $'000	Treasury Shares $'000	Total Equity $'000
Balance at 1 January 2021	**2,518**	**158,449**	**(2,269)**	**(106,625)**	**6,485**	**1,968**	**(41)**	**60,485**
Loss for the period	-	-	(27,313)	-	-	-		(27,313)
Exchange differences	-	-	-	-	-	334		334
Total comprehensive expense for the period	-	-	(27,313)	-	-	334		(26,979)
Transactions with Owners								
Issue of Ordinary Shares	274	32,535	-	-	-	-	-	32,809
Costs of issue of Ordinary Shares	-	(2,715)	-	-	-	-	-	(2,715)
Exercise of employee share options	4	335	-	-	-	-	9	348
Employee share option scheme	-	-	-	-	1,618	-	-	1,618
Balance at 30 June 2021	**2,796**	**188,604**	**(29,582)**	**(106,625)**	**8,103**	**2,302**	**(32)**	**65,566**

Notes

1. Summary of significant accounting policies

General information

Acacia Pharma Group plc is a public limited company incorporated and domiciled in England and Wales with registered number 09759376. The Company's registered office is The Officers' Mess, Royston Road, Duxford, Cambridge CB22 4QH.

The principal activity of the Company and its subsidiaries (together "the Group") is that of a pharmaceutical group which discovers, develops and commercializes lower risk pharmaceutical product opportunities within its therapeutic areas of interest.

Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting. They do not contain all of the information which International Financial Reporting Standards ("IFRS") would require for a complete set of annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2020**.**

Comparative financial information

The comparative figures for the period ended 30 June 2019 do not constitute the Group's statutory accounts for that financial year. Statutory accounts for the year ended 31 December 2019, prepared in accordance with International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs") and as issued by the International Accounting Standards Board, have been reported on by the Group's auditor and delivered to the Registrar of Companies. The auditor has reported on those accounts; their reports were unqualified and did not contain a statement under section 498 (2) or (3) of the Companies Act 2006 but did include an emphasis of matter in relation to going concern.

Accounting policies

The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements for the year ended 31 December 2020.

Going concern

The financial statements have been prepared on a going concern basis which assumes that the Group and Company will continue in operational existence for the foreseeable future. The Directors have considered a period of 18 months in making their going concern assessment.

The Directors' base case forecast and plans for Acacia Pharma Group plc assume the successful commercialisation of BARHEMSYS and BYFAVO. The downside scenario assumes that revenue remains consistent with that earned in Q2 of 2021. Based on both the Directors' base case scenario and severe but plausible downside scenario assessments, and considering the existing cash and debt facilities, the Group has sufficient funding to commercialise BARHEMSYS and BYFAVO until mid-Q2 of 2022. These forecasts are dependent on revenues which are not certain, and there is therefore a need for additional financing to continue commercialisation and for the group to continue as a going concern.

Based on prior fundraising experience, the Directors are confident that the Group will be able to secure additional financing by mid- Q2 of 2022 and therefore consider it appropriate to prepare these financial statements on the going concern basis. However, there is no guarantee that attempts to raise adequate additional financing on a timely basis will be successful and therefore this represents a material uncertainty, which may cast significant doubt about the Group's, and therefore by virtue of the support letter, the Company's ability to continue as a going concern. These financial statements do not include the adjustments that would result if the Company were unable to continue as a going concern.

The Directors are confident that it is appropriate to prepare these condensed consolidated interim financial statements on the going concern basis. However, there is no guarantee that attempts to raise adequate additional financing on a timely basis will be successful and therefore this represents a material uncertainty, which may cast significant doubt about the Group's ability to continue as a going concern. These condensed consolidated interim financial statements do not include the adjustments that would result if the Group were unable to continue as a going concern.

2. Segmental reporting

The Group applies IFRS 8, "Operating Segments". IFRS 8 defines operating segments as those activities of an entity about which separate financial information is available and which are evaluated by the Chief Operating Decision Maker to assess performance and determine the allocation of resources. The Chief Operating Decision Maker has been identified as the Board of Directors.

The Directors are of the opinion that under IFRS 8 the Group has only one operating segment, being the development and commercialization of intellectual property through direct sale of the protected products in the US. The Board of Directors assess the performance of the operating segment using financial information which is measured and presented in a manner consistent with that in the financial information. All revenue (30 June 2021: $441,000, 30 June 2020: $nil, 31 December 2020: $211,000) is generated in the US and recognised at a point in time.

3. Finance income

	6 months ended 30 June 2021 $'000	6 months ended 30 June 2020 $'000	Year ended 31 December 2020 $'000
Bank Account interest	**-**	-	-
Interest on short-term deposits	**1**	39	41
	1	39	41

4. Finance expense

	6 months ended 30 June 2021 $'000	6 months ended 30 June 2020 $'000	Year ended 31 December 2020 $'000
Foreign exchange losses	**652**	1,052	234
Finance charges on term loan	**1,892**	666	2,156
Other finance expenses	**-**	788	788
Interest expense on lease liabilities	**17**	17	34
	2,561	2,523	3,212

Foreign exchange losses arise primarily on intercompany balances and cash balances held in Pounds Sterling and Euros.

5. Taxation

Analysis of taxation credit in the period

	6 months ended 30 June 2021 $'000	6 months ended 30 June 2020 $'000	Year ended 31 December 2020 $'000
United Kingdom corporation tax	**209**	65	560
Adjustment relating to prior period	**-**	-	54
	209	65	614

The Company is entitled to claim tax credits in the United Kingdom for certain research and development expenditure. The amount included in the financial statements represents the estimated credit receivable by the Company for the year. The 2020 amounts have not yet been agreed with the relevant tax authorities.

6. Losses per share

	6 months ended 30 June 2021 $'000	6 months ended 30 June 2020 $'000	Year ended 31 December 2020 $'000
Loss for the financial period ($'000)	**(27,313)**	(15,196)	(33,478)
Weighted average number of Ordinary Shares (thousands)	**88,705**	63,914	73,580
Losses per ordinary share ($)	**(0.31)**	(0.24)	(0.45)

Share options are anti-dilutive in each period for the purposes of the losses per share calculation and their effect is therefore not considered.

7. Share–based payments

Awards made under long-term incentive and other arrangements

Share options are granted to Directors and employees over Ordinary Shares in Acacia Pharma Group plc. Prior to the IPO, options were awarded under the Acacia Pharma EMI Share Option Scheme (the EMI Scheme) and the Acacia Pharma Unapproved Share Option Scheme (the Unapproved Scheme). Following the IPO, new share options schemes were arranged, being the Acacia Pharma Group Performance Share Plan (the 'PSP') and the Company Share Option Plan (the 'CSOP').

Options granted under the Unapproved Scheme, the EMI Scheme and the CSOP have a fixed exercise price based on the market value of shares at the date of grant. Options and RSUs granted under the PSP have a minimal or nil exercise price.

Options are usually conditional on the employee completing three years' service (the vesting period). The options are exercisable starting three years from the grant date.

The share based payment charge for the period is $1,618,000 (30 June 2020: $1,380,000, 31 December 2019: $2,437,000)

	Performance Share Plan		**Company Share Option Plan**		**EMI plan**		**Unapproved**		**Total**	
	Options number	**Weighted average exercise price ($)**	**Options number**	**Weighted average exercise price ($)**	**Options number**	**Weighted average exercise price ($)**	**Options number**	**Weighted average exercise price ($)**	**Options number**	**Weighted average exercise price (£)**
Outstanding at 1 January 2021	**3,298,541**	**0.00**	**44,444**	**1.89**	**1,280,476**	**0.13**	**767,500**	**2.27**	**5,390,961**	**0.05**
Granted in the period	2,328,644	0.00	-	-	-	-	-	-	2,328,644	0.02
Lapsed in the year	(35,000)	0.00	-	-	-	-	-	-	(35,000)	0.00
Exercised during the year	(150,000)	0.02	-	-	(195,000)	0.15	(116,000)	3.06	(461,000)	0.84
Outstanding at 30 June 2021	**5,442,185**	**0.00**	**44,444**	**1.89**	**1,085,476**	**0.12**	**651,500**	**2.27**	**7,223,605**	**0.22**
Exercisable at 30 June 2021	112,040	0.02	-	-	1,085,476	0.12	651,500	2.27	1,849,016	0.82
Weighted average life remaining – 30 June 2021	8.79		7.47		1.82		4.65		7.36	

8. Intangibles

	Licenses $'000
At 1 January 2021	
Opening net book value	52,168
Additions	-
Amortization charge	(4,083)
Foreign exchange loss	714
At 30 June 2020	48,799

9. Right of use asset

The Group leases office property in Indianapolis, for which the lease term is 5 years.

	Buildings $'000
Net carrying amount	
At 30 June 2020	325
At 31 December 2020	277
At 30 June 2021	230
Depreciation expense for the period ended	
30 June 2020	47
31 December 2020	95
30 June 2021	47

10. Trade and other receivables

	30 June 2021 $'000	30 June 2020 $'000	31 December 2020 $'000
Trade receivables	**231**	-	58
Other receivables	**419**	194	363
Prepayments and accrued income	**41**	27	40
	691	221	461

The fair value of trade and other receivables is considered equal to their carrying value. Loss allowances are $nil (2020: $nil).

11. Inventories

	30 June 2021 $'000	30 June 2020 $'000	31 December 2020 $'000
Raw materials	**17**	**-**	**401**
Work in progress	**519**	**-**	**936**
Finished goods	**4,353**	**-**	**1,325**
	4,889	**-**	**2,662**

12. Cash and cash equivalents

The Company retains all cash on instant access accounts in Pounds Sterling, US Dollars and Euros.

	30 June 2021 $'000	30 June 2020 $'000	31 December 2020 $'000
Pounds Sterling accounts	**1,352**	332	663
Euro accounts	**14,509**	11,562	29,516
US Dollar accounts	**31,277**	12,718	16,514
	47,138	24,612	46,693

13. Called up share capital

Share capital and premium	**Ordinary Shares** Number	**Ordinary Shares** $'000	**Share premium** $'000
At 1 January 2020	**54,888,198**	**1,619**	**75,588**
Issue of Ordinary Shares	12,967,720	335	34,750
Issue costs			(255)
At 30 June 2020	**67,855,918**	**1,954**	**110,083**
Issue of Ordinary Shares	21,742,033	564	51,644
Issue costs	-	-	(3,278)
At 31 December 2020	**89,597,951**	**2,518**	**158,449**
At 1 January 2020	**89,597,951**	**2,518**	**158,449**
Issue of Ordinary Shares	10,000,000	283	32,871
Issue costs	-	-	(2,716)
Exercise of employee share options	116,000	4	335
At 30 June 2020	**99,713,951**	**2,796**	**188,604**

14. Trade and other payables

	30 June 2021 $'000	30 June 2020 $'000	31 December 2020 $'000
Trade payables	**2,223**	827	1,144
Tax and social security	**590**	269	386
Accruals and other creditors	**4,572**	2,088	4,128
	7,385	3,184	5,657

15. Loans and other borrowings

Term loans and convertible instruments

A term loan facility with Hercules Capital was drawn on 29 June 2018. The initial tranche drawn was $10 million and costs of $644k were incurred. The loan was repaid in full on 3 May 2021. The loan bore interest at the higher of 9.5% or the Wall Street Journal prime rate plus 4.5% and bore a final payment charge of 3.95% of the principal. Warrants over 201,330 Ordinary Shares, exercisable at €3.22 per share, were issued to Hercules Capital as part of the terms of the loan facility.

A term loan facility with Cosmo Pharmaceuticals N.V. was entered into on 10 January 2020. The initial tranche of €15 million was drawn down on 27 July 2020, and used to pay Cosmo the milestone due on BYFAVO approval. The second tranche of €10 million was drawn down on 27 September 2020. The loan bears an interest rate of 11% until the Hercules loan has been fully repaid, after which the interest rate will be 9%, subject to certain securities being granted. The loan is interest-only for 36 months, after which the loan will be repayable in 24 monthly instalments.

Lease liability

Lease payments represent amounts payable by the Company for its office property.

	30 June 2021 $'000	30 June 2020 $'000	31 Dec 2020 $'000
Loans and other borrowings payable within one year			
Term bank loan, amounts payable within one year	**-**	5,296	5,298
Lease liability, amounts payable within one year	**120**	117	119
Total Loans and other borrowings payable within one year	**120**	5,413	5,417
Loans and other borrowings payable after one year			
Term bank loan, amounts payable after one year	**29,317**	2,488	31,087
Lease liability, amounts payable after one year	**149**	231	189
Total Loans and other borrowings payable after one year	**29,466**	2,719	31,276

16. Cash used in operations

	6 months ended 30 June 2021 $'000	6 months ended 30 June 2020 $'000	Year ended 31 December 2020 $'000
Loss before income tax	**(27,522)**	(15,261)	(34,092)
Adjustments for:			
Share-based payments	**1,618**	1,380	2,694
Depreciation and amortisation	**4,121**	47	3,146
Foreign exchange loss	**652**	1,052	234
Finance expense	**1,909**	1,471	2,977
Finance income	**(1)**	(39)	(41)
Changes in working capital			
- (Increase) / decrease in other receivables	**8**	388	150
- (Increase) in inventory	**(2,442)**	-	(2,662)
- Increase / (decrease) in trade and other payables	**1,728**	(980)	1,490
Cash used in operations	**(19,929)**	(11,942)	(26,104)

17. Related party disclosures

The Company's Chief Medical Officer, Gabriel Fox, is connected to Linda Bussian, who during the year provided consulting services to the Company. The cost of these services was $nil (30 June 2020: $5,000,; 31

December 2020: $5,000). The amount outstanding at the period end was $nil (30 June 2020: $nil; 31 December 2020: $nil).

18. Principal risks and uncertainties

We have considered the principal risks and uncertainties faced by the Group for the remaining six months of the year and do not consider them to have changed from those set out in the Acacia Pharma Group plc 2019 Annual Report and Accounts, available from the Group's website at www.acaciapharma.com, with the exception of the risks surrounding COVID-19, as set out below.

The widespread health crisis caused by COVID-19 has adversely affected the global economy. Despite vaccination, the continuing development of the outbreak remains uncertain and there is no assurance that in future it will not have a material adverse impact on the results of the Company. We continue to monitor the latest updates regarding the pandemic and take necessary actions to safeguard the health of our employees and preserve our ability to operate. Restricted access to healthcare settings as a result of COVID-19 has already delayed the Group's commercialization plans. The full extent of any continuing impact is currently unknown and will depend on future developments such as the success of vaccination and booster programs and the effectiveness of other mitigation actions. We realize this situation remains dynamic but remain committed to providing the necessary service and support to our customers throughout this challenging situation.