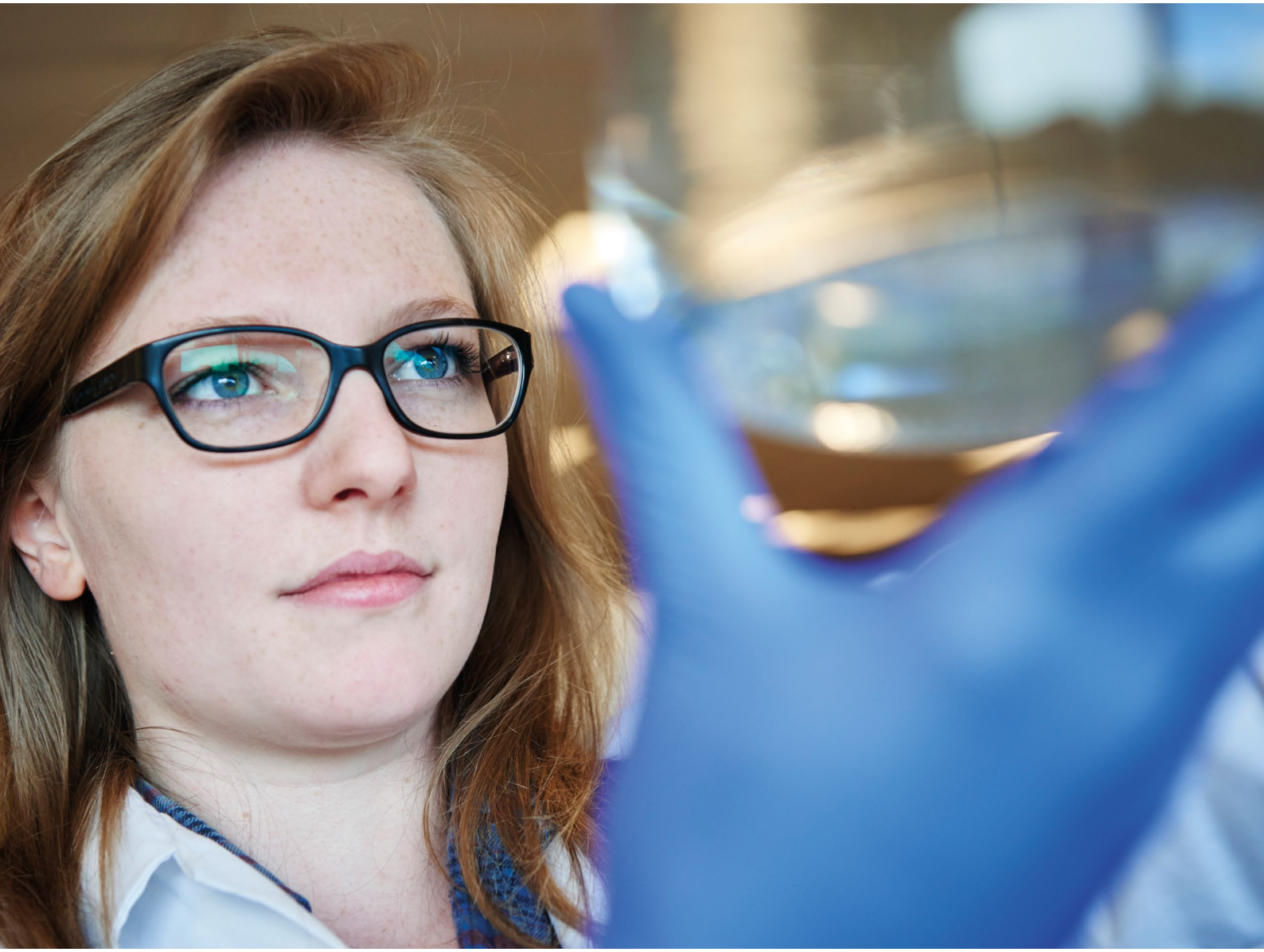
incanthera



Admission Document

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the contents of this Document or as to the action you should take, you are recommended to consult a person authorised under the Financial Services and Markets Act 2000 as amended ("**FSMA**"), who specialises in advising on the acquisition of shares and other securities.

This document has been drawn up to comply with the requirements of the NEX Exchange Growth Market – Rules for Issuers ("**NEX Exchange Rules**") and has been prepared in connection with the proposed application for admission of Ordinary Shares of Incanthera plc (the "**Company**") to trading on NEX Exchange Growth Market ("**NEX**") a market operated by NEX Exchange Limited ("**NEX Exchange**"). This document does not constitute an offer to the public within the meaning of sections 85 and 102B of FSMA. This document is not an approved prospectus for the purposes of and as defined in section 85 of FSMA, it has not been prepared in accordance with the Prospectus Regulation Rules published by the Financial Conduct Authority ("**FCA**") and its contents have not been approved by the FCA or any other authority which could be a competent authority for the purposes of the Prospectus Regulation. Further, the contents of this Document have not been approved by an authorised person for the purposes of section 21 of FSMA and this Document will not be filed with, or approved by, the FCA or any other government or regulatory authority in the UK or elsewhere.

The Company and the directors of the Company, whose names are set out on page 8 of this Document (each a "**Director**" and collectively, the "**Directors**"), accept full responsibility collectively and individually for the information contained in this Document including individual and collective responsibility for the Company's compliance with the NEX Exchange Rules. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this Document is in accordance with the facts and there is no material information the omission of which is likely to affect the import of such information. In connection with this Document, no person is authorised to give any information or make any representation other than as contained in this Document.

The NEX Exchange Growth Market, which is operated by NEX Exchange, a recognised investment exchange under Part XVIII of FSMA, is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to a larger or more established companies.

The NEX Exchange Growth Market is not classified as a regulated market under Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments and NEX Exchange Growth Market securities are not admitted to the Official List of the UK Listing Authority. Investment in an unlisted company is speculative and tends to involve a higher degree of risk than an investment in a listed company. The value of investments can go down as well as up and investors may not get back the full amount originally invested. An investment should therefore only be considered by those persons who are prepared to sustain a loss on their investment. A prospective investor should be aware of the risks of investing in NEX traded securities and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser authorised under FSMA who specialises in advising on the acquisition of shares and other securities.

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incanthera

Incanthera plc

Incorporated and registered in England and Wales with registered number 11026926

Placing of 9,000,007 ordinary shares of 2 pence each at 9.5p per ordinary share
and
Admission to trading on NEX Exchange Growth Market

NEX Exchange Corporate Adviser	***Broker***
Cairn	STANFORD Capital Partners
Cairn Financial Advisers LLP	**Stanford Capital Partners Ltd**

Incanthera plc is required by NEX Exchange to appoint a NEX Exchange Corporate Adviser to apply on its behalf for admission to NEX and must retain a NEX Exchange Corporate Adviser at all times. The requirements for a NEX Exchange Corporate Adviser are set out in the Corporate Adviser Handbook and the NEX Exchange Corporate Adviser is required to make a declaration to NEX Exchange in the form prescribed by Appendix B of the Corporate Adviser Handbook.

This document has not been approved or reviewed by NEX Exchange or the Financial Conduct Authority.

Application will be made for the entire issued Ordinary Share Capital to be admitted to trading on NEX. The share capital of the Company is not presently listed or dealt in on any stock exchange and no other applications have been made. It is expected that Admission will become effective and that trading in the Ordinary Shares on NEX will commence on 28 February 2020. Any individual wishing to buy or sell securities which are traded on NEX must trade through a FCA regulated stockbroker as the market's facilities are not available directly to the public.

The whole text of this Document should be read. An investment in the Company involves a high degree of risk and, may not be suitable for all recipients of this Document. Prospective investors should consider carefully whether an investment in the Company is suitable for them in the light of their personal circumstances and the financial resources available to them.

The Placing Shares will, on Admission, rank *pari passu* in all respects with the Existing Ordinary Shares including the right to receive all dividends or other distributions declared, paid or made after Admission.

Cairn, which is authorised and regulated in the United Kingdom by the FCA, is acting as the Company's NEX Exchange Corporate Adviser for the purposes of the NEX Exchange Rules in connection with the Placing and Admission. Cairn is not acting for any other

person (whether or not a recipient of this Document) and will not be responsible to anyone other than the Company for providing the protection afforded to Cairn's clients or for providing advice to any person on the content of this Document or in respect of Admission. Cairn has not made its own enquiries except as to matters which have come to its attention and on which it considered it necessary to satisfy itself and accepts no liability whatsoever for the accuracy of any information or opinions contained in this Document, for which the Directors are solely responsible. No representation or warranty, express or implied, is made by Cairn as to the contents of this Document, or for the omission of any material from this Document, for which the Company and the Directors of the Company are solely responsible.

Stanford Capital, which is authorised and regulated in the United Kingdom by the FCA, is acting as broker exclusively for the Company in connection with the Placing and Admission. Stanford Capital is not acting for any other person (whether or not a recipient of this Document) and will not be responsible to any other person for providing the protections afforded to clients of Stanford Capital nor for advising any other person in connection with transaction and arrangements detailed in this Document.

Copies of this Document will be available free of charge to the public during normal business hours on any day (Saturdays, Sundays and public holidays excepted) at the offices of Cairn from the date of this Document for a period ending one month after Admission, and on the Company's website www.incanthera.com.

IMPORTANT INFORMATION

General

This document should be read in its entirety before making any decision to subscribe for or purchase Ordinary Shares. Prospective investors should rely only on the information contained in this Document. No person has been authorised to give any information or make any representations other than as contained in this Document and, if given or made, such information or representations must not be relied on as having been authorised by the Company or Cairn or Stanford Capital or any of their respective affiliates, officers, directors, partners, employees or agents. Without prejudice to the Company's obligations under the NEX Exchange Rules, neither the delivery of this Document nor any subscription made under this Document shall, under any circumstances, create any implication that there has been no change in the affairs of the Company or the Group since the date of this Document or that the information contained herein is correct as at any time subsequent to its date.

Prospective investors in the Company must not treat the contents of this Document or any subsequent communications from the Company, Cairn, Stanford Capital or any of their respective affiliates, officers, directors, partners, employees or agents as advice relating to legal, taxation, accounting, regulatory, investment or any other matters.

The Company does not accept any responsibility for the accuracy or completeness of any information reported by the press or other media, nor the fairness or appropriateness of any forecasts, views or opinions expressed by the press or other media or any other person regarding the Placing, the Company and/or its subsidiaries. The Company makes no representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication.

As required by the NEX Exchange Rules, the Company will update the information provided in this Document by means of a supplement to it if a significant new factor that may affect the evaluation of the Placing by prospective investors occurs prior to Admission or if it is noted that this Document contains any mistake or substantial inaccuracy. This document and any supplement thereto will be made public in accordance with the NEX Exchange Rules.

This document is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation, by the Company, the Directors, Cairn, Stanford Capital any of their respective representatives, that any recipient of this Document should subscribe for or purchase any of the Ordinary Shares. Prior to making any decision as to whether to subscribe for or purchase any Ordinary Shares, prospective investors should read the entirety of this Document and, in particular, the section headed "Risk Factors".

Investors should ensure that they read the whole of this Document and not just rely on key information or information summarised within it. In making an investment decision, prospective investors must rely upon their own examination (or an examination by the prospective investor's FSMA authorised or other appropriate advisers) of the Company and the terms of this Document, including the risks involved. Any decision to purchase Ordinary Shares should be based solely on this Document and the prospective investor's own (or such prospective investor's FSMA authorised or other appropriate advisers') examination of the Company.

Investors who subscribe for or purchase Ordinary Shares in the Placing will be deemed to have acknowledged that: (i) they have not relied on Cairn or Stanford Capital or any person affiliated with them in connection with any investigation of the accuracy of any information contained in this Document for their investment decision; and (ii) they have relied only on the information contained in this Document; and (iii) no person has been authorised to give any information or to make any representation concerning the Company or the Ordinary Shares (other than as contained in this Document) and, if given or made, any such other information or representation has not been relied upon as having been authorised by or on behalf of the Company, the Directors, Cairn or Stanford Capital.

None of the Company, the Directors, Cairn, Stanford Capital or any of their respective representatives makes any representation to any subscriber or purchaser of Ordinary Shares regarding the legality of an investment by such subscriber or purchaser.

In connection with the Placing, Cairn, Stanford Capital and any of their respective affiliates, acting as investors for their own accounts, may acquire Ordinary Shares, and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for their own accounts in such Ordinary Shares and other securities of the Company or related investments in connection with the Placing or otherwise. Accordingly, references in this Document to the Ordinary Shares being offered, subscribed, acquired, placed or otherwise dealt with should be read as including any offer to, or subscription, acquisition, dealing or placing by, Cairn, Stanford Capital or any of their respective affiliates, acting as investors for their own accounts, and neither Cairn nor Stanford Capital intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligations to do so.

Cairn, Stanford Capital and any of their respective affiliates may have engaged in transactions with, and provided various investment banking, financial advisory or other services to the Company, for which they would have received customary fees. Cairn, Stanford Capital and any of their respective affiliates may provide such services to the Company and any of its affiliates in the future.

Notice to prospective investors in the EEA

In relation to each Member State of the EEA, no Ordinary Shares have been offered or will be offered pursuant to the Placing to the public in that Member State prior to the publication of a prospectus in relation to the Ordinary Shares which has been approved by the competent authority in that Member State, all in accordance with the Prospectus Regulation, except that offers of Ordinary Shares to the public may be made at any time under the following exemptions under the Prospectus Regulation:

(i) offers made solely to qualified investors as defined in the Prospectus Regulation;

(ii) offers to fewer than 150 persons (other than qualified investors as defined in the Prospectus Regulation) per Member State; or

(iii) offers falling within a Member State's discretionary threshold within Article 3 (2) of the Prospectus Regulation or in any other circumstances falling within such Article,

provided that no such offer of Ordinary Shares shall result in a requirement for the publication of a prospectus pursuant to Article 3 of the Prospectus Directive or any measure implementing the Prospectus Directive in a Member State and each person who initially acquires any Ordinary Shares or to whom any offer is made under the Placing will be deemed to have represented, acknowledged and agreed that it is a "**qualified investor**" within the meaning of the law of the Member State implementing Article 2(1)(e) of the Prospectus Directive.

For the purposes of this provision, the expression "**to the public**" in relation to any offer of Ordinary Shares in any Member State means a communication in any form and by any means presenting sufficient information on the terms of the offer and any Ordinary Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Ordinary Shares, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State.

Notice to prospective investors in the United Kingdom

This document is being distributed in the United Kingdom where it is directed only at (i) persons having professional experience in matters relating to investments, i.e., investment professionals within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "FPO"); (ii) high net-worth companies, unincorporated associations and other bodies within the meaning of Article 49 of the FPO; and (iii) persons to whom it is otherwise lawful to distribute it without any obligation to issue a prospectus approved by competent regulators. The investment or investment activity to which this Document relates is available only to such persons. It is not intended that this Document be distributed or passed on, directly or indirectly, to any other class of person and in any event, and under no circumstances should persons of any other description rely on or act upon the contents of this Document.

Rounding

The financial information and certain other figures in this Document have been subject to rounding adjustments. Therefore, the sum of numbers in a table (or otherwise) may not conform exactly to the total figure given for that table. In addition, certain percentages presented in this Document reflect calculations

based on the underlying information prior to rounding and accordingly may not conform exactly to the percentages that would be derived if the relevant calculations were based on the rounded numbers.

Market, industry and economic data

Unless the source is otherwise identified, the market, industry and economic and industry data and statistics in this Document constitute the Directors' estimates, using underlying data from third parties. The Company has obtained market and economic data and certain industry statistics from internal reports, as well as from third-party sources as described in the footnotes to such information. The Company confirms that all third-party information set out in this Document has been accurately reproduced and that, so far as the Company is aware and has been able to ascertain from information published by the relevant third-party, no facts have been omitted which would render the reproduced information inaccurate or misleading. Where third-party information has been used in this Document, the source of such information has been identified. Such third-party information has not been audited or independently verified.

This document includes market share, industry data and forecasts that the Company has obtained from industry publications, surveys and internal company sources. As noted in this Document, the Company has obtained market data relating to the Group's business from the following reports:

- Cancer Drugs Market by Therapy (Immunotherapy, Targeted Therapy, Chemotherapy, Hormone Therapy and Others) for Breast Cancer, Blood Cancer, Gastrointestinal Cancer, Prostate Cancer, Skin Cancer, Lung Cancer and Other Cancer: Global Industry Perspective, Comprehensive Analysis and Forecast, 2015 – 2021 Zion Market Research, December 2016

Market and industry data are inherently predictive and speculative and is not necessarily reflective of actual market conditions. Statistics in such data are based on market research, which itself is based on sampling and subjective judgments by both the researchers and the respondents, including judgments about what types of products and transactions should be included in the relevant market. The value of comparisons of statistics for different markets is limited by many factors, including: (i) the markets are defined differently; (ii) the underlying information was gathered by different methods; and (iii) different assumptions were applied in compiling the data. Consequently, the industry publications and other reports referred to above generally state that the information contained therein has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information is not guaranteed and, in some instances, these reports and publications state expressly that they do not assume liability for such information.

Specifically, neither Cairn nor Stanford Capital has authorised the contents of, or any part of, this Document and accordingly no liability whatsoever is accepted by Cairn or Stanford Capital for the accuracy or completeness of any market or industry data which is included in this Document.

TABLE OF CONTENTS

PLACING AND ADMISSION STATISTICS

Placing Price	9.5p
Number of Existing Ordinary Shares	48,564,380
Number of Placing Shares to be issued pursuant to the Placing	9,000,007
Number of Ordinary Shares to be issued pursuant to the Capitalisation agreements	3,295,523
Number of Ordinary Shares in issue immediately following Admission	60,859,910
Percentage of the Enlarged Issued Share Capital represented by the Placing Shares	14.8 per cent.
Gross proceeds of the Placing and Subscription Agreements	£1,205,000
Estimated net proceeds of the Placing receivable by the Company	£939,000
Number of Ordinary Shares subject to the Subscription Agreements	3,684,211
Number of Ordinary Shares subject to warrant immediately following Admission	9,584,417
Number of Ordinary Shares on a fully-diluted basis immediately following Admission (including the Subscription Agreements)	74,128,538
Market capitalisation of the Company on Admission at the Placing Price	£5.8 million
TIDM	INC
ISIN	GB00BGL7YW15
LEI code	2138002HEV4UFBOEXQ97

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this Document	26 February 2020
Expected Admission and commencement of dealings in the Enlarged Share Capital on NEX	8.00 a.m. on 28 February 2020
CREST accounts credited in respect of Placing Shares (where applicable)	8.00 a.m. on 28 February 2020
Despatch of definitive share certificates, where applicable	by 13 March 2020

All times are London times unless otherwise stated.

Save in relation to the date on which this Document is published, each of the times and dates in the above timetable is subject to change at the absolute discretion of the Company, Stanford Capital and Cairn, without further notice.

DIRECTORS, SECRETARY AND ADVISERS

Directors	Timothy (Tim) Paul McCarthy, *Executive Chairman* Dr Simon Julian Ward, *Chief Executive Officer* Dr Alan Warrander, *Independent Non-Executive Director*
Company Secretary	Laura Jane Brogden
Registered Office of the Company	76 King Street Manchester M2 4NH
Website **Telephone**	www.incanthera.com 0161 817 5005
NEX Exchange Corporate Adviser	**Cairn Financial Advisers LLP** Cheyne House, Crown Court 62-63 Cheapside London EC2V 6AX
Broker	**Stanford Capital Partners Limited** 15-17 Eldon Street London EC2M 7LD
Solicitors to the Company	**Gateley plc** Ship Canal House 98 King Street Manchester M2 4WU
Auditors	**Jeffreys Henry LLP** Finsgate 5-7 Cranwood Street London EC1V 9EE
Reporting Accountants	**Jeffreys Henry LLP** Finsgate 5-7 Cranwood Street London EC1V 9EE
Solicitors to the NEX Exchange Corporate Adviser and Broker	**Penningtons Manches Cooper LLP** 125 Wood Street London EC2V 7AW
Patent Attorneys	**Haseltine Lake Kempner LLP** Lincoln House 300 High Holborn London WC1V 7JH
Registrars	**Neville Registrars Ltd** Neville House Steelpark Road Halesowen B62 8HD

DEFINITIONS

The following words and expressions shall have the following meanings in this Document, unless the context otherwise requires:

"**Acquisition**"	the acquisition by the Company of the whole of the issued share capital of Incanthera;
"**Act**"	the Companies Act 2006 (as amended);
"**Admission**"	the admission of the Enlarged Issued Share Capital to trading on NEX becoming effective in accordance with the NEX Exchange Rules;
"**Articles**"	the articles of association of the Company, as amended from time to time;
"**Board**" or "**Directors**"	the directors of the Company as at the date of this Document, whose names are set out on page 8;
"**Broker Warrant**"	the agreement dated 26 February 2020 between the Company and Stanford Capital, details of which are set out at paragraph 10.9 of Part V of this Document;
"**Cairn**"	Cairn Financial Advisers LLP, NEX Exchange Corporate Adviser to the Company;
"**Cairn Warrant**"	the agreement dated 26 February 2020 between the Company and Cairn, details of which are set out at paragraph 10.8 of Part V of this Document;
"**Capitalisation**"	the proposed capitalisation, conditional on Admission, of certain indebtedness of the Company as more particularly described in paragraph 10.6 of Part V of this Document;
"**certificated**" or "**in certificated form**"	a share or other security which is not in uncertificated form (i.e. not in CREST);
"**Clinical Trial**"	trial to determine efficacy and/or safety of a treatment in man;
"**Company**"	Incanthera plc, a company incorporated in England and Wales with company number 11026926 and having its registered office at 76 King Street, Manchester M2 4NH;
"**CREST**"	the relevant system (as defined in the CREST Regulations) in accordance with which securities may be held or transferred in uncertificated form, and in respect of which Euroclear UK & Ireland is the operator (as defined in the CREST Regulations);
"**CREST Regulations**"	the Uncertificated Securities Regulations 2001 (SI 2001 no. 3755), as amended, and any applicable rules made under those regulations;
"**Disclosure Guidance and Transparency Rules**"	the disclosure guidance and transparency rules made by the FCA;
"**Document**"	this NEX Exchange admission document;
"**EEA**"	the European Economic Area;

"**EIS**"	the Enterprise Investment Scheme, as particularised in Part 5 of the Income Taxes Act 2007;
"**Ellipses Pharma**"	Ellipses Pharma Ltd;
"**EMI Share Scheme**"	means the Incanthera enterprise management incentive scheme described in paragraph 13 of Part V of this Document;
"**Enlarged Issued Share Capital**"	the Existing Ordinary Shares and the Placing Shares;
"**EU**"	the European Union;
"**Existing Ordinary Shares**"	the 48,564,380 Ordinary Shares in issue as at the date of this Document;
"**FCA**"	the Financial Conduct Authority of the United Kingdom or any successor thereof, acting in its capacity as the single statutory regulator under FSMA;
"**FSMA**"	the Financial Services and Markets Act 2000, as amended;
"**Group**"	the Company and its subsidiaries upon completion of the Acquisition;
"**HMRC**"	HM Revenue & Customs;
"**IFRS**"	International Financial Reporting Standards (including International Accounting Standards);
"**ImmuPharma**"	ImmuPharma plc;
"**ImmuPharma Warrant**"	the agreement dated 26 February 2020 between the Company and ImmuPharma, details of which are set out at paragraph 10.4 of Part V of this Document;
"**Incanthera**"	Incanthera R&D Limited (formerly Incanthera Limited), a company incorporated in England and Wales with company number 07174977 and having its registered office at 76 King Street, Manchester M2 4NH;
"**Incanthera Group**"	Incanthera and its subsidiary undertakings;
"**Institute**" or "**ICT**"	the Institute of Cancer Therapeutics – University of Bradford;
"**ISIN**"	International Securities Identification Number;
"**Key Senior Management**"	Pawel Zolnierczyk, Laura Brogden and Suzanne Brocks;
"**Locked-in Persons**"	those holders of Ordinary Shares, who are restricted from selling their Ordinary Shares for a predetermined amount of time following Admission as described in paragraph 10.11 of Part V of this Document;
"**Market Abuse Regulation**" or "**MAR**"	the EU Market Abuse Regulation (No. 596/2014);
"**Member State**"	a member state of the EEA;
"**NEX**"	NEX Exchange Growth Market, the primary market segment operated by NEX Exchange for dealings in unlisted securities admitted to trading in accordance with the NEX Exchange Rules;

"**NEX Exchange**"	NEX Exchange Limited, a recognised investment exchange under section 290 of FSMA;
"**NEX Exchange Rules**"	the NEX Exchange Growth Market - Rules for Issuers as published by NEX Exchange from time to time;
"**NPIF**"	NPIF NW Equity LP, the Northern Powerhouse Investment Fund managed by Maven Capital Partners UK LLP;
"**NWFB**"	NWF (Biomedical) LP;
"**Onco-NX**"	Incanthera Oncology limited, a subsidiary of Incanthera;
"**Ordinary Shares**"	ordinary shares of 2 pence each in the capital of the Company;
"**Panel**"	The Panel on Takeovers and Mergers;
"**Pharmhall Warrant**"	the agreement dated 26 February 2020 between the Company and Pharmhall Limited, details of which are set out at paragraph 10.10 of Part V of this Document;
"**Phase 1 Trial**"	testing of a drug in patients or healthy volunteers to show that it is safe for a small group of people and to find the best dose and schedule for future research of the drug or drug combination;
"**Pipeline Agreement**"	The "2011 Pipeline Agreement" as extended by the "2018 Pipeline Agreement";
"**Placees**"	the subscribers for Placing Shares at the Placing Price pursuant to the Placing;
"**Placing**"	the conditional placing of the Placing Shares pursuant to the Placing Agreement;
"**Placing Agreement**"	the conditional agreement dated 26 February 2020 between Cairn, Stanford Capital, the Company and the Directors and key senior management relating to the Placing, further details of which are set out in paragraph 10.7 of Part V of this Document;
"**Placing Price**"	9.5p per Placing Share;
"**Placing Shares**"	the 9,000,007 new Ordinary Shares to be issued by the Company pursuant to the Placing;
"**Pre-clinical Trial**"	formal studies leading to regulatory approval for a human clinical trial;
"**Prospectus Regulation**"	Regulation (EU) 2017/1129 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC;
"**Prospectus Regulation Rules**"	the prospectus regulation rules made by the FCA under Part V of FSMA (as amended);
"**QCA**"	Quoted Companies Alliance;
"**QCA Code**"	the Corporate Governance Code for Small and Mid-size Quoted Companies 2018, published in April 2018 by the QCA;
"**Registrar**"	Neville Registrars Limited;

"**Shareholders**" or "**Members**"	holders of Ordinary Shares;
"**Spear Therapeutics**"	Incanthera Therapeutics Limited, a subsidiary of Incanthera;
"**Stanford Capital**"	Stanford Capital Partners Limited, broker for the Company;
"**Subscription Agreements**"	the Tim McCarthy Subscription and IMM Subscription Rights as described in paragraphs 10.3 and 10.21 of Part V of this Document;
"**Takeover Code**"	the UK City Code on Takeovers and Mergers, issued and administered by the Takeover Panel;
"**Takeover Panel**"	the UK Panel on Takeovers and Mergers;
"**UK**"	United Kingdom of Great Britain and Northern Ireland;
"**US**"	United States of America;
"**uncertificated**" or "**in uncertificated form**"	recorded on the register of Ordinary Shares as being held in uncertificated form in CREST, entitlement to which, by virtue of the CREST Regulations, may be transferred by means of CREST;
"**Warrants**"	together the Cairn Warrants, ImmuPharma Warrants, Pharmhall Warrants and Broker Warrants;
"**$**"	the currency used in the US;
"**£**"	the currency used in the UK;
"**2011 Pipeline Agreement**"	the exclusive intellectual property agreement of certain intellectual property and option to assign entered into by Incanthera and the University of Bradford in 2011 as described in paragraph 10.18 of Part V of this Document; and
"**2018 Pipeline Agreement**"	the further pipeline agreement entered into by Incanthera and the University of Bradford on 19 September 2018 extending the time and scope of the 2011 Pipeline Agreement as described in paragraph 10.18 of Part V of this Document.

Note: any reference to any provision of any legislation includes any amendment, modification, re-enactment or extension of it. Words importing the singular include the plural and vice versa and words importing the masculine gender shall include the feminine or neuter gender.

GLOSSARY OF TECHNICAL TERMS

Biomarker	a molecule, gene, or characteristic by which a particular disease can be identified;
colchicine	a medication in the alkaloid class of naturally occurring organic compounds and is derived from a natural plant. It inhibits microtubule formation by binding to tubulin; and hence disrupts mitosis;
cytotoxin	a cytotoxic drug is toxic to living cells. Cytotoxic drugs include chemotherapy;
diagnostic	a device, drug or other substance concerned with the diagnosis of illness;
Duo-C	novel targeted drug activated by a CYP enzyme;
Duocarmycin	a class of natural products identified as having extreme cytotoxic effects;
EP0015	a vascular disrupting prodrug, targeting solid tumours;
EP0015-diagnostics	diagnostic technology aspect of ICT00 asset;
EP0015-taxane	a modification of the targeted delivery system ICT00, using the active anti-cancer agent Taxane to treat prostate cancer;
Equin	bio-reductive prodrug activated by the enzyme, DTD, expressed in many solid tumours;
First in Class	A drug class is a set of medications and other compounds that have similar chemical structures, the same mechanism of action (i.e. bind to the same biological target), a related mode of action, and/or are used to treat the same disease. First in Class represents the first agent to come to market within a Drug Class. A first in class drug provides the manufacturer with a period of marketing free of competition from similar drugs. Companies that pursue the development of a more validated target with a "follow-on" drug face competition from existing marketed agents immediately upon approval even if the development risk has been reduced;
ICT00	Patented targeted prodrug delivery platform. ICT00 represents a family of programmes;
indication	in medicine, an indication is a valid reason to use a certain test, medication, procedure or surgery. The opposite of indication is contraindication;
in vitro	studies performed with cells or biological molecules studied outside their normal biological context;
in vivo	studies performed on whole, living organisms, usually animals including humans;
IP	all patents, rights to inventions, copyright and related rights, moral rights, database rights, supplementary protection certificates, petty patents, utility models, rights in designs, trademarks, service marks,

	trade names, domain names, rights in goodwill or to sue for passing-off, rights in unfair competition, rights in undisclosed or confidential information (such as know-how, trade secrets, and inventions (whether patentable or not)) and other similar or equivalent rights or forms of protection (whether registered or unregistered) and all applications (or rights to apply) for, and for renewals and extensions of, such rights as may now or in the future exist anywhere in the world;
	membrane-bound matrix metalloprotease (MMP) a group of 24 zinc-dependent endopeptidases with structural similarity that play a pivotal role in the production and growth of tumours;
microtubules	hollow fibres which serve as a skeletal system for living cells, composed of the protein tubulin;
microtubular scaffold	network of microtubules;
mitosis	mitosis is a process of cell division. Mitosis starts with replication, when the cell's chromosomes are copied so that the cell contains two full sets of genetic material (known as sister chromatids). The cell prepares for division by forming a mitotic spindle. This forms the protein structure that divides the sister chromatids into two new cells. The mitotic spindle is formed by microtubule polymers (or microtubules). Microtubules are formed out of long chains of tubulin, a protein. The mitotic structure formed in the dividing cell is also called a microtubular scaffold, because the microtubular network supports the dividing cell by binding with tubulin, the Company's proprietary technology causes the microtubular scaffold to become unstable and disrupted, leading to inhibited cell division;
NSCLC	non-small cell carcinoma of the lung;
peptide	short chains of amino acids linked by peptide bonds;
quinone	a class of organic compounds that are formally "derived from aromatic compounds by conversion of an even number of –CH= groups into –C(=O)– groups with any necessary rearrangement of double bonds", resulting in a fully conjugated cyclic dione structure;
Sol	a potential innovative topical treatment for skin cancer;
solar keratosis	a skin condition caused by sun damage;
targeted therapies	a cancer therapy directed to the site of a solid tumour;
taxane	a type of drug that blocks cell growth by interfering with mitosis through microtubular interference. Taxanes prevent the polymerisation of tubulin, and thus prevent the formation of microtubules. Please see the definition of mitosis;
theranostic	a field of medicine which combines specific targeted therapy based on specific targeted diagnostic tests;
therapeutic index	the therapeutic index (or therapeutic window) is a function of the amount of a drug required to have the therapeutic benefit versus the extent and nature of any side effects caused by this amount of drug;

tubulin	the protein that polymerizes into long chain filaments that form microtubules;
vascular endothelial growth factor (VEGF)	a signal protein that stimulates the formation of new blood vessels (vascularisation); and
warhead	the Company refers to active agents which are attached to the ICT00 delivery technology as "warheads" because they remain inactive until they are activated by the specific MMPs present in the tumour environment. They are therefore seen as being "deployed" at the site of the tumour.

PART I

INFORMATION ON THE GROUP

1. INTRODUCTION

Incanthera is a specialist oncology company focused on transforming cancer treatment by creating environments in which cancer cannot survive. It seeks to identify and develop innovative solutions to current clinical, commercially relevant unmet needs, utilising new technology from leading academic institutions.

The Company's current lead product and focus is Sol, a potentially innovative topical product for the treatment of solar keratosis and the prevention of skin cancers. This has achieved proof of concept and is currently being prepared for licensing to a commercial partner within 12-18 months.

The Company originated from the Institute of Cancer Therapeutics (ICT) and, in addition to Sol, has acquired and developed a portfolio of specific cancer-targeting therapeutics through a Pipeline Agreement with the ICT and other corporate acquisitions. Incanthera's strategy is to develop each candidate in the portfolio from initial acquisition or discovery to securing its future through commercially valuable partnerships at the earliest opportunity in its development pathway.

The majority of conventional cancer treatments (other than surgery) on the market are chemotherapy or radiotherapy based. These are non-selective by nature and highly toxic to healthy tissue as well as tumours. Accordingly, treatment can only be delivered in carefully controlled doses over a limited period of time. To address this problem directly, the Company has developed sophisticated formulation and prodrug targeting technologies to deliver treatment specifically to the tumour. Prodrugs are chemically modified versions of pharmacologically active agents which only become active when they reach a target, thus reducing generalised toxicity in normal tissues, whilst enabling higher doses to reach a target and therefore increase efficacy.

From this portfolio, the Company's primary focus was to bring the first example of its proprietary technology, EP0015, a novel treatment for solid tumours, to a commercial partner. This was successfully achieved through the Company's first commercial deal with Ellipses Pharma, which was entered into in June 2017. Ellipses Pharma anticipates having the product ready to bring to Phase I clinical trial by the end of 2020, providing clinical proof of concept for both the prodrug and the platform. The Company is now focussed upon delivering Sol to a commercial partner.

Incanthera's Board and management possess a broad range of commercial, scientific and public company experience. In addition, Incanthera benefits from a diverse, experienced team of advisers who cover the necessary range of specialities required for all aspects of the Company's business, and also has a number of beneficial collaborative relationships with both clinicians and clinical centres. In particular, the Pipeline Agreement with the Institute, provides a strong working relationship with a world-recognised oncology research institute and access to future pipeline opportunities.

Incanthera and its projects have, to date, been funded through research grants from CRUK (Cancer Research UK), YCR (Yorkshire Cancer Research), the University of Bradford and equity investment from the North West Fund for Biomedical, managed by SPARK Impact Ltd (SPARK), a UK Venture Capital company, alongside Advent International and investment from private individuals. In 2018, the Company raised £2 million of additional equity funding from ImmuPharma plc and circa £250,000 of equity funding was raised from NPIF. In total, £5.9 million of funding has been raised since inception.

The Company is now seeking admission to the NEX Exchange and to raise an additional £1.2 million by means of the Placing and Subscription Agreements in order to progress the development and licensing to a commercial partner for product launch of Sol, and to provide additional working capital for the Group.

2. INVESTMENT CASE

The Board believes the Company represents an attractive investment opportunity for the following reasons:

- The lead asset, Sol, utilises a well-known and tested active drug, with a good safety profile, and as such the Directors believe it offers a potential early licensing opportunity to a pharmaceutical or commercial partner.
- One of its candidates (EP0015) has already been externally endorsed through a commercial agreement with Ellipses Pharma, which has already delivered revenues for the Company.
- The Company has established a diverse pipeline portfolio secured from various sources and encompassing various novel technologies.
- The Company develops each acquired product in preparation for early licensing, obviating the requirement to run late-stage clinical trials and ensuring R&D expenditure is kept to a minimum.
- The Company's technology has reduced the risk profile through its deliberate selection of therapeutics capable of targeting tumour sites and delivering actives that are already known to be effective. Further the Company's diversified product portfolio reduces the risk of single product failure.
- The Directors believe that the Company's supporting portfolio of candidates, whilst at varying early stages of development, place the Company in a good position for further potential commercial agreements.
- The business strategy of the Company is cost-effective: Incanthera has a relatively small operational base and aims to out-license each pipeline opportunity early in its lifecycle, securing external funds for future development and bringing licencing revenue back to the Company, to support its pipeline products and working capital.
- The Pipeline Agreement with the Institute, which extends to August 2028, provides the Company with the ongoing ability to further enhance its portfolio of drug candidates and technologies. Currently the University of Bradford, which is a substantial shareholder in the Company, is involved in the research of a significant number of potential clinical candidates.
- The Company's Board and management team possess a broad range of skills and experience in the pharmaceutical sector and on the boards of quoted companies, further supported by a strong team of advisers comprised of a number of well recognised experts.
- The Company has an expanding patent portfolio which is actively managed.
- The markets to which the Company's candidates is applicable is forecast to generate revenue of approximately $161.3 billion by 2021 and is currently growing at a CAGR of around 7.4 per cent. *(Source: Zion Market Research 2016)*.
- The Company has received advance assurance for EIS investment.

3. HISTORY AND BACKGROUND

Incanthera was established by Dr Simon Ward, the University of Bradford and other key academics in 2010 as a spin-out from the University of Bradford, with a view to creating a commercial outlet for the research projects of the University's Institute of Cancer Therapeutics.

Shortly following its incorporation in 2010, Incanthera received its first institutional investment from the North West Fund for Biomedical and entered into the 2011 Pipeline Agreement.

On 18 December 2012, the option to acquire the ICT00 platform's intellectual property was crystallised with all relevant patents being fully assigned to Incanthera. This allowed the Company to begin developing its prodrug programme with the first product being EP0015.

In early 2014, the Company acquired Onco-NX, a University of Salford spin-out company managed by Pawel Zolnierczyk, who then joined the Company as Chief Operating Officer, and secured additional private funding in order to develop these assets. Onco-NX owned a complimentary technology which the Company assimilated into its portfolio (Equin). In March 2014, Tim McCarthy joined the Company as Executive Chairman.

In late 2014, a second transfer of IP from the University of Bradford occurred under the terms of the 2011 Pipeline Agreement for a further complimentary technology which became the Company's pipeline candidate Duo-C. In addition a further acquisition was made by the Company in late 2014 of Spear Therapeutics, a private UK biotech company focused on oncology, which owned various patents and pending patents, which also forms part of the Company's Duo-C development programme.

Further IP transfers from the University of Bradford occurred in 2015 and 2016 to create a diagnostic program to complement EP0015 and to establish EP0015-Theranostic respectively.

In 2017, Incanthera signed its first commercial deal for EP0015 with Ellipses Pharma, further details of which are included in paragraph 10.19 of Part V of this Document. Laura Brogden subsequently joined the Company as Chief Financial Officer in October 2017.

In September 2018, the 2011 Pipeline Agreement with the University of Bradford was extended for a further 10 years to 2028, providing Incanthera with ongoing access to potentially commercially attractive product candidates. Further details of the Pipeline Agreement are set out in paragraph 10.18 of Part V of this Document.

Also, in September 2018, Incanthera acquired the technology for Sol as further described below.

4. MISSION AND STRATEGY – GROWTH THROUGH COMMERCIAL DEALS

Incanthera is a specialist oncology company focused on transforming cancer treatment through targeted and prodrug technologies to deliver treatments specifically to solid tumours and to potentially provide a greater level of patient care than is associated with the use of traditional chemotherapy and radiotherapy treatments.

The Company's strategy is to acquire, prepare and commercialise its portfolio candidates through commercial agreements with established third-party pharmaceutical or other commercial companies, thereby generating revenue for the Company and ensuring continued development of the technologies, at the partner's cost. The Company has acquired its portfolio technologies exclusively by way of issue of non-cash consideration.

Year	Deal
2010	Company Founded
2011	Pipeline deal - Institute of Cancer Therapeutics (ICT)
2012	Assignment of EP0015 (VDA - ICT pipeline)
2014	Acquisition of Onco-NX Ltd (Equin programme)
2014	Acquisition of Duo-C technology (ICT pipeline)
2014	Acquisition of Spear Therapeutics Ltd (Duo-C programme)
2015	Acquisition of EP0015 (theranostic - ICT pipeline)
2016	Acquisition of EP0015 (taxane - ICT pipeline)
2017	Out-licensing of EP0015 to Ellipses Pharma Ltd
2018	Pipeline Extension, ICT
2018	Acquisition of Sol

This strategy has been proven to be effective, as evidenced by the Company's commercial agreement with Ellipses Pharma, as described in section 8 of this Part I.

5. SCIENTIFIC BACKGROUND

Cancer is one of the world's most pressing health challenges. It is projected that the number of new cancer diagnoses will reach 22 million per year in the next two decades, up from 14 million in 2012 with cancer-related deaths potentially increasing by as much as 70 per cent.

Cancer survival rates continue to improve with a steady increase across all tumours over the last 20 years. This is due to several factors including increased and better screening, improvements in surgery and radiotherapy as well as introduction of new therapeutics and an increased understanding and development of drug combinations.

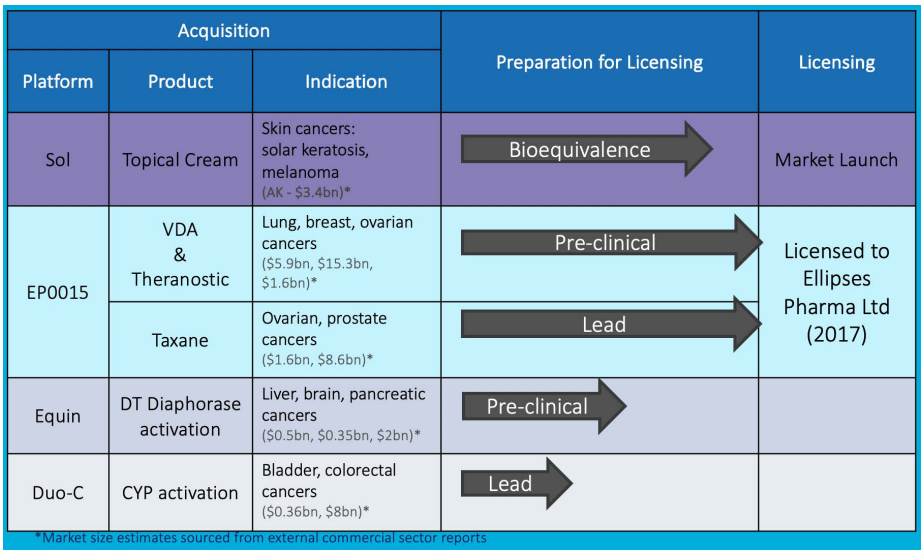
Most current cancer therapeutic regimes continue to be based around non-specific cytotoxins either on their own or in combination with targeted therapy. These cytotoxins often have serious unwanted side effects which include, for example, immunosuppression, nausea, vomiting and diarrhoea and hair-loss. Even when initially effective, many of the drugs currently in use lose efficacy due to increased levels of drug resistance which is common in tumour cells but less so in normal cells, for example, tumour associated vasculature.

There is, therefore, a clear rationale coupled with a general unmet clinical need for developing targeted medicines that are effective against tumours whilst avoiding systemic toxicity or organ specific toxicity.

The Directors believe that the Company's prodrug strategy is one of the most promising approaches to increase the selectivity and efficacy of a chemotherapy drug.

6. PRODUCT PORTFOLIO

The following table represents the current pipeline of drug candidates being developed by the Company and indicates their various current and anticipated stages of development.



6.1 *Most Advanced Programme – Sol*

In September 2018, the Company acquired the asset Sol, a potentially innovative topically applied product for treatment of solar keratosis and the prevention of skin melanoma.

Since its acquisition, Incanthera has been developing Sol into a working prototype ready for clinical assessment. As part of this, independent proof of principle studies conducted at the University College London School of Pharmacy, commissioned by the Company, using human skin penetration models have recently (Summer 2019) demonstrated that the Company's advanced formulation technology exceeds the bioequivalence test, which confirms that the Company is able to deliver a topical product for the prevention of actinic keratosis and skin cancer. The final product will now undergo the remaining regulatory studies (manufacture, stability and sensitisation testing) in preparation for licensing within 12-18 months.

Skin cancer is now the most common form of cancer in the developed world and deaths arising from invasive melanoma are on the increase. The global market for skin 'sun protection products' is projected to reach US$13.7 billion by 2024 (sourced from external commercial reports) and this figure excludes pharmaceutical and treatment products. Whilst current sun protection products have reduced the incidence of sun burn, they have had limited, if any, impact on the incidence of skin cancer, including melanoma.

A number of clinical studies have highlighted the potential benefits of the active ingredient in Sol in preventing progression of common solar keratosis to the more life-threatening melanoma forms of skin cancer. Evidence

also suggests such treatment acts to prevent recurrence of melanoma in previously treated subjects prone to skin cancer development. However, to date the treatments only exist in oral form. Oral dosing for targeting localised skin disease suffers a number of disadvantages to which the Company is responding by developing SoI as a topical product. The topical formulation offers a number of advantages over oral delivery including:

- the avoidance of possible side effects of oral dosing;
- circumvention of first-pass metabolism and limitations on bioavailability;
- ease of compliance (patient acceptability);
- the direct targeting of sun exposed tissues;
- the opportunity to introduce UV protection through inclusion of SPF agents (sun protection factors) or blocks; and
- the inclusion of effective cosmetic skin care ingredients.

SoI seeks to tackle a key challenge with such a product in achieving sufficient serum and/or local tissue levels of the active comparable to those found with oral dosing via its patented topical delivery system, which is not only capable of highly effective trans-dermal drug delivery but also has aesthetic properties typically associated with high-end topical cosmetic products. This opens up the possibility of delivering an effective topical product for skin melanoma prevention in subjects suffering from solar keratosis and in preventing recurrence of melanoma in subjects who have previously been treated for such cancers. More broadly, a fully formulated product would be expected to provide benefits relating to abnormal skin pigmentation, skin ageing and general damage associated with sun exposure.

6.2 ***Platform Programme – ICT00 including EP0015, EP0015-Theranostics and EP0015-Taxane***

Originating from the ICT, ICT00 is an example of a prodrug targeted delivery platform. This approach is used to deliver various efficacious warheads to treat solid tumours and has derived from this platform a number of clinical candidates: EP0015; EP0015-Theranostics and EP0015-Taxane. Further details of these candidates are included below.

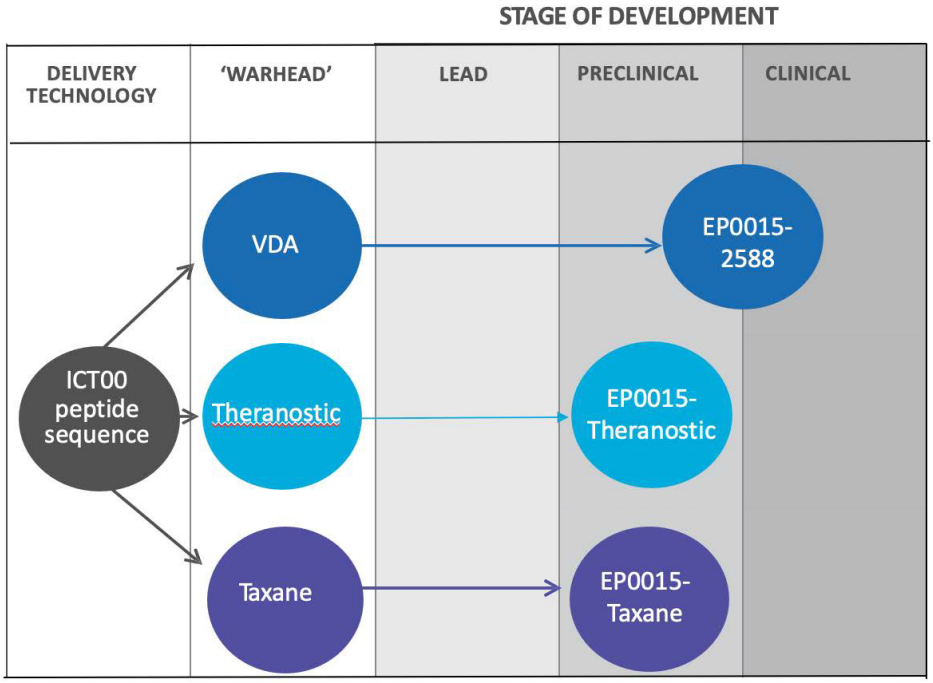
ICT00 family of candidates work by targeting the elevated expression of a specific membrane-bound matrix metalloprotease ("**MMP**") that is over-expressed in solid tumours and delivers a cancer-chemotherapeutic agent ("**warhead**") or diagnostic.

Over-expression of MMPs in solid tumours is required for the growth of tumours, invasion of normal tissues and the development of new blood vessels that supply the tumour (vascularisation). One specific MMP selectively metabolises ICT00 and in so doing, it releases whatever active ingredient ICT00 is carrying, for instance, an anti-cancer agent or "warhead" to the tumour. For example, in the case of EP0015, the warhead is a novel colchicine derivative that causes the structure of the blood vessels in the tumour cells to break down, effectively starving the tumour.

There are two aspects of the ICT00 platform technology that are worthy of note:

1. A wide variety of anti-cancer agents can be attached to the ICT00. This makes the platform truly versatile, as new and commonly used cancer drugs can be guided to the target by virtue of the delivery construct. This in itself provides a significant commercial potential to enhance the use of well-known drugs where clinical utilisation is hampered by off-site toxicity. An example of such is EP0015-Taxane, where the warhead is the drug Paclitaxel, currently used in the treatment of prostate cancer.
2. ICT00 potentially generates new patentable material every time a new warhead is attached through modification of the linker region.

These concepts are shown in the graphic below and introduce the clinical candidates currently being progressed:



EP0015

Despite advances in targeted therapy over recent years, the treatment of most adult solid cancers remains palliative rather than curative and represents a major unmet need. Solid cancers, particularly aggressively growing ones, are supported by a network of blood vessels. Vascular Disrupting Agents ("**VDAs**") were specifically designed to destroy the vascular network, depriving the growing tumour of essential nutrients and thereby killing it. However, their inherent cardiac toxicity is an obstacle to their effective use in the clinic. EP0015 seeks to address this by releasing the VDA only at the tumour site.

Competitive advantage

The ability of EP0015 to target solid tumours has many possible, yet currently unproven, benefits which will be assessed as part of clinical trials, including:

i. Greater efficacy – improved therapeutic index due to targeting and reduced toxicity;

ii. Side-effects – enhanced patient comfort;

iii. Reduced frequency of treatment – potential cost savings; and

iv. Improved life expectancy – desired outcome.

EP0015 has a significant competitive advantage over many current therapeutic approaches, including other anti-vascular agents such as ZD6126 (LoRusso et al 2008) and the combretastatins (Griggs et al, 2001), because of the ability to achieve high tumour drug concentrations without the corresponding systemic and normal tissue toxicities. Furthermore, by its very nature, the vascular shutdown elicited by EP0015 metabolism within the tumour has the potential to trap un-metabolised EP0015 or co-administered chemotherapy within the tumour, further reducing potential systemic toxicities and increasing the therapeutic index. Additionally, the delivery of an anti-vascular agent targeting the non-malignant vasculature cells within the tumour, as opposed to the tumour cells directly, has the added benefit of bypassing the intrinsic and induced drug resistance of tumour cells to chemotherapy.

EP0015 stands out from other approaches as:

– The directors believe that it is First in Class agent for tumour-activated prodrugs – current prodrugs in clinic are developed to address physicochemical issues (e.g. solubility) and are activated non-specifically in the circulation (e.g. combretastatin).

– Activity is restricted to the site of the tumour – cardiotoxicity in the clinic limits dosage of competitor VDAs through non-specific exposure.

– It is systemically stable allowing accumulation at the tumour.

– Once activated the drug collapses blood vessels limiting leakage of the active drug out of the tumour.

Positioning

EP0015 has been shown to be effective against a wide range of cancer cells, including the major solid tumours, both in vivo and in vitro. Importantly, EP0015 also demonstrates an absence of the toxicity associated with previous vascular targeting agents. Notwithstanding the success of many of the targeted treatments that have been introduced to date and the excitement around the new immunotherapeutic approaches, there still remains significant unmet clinical need in oncology. It is anticipated that there is excellent potential for an agent such as EP0015 with an activity profile which is less likely than many of the current targeted therapies to be subject to resistance due to genetic modifications. Future development will be directed by results in the clinic and also by the market interests of the developer, but it seems reasonable in the first instance to assume that at least one or two possibly more, of the major tumour types could be the key market opportunities for EP0015.

EP0015 is close to the First Time in Man (FTIM – a clinical phase 1 design in patients) stage and is the subject of commercial agreements with Ellipses Pharma. A summary of the agreements with Ellipses Pharma are set out in section 8 below.

EP0015-Theranostic

EP0015-Theranostic utilises the same design as EP0015 as an MMP-14 activated prodrug but, instead of a warhead, it carries a traceable molecule (such as a fluorescent agent) that can be used for diagnostic purposes.

EP0015-Theranostic is at the lead discovery stage.

EP0015-Taxane

EP0015-Taxane is based upon the targeting and delivery system utilised by EP0015. However, in this case, the active warhead (anti-cancer agent) for EP0015-Taxane is a well-known, potent anti-cancer agent from the Taxane class. Taxanes are well established in the treatment of prostate cancer and show promise in the clinic. Unfortunately, the toxicity profile currently limits its use in the elderly population where prevalence of prostate cancer is naturally high. EP0015-Taxane potentially addresses this clinical need by offering a targeted delivery system for the taxanes, thereby improving the safety profile.

EP0015-Taxane is in a pre-clinical stage of development. However, a large volume of clinical data from the use of taxanes in the clinic is available, to aid refining, optimising and improving clinical study designs.

6.3 ***Product Portfolio – Equin and Duo-C***

Equin

Equin is a quinone-based prodrug activated by the enzyme DT-diaphorase (DTD) which itself is over-expressed in many solid tumours including breast, colon, liver, bladder, stomach, the central nervous system (CNS), lung tumours and in melanomas. The expression of DTD is increased up to 80-fold in primary non-small cell lung cancer (NSCLC) relative to normal lung cells and up to 35-fold in NSCLC relative to small cell lung cancer (SCLC) cell lines.

Equin has been designed to overcome limitations associated with previously proposed bio-reductive agents including, stability, solubility, poor efficacy and unsuitable clinical regimes. In preclinical development Equin has showed promising efficacy and an improved pharmacokinetic profile.

Equin is currently undergoing preclinical development and has shown promising efficacy and an improved pharmacokinetic profile.

Duo-C

Duo-C focuses upon targeting colorectal cancer using duocarmycins, which are recognised for their extreme cytotoxicity, converted to a prodrug and designed to overcome their intrinsic toxicity and make them manageable and potentially useful in the clinical set up. The prodrug is activated by CYP2W1, a catabolic enzyme over-expressed in colorectal cancer. Results to date show promising prospects for this new class of drug, demonstrating successful delivery of ultra-potent agents with acceptable toxicity profiles.

Duo-C is in the late discovery (lead) phase.

7. PIPELINE AGREEMENT

Incanthera is a spin-out of the University of Bradford. The Company was established specifically to commercialise certain IP originating from the ICT. Since its establishment, Incanthera has maintained a close working relationship with the Institute, as evidenced by the Pipeline Agreement in place since 2011 and the additional assignments of pipeline IP to the Company.

ICT has a mission to research and develop new cancer treatments and is one of a handful of academic research facilities in the UK with the resources to enable all the elements of the drug discovery process from conception to clinical evaluation. Working closely with the oncologists and surgeons at The Bradford Royal Infirmary and St James's Hospital, Leeds, the ICT has already made major contributions to the clinical progression of many cancer medicines. Its focus is to research new cancer medicines to treat very challenging diseases including advanced lung, colon, breast and brain cancers, and the childhood condition, neuroblastoma. The research encompasses new treatments that either harness the immune system to attack cancer, switch off cancer by blocking gene transcription, or prevent cancer from spreading to other sites. The ICT is also looking to target chemotherapeutic medicines more selectively to address the horrendous side effects of current treatments.

On 19 September 2018, the ICT and the Company put in place a 10-year pipeline agreement that gives the Company access to further assignments of pipeline IP and product opportunities. Over a ten-year period, Incanthera will provide funding totalling £2 million (£200,000 per annum) to the ICT Doctoral Centre. In return, the University of Bradford has agreed to provide access to any intellectual property which arises in the ICT itself or the Doctoral Centre in the field of targeted prodrug therapeutics for the treatment of cancer. The Company is given prior access to such technology and the opportunity to negotiate its acquisition or a licence to use it. Incanthera is a member of the pipeline committee established to monitor the agreement and highlight further opportunities for collaboration.

Further details on the Pipeline Agreement is set out in paragraph 10.18 of Part V of this Document.

8. ELLIPSES PHARMA AGREEMENTS

As an important step in implementing Incanthera's corporate strategy, the Company signed its first agreement for the development of its most advanced clinical asset, EP0015, in return for a commitment to fund its future development and a share of ongoing revenues.

On 16 June 2017, Incanthera entered into an agreement with Ellipses Pharma, a drug development company focused exclusively on the development of innovative cancer medicines and treatments. Ellipses' management team leverages the experience and expertise of one of the world's largest cancer-focused key opinion leader groups to select, in-license and fund development of the most promising scientific discoveries.

The agreements between Incanthera and Ellipses Pharma:-

(i) committed Ellipses Pharma to fund the development of EP0015 through human clinical trials;

(ii) committed Incanthera to carry out certain development work for Ellipses Pharma;

(iii) provided for the conditional assignment of specified intellectual property to Ellipses Pharma subject to Incanthera's rights to a share of the rewards of its exploitation through ongoing payments; and

(iv) licensed Ellipses Pharma to use specified intellectual property pending the assignment becoming effective in December 2018

On 17 December 2019 Incanthera's agreement with Ellipses Pharma was varied so as to remove Incanthera's commitment to carry out development work for Ellipses Pharma leaving the development of EP0015 under the control of Ellipses Pharma.

EP0015 has completed a number of essential pre-clinical studies in preparation for filing a Clinical Trial Authorisation with the regulatory bodies. This authorisation will allow for the start of the clinical trial and is currently planned for 2020.

Further information on the agreements with Ellipses Pharma is set out in paragraph 10.19 of Part V of this Document.

9. INTELLECTUAL PROPERTY

Overall Approach

The Directors and Key Senior Management of the Company recognise the critical importance of intellectual property (IP) and prioritise the advancement and protection of their IP portfolio. The Company achieves this by working closely with their patent attorneys, Haseltine Lake Kempner (HLK). The Group has a pragmatic, cost conscious approach to growth of the IP portfolio as evidenced by the step-wise approach to divisional applications filing to complete the overarching protection strategy for each particular family.

Patent Filing Strategy

The Group initially makes patent filings with the UKIPO prior to pursuing protection world-wide in the normal manner. This allows the Group to take advantage of requesting an early search report during the priority year from the UKIPO, proactively preparing the patents ready for world-wide protection.

Renewals procedures

The Group uses a specialist renewals service provider, HL Renewals LLP, to monitor renewal deadlines and pay fees when they fall due.

The main IP Families of immediate interest are:

Project Sol

Incanthera R&D Ltd has a licence to a family of patent applications embracing a specific topical dermatological drug delivery formulation which provides the basis for the specific delivery of Sol. These patent applications are owned by a UK based pharmaceutical company who are specialists in the formulation of dermatological products.

This license will enable the Group to commercialise Sol for solar keratosis treatment and prevention of skin cancers including melanoma.

The Company is expanding Project Sol's patent protection by filing an additional patent application such that the potential expiry date of any resulting patents would be Q1 2041. This patent family is intended to be filed in the name of Incanthera R&D Ltd (part of the Group).

Project EP0015

The following table has been prepared to show which patent families afford patent protection for the four key elements of Project EP0015.

Project	*Patent Family*
EP0015 – Delivery Platform Technology	1, 2
EP0015 – ICT01-2588 and other VDA based prodrugs	1, 2
EP0015 – Tumour targeted theranostics	3
EP0015 – taxane based prodrugs	1, 4

Patent Family 1

This family of patents and patent applications was based on International (PCT) patent application no. PCT/GB2008/001043 (published as WO 2008/125800).

Patent Family 2

This family of patent applications was based on International (PCT) patent application no. PCT/GB2009/002484 (published as WO 2010/046628).

Patent Family 3

This family of patent applications was based on International (PCT) patent application no. PCT/EP2014/066087 (published as WO 2015/014756).

Patent Family 4

This family of patent applications was based on International (PCT) patent application no. PCT/GB2016/053745 (published as WO 2017/093719).

Project Equin

A UK application (No. GB1213486.2) filed 30 July 2012 serves as the priority founding application for the subsequently filed PCT application (PCT/EP2013/065968 – published as WO 2014/020012), filed on 30 July 2013, providing protection through to 2033 and potential further with patent extensions that cover the period of clinical trials (the Supplementary Protection Certificate (SPC) system for the UK and Europe and through similar exemptions for the rest of the world).

Project Duo-C

A European patent application (No. EP0130134.0) was filed on 22 February 2001 and serves as priority founding application for the subsequently filed PCT application (PCT/GB02/00801 – published as WO 02/067930) filed on 22 February 2002. Subsequent to this patent, further protection will be sought by the Company as the research provides additional novel structures that take advantage of this approach. For instance, the first new patent filing concerning Project Duo-C is anticipated in Q3 2020, with priority claiming patent applications to be filed in Q3 2021 such that the potential expiry date of any resulting patents would be in Q3 2041.

Trade marks

The Group has registered trade marks for the main Incanthera word and logo composite mark in the UK and the USA.

The UK trade mark was registered on 18 March 2016 with registration no. 3140836.

The US trade mark was registered on 16 April 2019 with registration no. 5724523.

Identification of new innovation

Company-sponsored research is continually monitored for potential patentable discoveries. New innovation is identified and captured through discussions during regular IP strategy meetings involving at least the Group's COO and a patent attorney from HLK.

10. KEY TECHNICAL RELATIONSHIPS

Advisers to the Company – Sol

For the lead development programme, Sol, the Company is working closely with two key individuals:

Professor Adrian Davis

Professor Davis is a physical pharmaceutical chemist, who joined Glaxosmithkline (GSK) as a skincare formulation specialist in 1971, retiring in 2004 as Director of Dermatological New Product Research. He provides expert advice on skincare product formulation. He is an advisor to many of the world's leading Pharma companies. Professor Davis is the author of over 20 patents, the majority of which are in the area of dermatological drug delivery, his specialist area for the last twenty years. He has published both original research and review chapters in the area of dermatological drug delivery and is a reviewer for several international journals. His particular interest is in rational drug dosage and drug delivery to optimize therapeutic potential. Professor Davis lectures internationally and is an honorary Professor at the UCL School of Pharmacy, London. He is a founder member and past Chairman of Skin Forum, a multidisciplinary group whose aim is to promote dermatological research and improve patient therapy.

Dr Kevin Hammond

Dr. Hammond has over thirty 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, South East and Central Asia.

Dr. Hammond is a member of several professional societies and bodies, and a Member of the Editorial Board of the International Journal of Cosmetic Science. In addition to his strong scientific background, Dr. Hammond has significant experience and training in all aspects of technology commercialisation and business development.

In 2010 Dr. Hammond set-up his own consultancy aimed at advising and working with SME's and University spin-out companies seeking to commercialise their technologies in the Pharmaceutical, Healthcare and FMCG markets. Since this time, he has secured significant returns for clients through facilitating 'entry' into potential customer companies, partnering contracts, technology sales, and licensing and royalty agreements, including deals with companies such as P&G, GSK and Coty. More recently Dr Hammond has established 'MDUK Consortium', which combines the mutual expertise of specialist individuals and companies with the goal of delivering advanced technology for the pharmaceutical and healthcare markets. Under his leadership, partnering agreements, with project funding and future royalties, have been secured with a leading SE Asia pharmaceutical company.

Dr Hammond is passionate about seeing new ideas and innovation achieve their full commercial potential, with concomitant returns for investors and shareholder, and creation of new employment opportunities. He is also an investor in promising new innovation and start-up companies

Clinical Relationships

The Company has built collaborative relationships with clinicians and clinical centres, across relevant disease areas, relating particularly to the planned clinical trials for EP0015 and future development of both Equin and Duo-C which requires a dedicated Phase 1 capability.

Professor Chris Twelves, Clinical Director, NIHR Leeds Clinical Research Facility

Chris Twelves is Professor of Clinical Cancer Pharmacology and Oncology in the Leeds Institute of Cancer and Pathology (LICAP) at the University of Leeds and Honorary Consultant in Oncology at Leeds Teaching Hospitals.

With a degree in Pharmacology and Experimental Medicine before qualifying in Medicine and training as a medical oncologist with an interest in new drug development and clinical pharmacology; his clinical practice has been in colorectal and breast cancer.

Professor Twelves' has been directly involved in the development of several important cancer drugs. He heads the Experimental Cancer Medicine Centre in Leeds and is Head of Section of Oncology and Clinical Research at the Leeds Cancer Research UK Centre.

The NIHR Leeds Clinical Research Facility carries out high quality early stage and experimental clinical trials to help new treatments and ensure that tests reach patients more quickly. The Company has a long-established working relationship with the centre through Chris Twelves and will be using the facility as the principal clinical site for early stage clinical trials.

Sarah Danson, Professor of Medical Oncology and Honorary Consultant in Medical Oncology, Academic Unit of Clinical Oncology, Weston Park Hospital, Sheffield

Sarah provides further clinical services and advice to the Company and leads a second clinical centre for early stage trials. Sarah qualified in 1996 from the University of Nottingham and was a Specialist Registrar in Medical Oncology and CRUK Clinical Research Fellow in Pharmacology at the Christie Hospital, Manchester before commencing her present post in 2006. Her clinical and research interests are in melanoma, thoracic malignancies and the early clinical assessment of new anticancer agents. She is an invited member of the CRUK New Agents Committee, an elected member of the NCRI Melanoma Group, and a member of the EORTC Lung and Melanoma Groups.

R&D Relationships

In addition, the Company benefits from a diverse, experienced team of advisors who cover the necessary range of specialities required for all aspects of the Company's business. These include regulatory advisors, chemists, biochemists, toxicologists, project managers and clinical experts to name a few. These advisors act as consultants to the Company and join project teams when required to advance the development of a portfolio asset.

These advisers include:

Adviser	*Specialism*
Professor Laurence Patterson, University of Bradford	Scientific
Professor Alan McGown, University of Salford	Scientific
Dr John Hadfield, University of Salford	Scientific
Professor Paul Loadman, University of Bradford	Scientific
Dr Robert Falconer, University of Bradford	Scientific
Dr Kevin Adams, University of Bradford	Pre-clinical
Murray Yule (MD) CRTU, Leeds	Clinical
Dr Gerard Costello, Independent Consultant	Commercial Project Management
Dr Jim Rennie CMC Consultant	Pre-clinical
Dr Graham Allen Analytical Services	Pre-clinical

The Company also works closely with key service providers including:

Service Provider	*Competencies*
QRCC	Quality and Regulatory affairs
Covance Laboratories	Animal Studies
Cyprotex	ADME in vitro studies
Ambiopharm	GMP Manufacturer
Catalent Inc	Clinical formulations and analytical services
Patheon	Clinical formulations and analytical services

11. MARKET OVERVIEW

Cancer affects more than 1 in 2 of the population globally and is increasing, partly due to population demographics and partly also due to lifestyle factors. Most cancers seen are solid tumours (9 out of the 10 most prevalent), with the four most prevalent, being breast, lung, colorectal and prostate, accounting for over 53 per cent. of all reported cancers in the UK. Cancer is becoming increasingly common in developing and developed countries, with more than two thirds of all cancer deaths occurring in low- and middle-

income countries in 2014. Worldwide, there remain significant unmet needs in cancer treatment, with significant scope for companies who can develop safer and better-targeted treatments.

In 2008, sales of cancer medicines of $54 billion represented just over 8 per cent. of the total global sales of prescription and over the counter medicines. By 2016, oncology sales, at $93.7 billion maintained this position as the most valuable sector of the drug market with an 11.7 per cent. share. This domination of the marketplace by oncology is set to grow at a projected annual growth rate of over 12 per cent. through to 2022. Growth in emerging markets, where oncology represents the principal specialty area, was forecast to grow 11-14 per cent. per annum.

New therapies have differentiated themselves in the way that they are targeted, both to the appropriate patient populations and also the specific biological mechanisms involved. The pipeline of oncology drugs has expanded by more than 60 per cent. in the past ten years, with 90 per cent. of this increased focus being on targeted therapies. Targeted therapies have actually demonstrated a greater CAGR than the oncology market as a whole, being 18 per cent. for the period 2011-2015. During this timeframe, sales of the more traditional therapeutic approaches of cytotoxics actually shrank by around 3 per cent. and hormonal products showed lower growth rate of 6 per cent.

Driven by the success of drugs such as bevacuzimab (AvastinTM), which in 2016 had total sales nearing $7 billion, attacking the tumour vasculature as a therapeutic target is a key area of industry activity. Several hundred drugs are listed in the drug databases as being under active development as inhibitors of new blood vessel growth (angiogenesis). This encompasses several target mechanisms focusing on pro-angiogenic factors including angiogenin, vascular endothelial growth factor (VEGF), fibroblast growth factor (FGF) and transforming growth factor-ß (TGF-ß).

Most of the anti-angiogenic substances being investigated presently can be classified as either direct or indirect inhibitors. The direct inhibitors are agents that directly target the endothelial cell recruitment, endothelial cell proliferation as well as tube formation, whereas the indirect inhibitors affect the production of pro-angiogenic growth factors by the tumour cells or interfere with their receptors or intracellular signalling pathways. Whilst many new therapeutics are being developed against the production of new blood vessels, few are targeting the existing vasculature.

Biomarkers can help to demonstrate a drug's clinical potential and aid drug development by identifying specific or subpopulations of patients who are more likely to respond strongly to treatment. The value of this approach in clinical trials was shown for stage IIIb–IV NSCLC biomarker targeted therapy which displayed much higher clinical trial success rates at all phases in comparison with the industry aggregate levels and had higher success rates in phase II and phase III trials when compared with NSCLC compounds that did not use biomarkers (67 per cent. versus 40 per cent. and 100 per cent. versus 29 per cent., respectively). Similarly, in breast cancer, a study of several clinical trials revealed that the overall success rate of new drug development in anthracycline/taxane patients was only 15 per cent., while in HER2-positive patients it was 23 per cent.

12. REGULATORY ENVIRONMENT

All pharmaceutical products, including those of the Company, are governed by stringent regulations and guidelines that dictate the type and extent of the research and development programme that needs to be conducted to demonstrate to the regulatory authorities that a product is effective and has an acceptable safety profile, and can be produced to the required quality each time it is manufactured.

The Company recognises the importance of the regulatory process and to this end retains specialist consultants (as listed above) to advise on regulatory strategy and operational matters.

13. SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The Company became the parent company of Incanthera on 26 February 2020. Financial information on the Company is included in Part III of this Document. The following summary of consolidated financial information for Incanthera for the 3 years ended 31 March 2019 (audited) and the six months ended 30 September 2019 (unaudited) has been derived from the financial information contained in Section A of Part III of this Document and should be read in conjunction with the full text of this Document. Investors should not rely solely on this summarised financial information.

	Year ended 31 March			6 Months to 30 September
	2017	*2018*	*2019*	*2019*
	£'000	*£'000*	*£'000*	*£'000*
	Audited	*Audited*	*Audited*	*Unaudited*
Revenue	–	603	–	–
Cost of sales	–	(189)	(106)	(61)
Gross profit	–	414	(106)	(61)
Research and development expense	(365)	(143)	(299)	–
Administrative expenses	(710)	(1,255)	(1,607)	(424)
Operating loss	(1,075)	(984)	(2,012)	(485)
Loss before taxation	(1,075)	(984)	24)	–
Loss after taxation	(955)	(943)	(1,988)	(485)

14. CURRENT TRADING AND PROSPECTS

The Company has developed and acquired a portfolio of specific cancer-targeting therapeutics. The Company secured its first commercial deal in 2017 with Ellipses Pharma for EP0015. It is anticipated that the product will be ready to bring to Phase I clinical trial by the end of 2020 providing clinical proof of concept for both the prodrug and the platform.

The Company's most advanced product is Sol, a potential innovative topical product for the treatment of solar keratosis and the prevention of skin melanoma. Following the successful completion of a bioequivalence study (summer 2019), the product is now being readied for an early commercial deal.

The Company received its first revenues during FY2018 through the commercial agreement with Ellipses Pharma. Over the past three years, the Company has incurred losses of £3.88 million, in aggregate, pursuing its scientific and clinical goals and on general and administrative expenses.

The Directors expect over the next 18 months that the Company will continue to incur costs to fund its operations including clinical development activities, pre-clinical research and securing further commercial agreements. Should the key milestones referred to above be achieved, the Directors believe that the Company has good prospects of growing the business and generating significant value for Shareholders.

The financial information on the Company is set out in Part III of this Document.

15. DETAILS OF THE PLACING

The Placing comprises the issue of 9,000,007 Placing Shares by the Company at the Placing Price, representing 14.8 per cent. of the Enlarged Issued Share Capital. It is anticipated that the Placing will raise £855,000 for the Company, before expenses. Application will be made to the NEX Exchange for the admission of the Enlarged Issued Share Capital to trading on NEX. It is expected that Admission will become effective and that dealings in the Enlarged Issued Share Capital will commence on 28 February 2020. The Placing, which has not been underwritten or guaranteed, is conditional on Admission. The Placing Shares will rank on issue *pari passu* with the Existing Shares in all respects including, without limitation, in relation to any dividends and other distributions declared, paid or made following Admission. The Placing Shares will be issued free from all liens, charges and encumbrances. Further details of the Placing Agreement are set out in paragraph 10.7 of Part V of this Document.

For Placing Shares in uncertificated form, it is expected that the CREST accounts of Placees will be credited on or around 8.00 a.m. on 28 February 2020. In the case of Placees requesting Placing Shares in certificated form, it is expected that the certificates in respect of such Placing Shares will be dispatched by post by 13 March.

16. USE OF PROCEEDS

Pursuant to the Placing and the Subscription Agreements, the Company will raise £1,205,000 (net of expenses) through the placing of the Placing Shares. The net proceeds of the Placing will be used primarily to progress the Sol programme, the Pipeline Agreement, maintain the IP portfolio and provide working capital for the Company and the Group.

17. LOCK-IN AND ORDERLY MARKET ARRANGEMENTS

Lock-in and Orderly Market Agreements have been entered into by the Locked-in Persons, who in aggregate will, on Admission, hold 38,722,943 Ordinary Shares (representing 63.6 per cent. of the Enlarged Ordinary Share Capital).

The Directors and Key Senior Management have entered into agreements pursuant to which they have each agreed with the Company, Cairn and Stanford Capital that for the period of 12 months following Admission they will not (without prior written consent) dispose of any interest in Ordinary Shares except in certain specified circumstances. They have also agreed that for a further 12 months (following the expiry of the initial 12 month period) they will only dispose of any interest in the Ordinary Shares through Stanford Capital (or the Company's broker at the relevant time if it is not Stanford Capital) and in such manner as Stanford Capital (or such other broker) may reasonably require with a view to the maintenance of an orderly market in the Ordinary Shares.

The Locked-in Persons have entered into agreements pursuant to which they have each agreed with the Company, Cairn and Stanford Capital that for the period of 12 months following Admission they will not dispose of any interest in Ordinary Shares except in certain specified circumstances. They have also agreed that for a further 12 months (following the expiry of the initial 12 month period) they will only dispose of any interest in the Ordinary Shares through Stanford Capital (or the Company's broker at the relevant time if it is not Stanford Capital) and in such manner as Stanford Capital (or such other broker) may reasonably require with a view to the maintenance of an orderly market in the Ordinary Shares.

Further details of the lock-in and orderly market arrangements are set out in paragraph 10.11 of Part V of this Document.

18. DIRECTORS AND SENIOR MANAGEMENT

Board of Directors

Tim McCarthy *(Executive Chairman) (aged 63)*

Tim joined Incanthera in March 2014. He has more than 35 years' international senior level business experience in the Healthcare, Biotech and Technology sectors. He is also the Non-executive Chairman of ImmuPharma plc, an AIM-quoted specialist drug discovery and development company, and a Supervisory Board member of 4basebio AG, an international molecular biology products company listed on the Prime Standard segment of the Frankfurt Stock Exchange. He is a former CEO and Finance Director of a number of public and private companies, including 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) (aged 52)*

Simon was instrumental in establishing Incanthera in March 2010 as a vehicle to commercialise and seek development funding for the intellectual property being created by the ICT. In 2000, he founded and was appointed chief executive of Molecular SkinCare Limited, a pioneer and developer of novel dermatology products for the prevention and management of skin diseases which in 2005 was acquired by York Pharma plc, an AIM-quoted pharmaceutical company focused on the field of dermatology. From 2005 to 2009, he held a non-board position as Chief Scientific Officer of the York Pharma group, responsible for identifying, acquiring and developing innovative pipeline product opportunities through to market.

From 2003 to 2011, Simon served as chairman of South Yorkshire Bioscience Enterprise Network (SYBEN). During part of this period, he was a non-executive director (and eventually deputy chairman) of Medipex, a healthcare innovation hub for NHS organisations across the Yorkshire & Humber and East Midlands regions

and industry and academia internationally. Through Biomart Limited, his own consultancy company, he has provided specialist services to clients ranging from Universities, the NHS and SMEs in the healthcare, biotech and pharmaceutical sectors in respect of early stage product opportunities. Simon graduated in 1990 from the University of London's School of Pharmacy (UK) with a Joint Honours Degree in Pharmacology and Toxicology and in 1994 was awarded a DPhil in the Department of Human Anatomy, Oxford University under a Glaxo Group Research Studentship.

Dr Alan Warrander *(Independent Non-executive Director) (aged 67)*

Alan joined Incanthera in 2012 as a Consultant and joined the Board in 2012. He is an expert in the fields of partnering and licensing with significant experience of global pharma drug discovery and drug development processes having more than 30 years' experience in the Pharmaceutical Industry. Alan recently retired from a part-time executive position at Oncolytics Biotech Inc. as Senior Vice President, Global Licensing and Business Development. He has also stood down as a director of Oncolytics Biotech (Barbados) Inc. and of Oncolytics Biotech (U.K.) Ltd. Until the end of 2007, he was Senior Vice President, Life Sciences at Wood Mackenzie, the global consultancy firm where he provided consultancy advice and expert scientific opinion to pharma, biotech companies, finance groups and law firms primarily in the areas of partnering, due diligence and strategic planning. Alan was also responsible for the production of a number of expert reports for a range of companies in support of AIM flotations.

Key Senior Management

Pawel Zolnierczyk *(Chief Operating Officer) (aged 42)*

Pawel joined Incanthera in January 2014. He has over 10 years' experience in research commercialisation in the life sciences sector. He has also successfully managed IP exploitation projects toward licenses and spin-offs. A graduate of Gdansk University of Technology, Pawel has held industry appointments with CEMA Consulting including as CEO of iTech Innovations Ltd. He was formerly IP Manager for the University of Salford. Pawel has successfully negotiated deals with corporate partners including Reckitt Benckiser plc and Novartis AG. He has wide experience of managing the creation of wealth from academic IP and managing sub-contractors including the creation of Onco-NX, from DiviRNA, CarbonAir spin-offs which successfully secured seed stage investments. Before joining Incanthera, Pawel was managing director of Onco-NX which was acquired by Incanthera in 2014.

Laura Jane Brogden *(Chief Financial Officer) (aged 39)*

Laura Brogden was appointed Chief Financial Officer of Incanthera in October 2017. Laura has provided accountancy services to Incanthera for the past 6 years through her role as a senior accountant with summ.it assist LLP, a firm which provides outsourced finance staffing to companies across the UK. Laura has been with summ.it for 13 years and has extensive experience heading up the finance function for SMEs across a diverse range of industries. Laura is an Associate of the Chartered Institute of Management Accountants.

Suzanne Brocks *(Head of Communications) (aged 49)*

Suzanne joined Incanthera in April 2015 and has over 30 years City experience. Most recently as a senior director in financial and corporate communications with Buchanan Communications. Experienced in financial communications, she has advised on IPO's 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 with management of a large client portfolio in London and the Far East.

19. CORPORATE GOVERNANCE

The Directors recognise the importance of sound corporate governance. The Company will on Admission adopt and apply the QCA Code published by the QCA. Appropriate disclosures will be made on the Company's website and in the Company's annual report and accounts as specified in the QCA Code.

Following Admission, the Board will comprise 3 Directors of which 2 are executive and 1 is independent and non-executive, reflecting a blend of different experiences and backgrounds.

The Board will meet regularly to review, formulate and approve the Company's strategy, budgets and corporate actions and oversee the Company's progress towards its goals. The Directors intend to hold Board meetings at least six times each financial year (on a *pro-rata* basis for the first year following Admission), and at other times as and when required. The Directors will be responsible for formulating, reviewing and approving the Company's strategy, budget and major items of capital expenditure. The Board will be responsible for monitoring the Company's risks as well as for implementing other systems of control which are deemed necessary. The Directors have established an Audit Committee and a Remuneration Committee, each with formally delegated rules and responsibilities. These Committees will each meet at least twice yearly. Terms of reference of each committee will be published on the Company's website on Admission.

The Audit Committee will *inter alia* determine and examine 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 will receive and review 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.

The Remuneration Committee will review and make 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 will also make recommendations to the Board concerning the allocation of share options to employees.

20. SHARE OPTION SCHEMES

The Board believes that the success of the Company will depend to a significant degree on the future performance of the Company's key management and that it is important to ensure that they are appropriately incentivised and that their interests are aligned with those of the Company. The Board regards share options as a key part of such incentive arrangements.

Following Admission, the Company intends to establish a new share option scheme for all eligible employees, which, if approved, will be an Enterprise Management Incentive Scheme. No more than 10 per cent. of the Company's issued share capital from time to time will be awarded in options.

21. DIVIDEND POLICY

The Company is primarily seeking to achieve capital growth for its Shareholders, and it is the Board's intention, during the current phase of the Company's development, to retain future distributable profits and only recommend dividends when appropriate and practicable. The declaration and payment by the Company of any future dividends on the Ordinary Shares and the amount of any such future dividends will depend on the results of the Company's operations, its financial condition, cash requirements and other factors deemed to be relevant at the time.

The Directors do not envisage that the Company will pay dividends in the foreseeable future and intend to re-invest any surplus funds in the development of the Company's business.

22. TAXATION

Information regarding taxation is set out in paragraph 11 of Part V of this Document. These details are intended only as a general guide to the current tax position in the UK. If an investor is in any doubt as to his or her tax position or is subject to tax in a jurisdiction other than the UK, he or she should consult his or her own independent financial adviser immediately.

23. EIS STATUS

The Company considers that the Placing Shares will rank as "eligible shares" for the purposes of EIS. However, none of the Company, the Directors or any of the Company's advisers gives any warranties or undertakings that such reliefs will continue to be available or will not be withdrawn at a later date.

24. SHARE DEALING CODE

The Company has adopted, with effect from Admission, a share dealing code which is appropriate for a company whose shares are admitted to trading on NEX (particularly relating to dealing during close periods in accordance with Rule 71 of the NEX Exchange Rules). The Company will take all reasonable steps to ensure compliance with the share dealing code by the Directors and any relevant employees.

25. SETTLEMENT AND DEALING

To be traded on NEX, securities must be able to be transferred and settled through the CREST system, which is a paperless settlement system enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by a written instrument in accordance with the CREST Regulations. The Ordinary Shares will be eligible for CREST settlement. Accordingly, following Admission, settlement of transactions in the Ordinary Shares may take place within the CREST system if a Shareholder so wishes. CREST is a voluntary system and Shareholders who wish to receive and retain share certificates are able to do so. For more information concerning CREST, Shareholders should contact their broker or Euroclear at 33 Cannon Street, London EC4M 5SB or by telephone on +44 (0) 207 849 0000.

26. TAKEOVER CODE

The Takeover Code applied to the Company from its incorporation on 23 October 2017.

The Company is a public company incorporated in England and Wales, and application will be made to the NEX Exchange for the Enlarged Share Capital to be admitted to trading on NEX.

The Takeover Code applies, amongst others, to all companies who have their registered office in the UK, Channel Islands or Isle of Man and whose securities are traded on a regulated market in the UK or a multilateral trading facility (such as NEX) or a stock exchange in the Channel Islands or Isle of Man. Accordingly, the Company is subject to the Takeover Code and therefore all Shareholders are entitled to the protections afforded by it.

The Takeover Code operates principally to ensure that shareholders of the Company are treated fairly and are not denied an opportunity to decide on the merits of a takeover and that shareholders of the same class are afforded equivalent treatment. The Takeover Code provides an orderly framework within which takeovers are conducted and the Panel on Takeovers and Mergers has now been placed on a statutory footing. Further information on the provisions of the Takeover Code is set out in paragraph 6 of Part V of this Document.

The Takeover Code governs, amongst other things, transactions which may result in a change of control of a company to which the Takeover Code applies. Under Rule 9 of the Takeover Code, any person, together with persons acting in concert with him, who acquires, whether by a series of transactions over a period of time or not, an interest in shares (as defined in the Takeover Code) which (taken together with shares in which that person is already interested or in which persons acting with him are interested) carry 30 per cent. or more of the voting rights of a company which is subject to the Takeover Code, is normally required to make a general offer to all the remaining shareholders to acquire their shares.

Similarly, Rule 9 of the Takeover Code also provides that when any person, together with persons acting in concert with him, is interested in shares which, in aggregate, carry 30 per cent. or more of the voting rights of such company but does not hold shares carrying more than 50 per cent. of such voting rights, a general offer will normally be required if any further interest in shares is acquired which increases the percentage of shares carrying voting rights in which he, together with persons acting in concert with him, are interested.

An offer under Rule 9 must be in cash and must be at the highest price paid by the person required to make the offer, or any person acting in concert with him, for any interest in shares of the company in question during the 12 months prior to the announcement of the offer.

The Company has agreed with the Panel that the members of the Incanthera Concert Party (as defined below) are considered to be acting in concert for the purposes of the Takeover Code. Persons acting in concert include persons who, pursuant to an agreement or understanding (whether formal or informal), co-operate, to obtain or consolidate control of that company.

The Incanthera Concert Party on Admission, will together hold Ordinary Shares representing an aggregate of 17.9 per cent. of the Enlarged Issued Share Capital. Further details on the Takeover Code and the Incanthera Concert Party holding are set out in paragraph 6 of Part V of this Document.

27. 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 Shares to ImmuPharma pursuant to the ImmuPharma Warrant.

The Company has agreed to issue the Warrants (excluding the ImmuPharma Warrants) on Admission to subscribe for a total of 2,311,677 new Ordinary Shares at the Placing Price pursuant to the Cairn Warrant, the Pharmhall Warrant and the Broker Warrant.

Further details of the warrants are set out in paragraphs 10.4 and 10.8 to 10.10 of Part V of this Document.

In aggregate, at the date of this Document, the Company has in aggregate 9,584,417 new Ordinary Shares held under warrant.

28. FURTHER INFORMATION

Before making a decision to invest in the Company, you should read the whole of this Document which provides additional information on the Company and the Placing and not rely on summaries or individual parts only.

Your attention is drawn, in particular, to the Risk Factors set out in Part II of this Document and the Additional Information set out in Part V of this Document.

PART II

RISK FACTORS

There are significant risks associated with an investment in the Company. Prior to making an investment decision in respect of the Ordinary Shares, prospective investors should consider carefully all of the information within this Document, including the following risk factors. The Directors believe the following risks to be the most significant for potential investors. However, the risks listed do not necessarily comprise all those associated with an investment in the Company. In particular, the Company's performance may be affected by changes in market or economic conditions and in legal, regulatory and/or tax requirements. The risks listed are not set out in any particular order of priority. Additionally, there may be risks not mentioned in this Document of which the Directors are not aware or believe to be immaterial, but which may, in the future, adversely affect the Company's business and the market price of the Ordinary Shares.

If any of the following risks were to materialise, the Company's business, financial condition, results or future operations could be materially and adversely affected. In such cases, the market price of the Ordinary Shares could decline and an investor may lose part or all of his investment. Additional risks and uncertainties not presently known to the Directors, or which the Directors currently deem immaterial, may also have an adverse effect upon the Company and the information set out below does not purport to be an exhaustive summary of the risks affecting the Company.

Before making a final investment decision, prospective investors should consider carefully whether an investment in the Company is suitable for them and, if they are in any doubt should consult with an independent financial adviser authorised under FSMA which specialises in advising on the acquisition of shares and other securities.

1. GENERAL RISKS

An investment in the Company is only suitable for investors capable of evaluating the risks and merits of such investment and who have sufficient resources to bear any loss that may result from the investment. A prospective investor should consider with care whether an investment in the Company is suitable for him or her in the light of his or her personal circumstances and the financial resources available to him or her. The investment opportunity offered in this Document may not be suitable for all recipients of this Document. Investors are therefore strongly recommended to consult an investment adviser authorised under FSMA, or such other similar body in their jurisdiction, who specialises in advising on investments of this nature before making their decision to invest. Investment in the Company should not be regarded as short-term in nature. There can be no guarantee that any appreciation in the value of the Company's investments will occur or that the commercial objectives of the Company will be achieved. Investors may not get back the full amount initially invested. The prices of shares and the income derived from them can go down as well as up. Past performance is not necessarily a guide to future performance.

2. RISKS RELATING TO THE COMPANY'S BUSINESS

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.

Early stage of operations

The Company's operations are at an early stage of development and there can be no guarantee that the Company will be able to, or that it will be commercially advantageous for the Company to, develop its proprietary technology.

Technology and products

The development and commercialisation of the Company's proprietary technology, which is at an early stage, will require multiple series of clinical trials and there is a risk that a product may not prove to be efficacious or that safety issues may arise when a product is tested. Serious unforeseen side effects from the development products could arise, either during clinical development or, if approved by regulatory authorities, after the approved product has been marketed.

Dependence on Third Parties

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 or in quality fashion and the Company could suffer significant delays in the development of its products.

Reliance on development partners

The Company does not have a sales or marketing infrastructure and has no experience in the sale or marketing of a pharmaceutical product. It therefore seeks to collaborate with pharmaceutical and biotechnology companies for the development and potential commercialisation of the development products, as has been the case in its agreements with Ellipses Pharma. There can be no assurance that any such agreements will be secured or if secured will proceed as intended.

Competition

The Company is developing drugs in the intensely competitive market of cancer therapeutics. Currently, as far as the directors are aware, there is no competition from direct competitors developing drugs 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.

Competition from pharmaceutical companies, biotechnology companies and universities is intense and can be expected to increase, as well as competition from non-pharmaceutical alternative therapies.

Intellectual property

The field of pharmaceutical development is highly litigious. The Company's priorities are to protect its IP and seek to avoid infringing other companies' IP. The Company engages reputable professional advisers to mitigate the risk of patent infringement and to assist with the protection of the Company's 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's counterparties may become insolvent

There is a risk that the parties with whom the Company trades or has other business relationships may become insolvent. In the event that a party with whom the Company trades becomes insolvent, this could have a material adverse impact on the revenues and profitability of the Company.

Future funding requirements

Whilst in the opinion of the Directors, the working capital available to the Company and Group is sufficient for at least 12 months from the date of Admission, the Company will need to raise additional funding to undertake work beyond that being funded by the net proceeds of the Placing. 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.

NWFB Relationship Agreement

The Company has received investments totalling £1.475 million from NWFB. It was a condition of taking this funding that the Company gave certain acknowledgements, undertakings and confirmations to NWFB regarding, amongst other things, the maintenance of its records, the provision of information, its compliance

with applicable laws, regulation and guidance, its approach to capital purchases, and its co-operation in ensuring that NWFB complies with its obligations to the European Investment Bank and the European Regional Development Fund. These acknowledgements, undertakings and confirmations are currently documented in the NWFB Relationship Agreement, further details of which are set out in paragraph 10.15 of Part V of this Document.

The NWFB Relationship Agreement provides that if:

- the Company were to relocate a material part of its operations, people or trading to outside of the North West of England region;
- the investment in the Company by NWFB is deemed to be or becomes ineligible under the investment objectives and policies of NWFB (as the same may be varied from time to time at the discretion of, in particular, the European Investment Bank, the European Regional Development Fund and NWFB);
- there has been a breach of those objectives and policies; or
- the European Investment Bank, the European Regional Development Fund, NWFB or other body connected with NWFB are obliged to pay back monies which they made available to NWFB,

and NWFB so demands, then the Company must repay NWFB, in such a manner and at such time as NWFB may determine, all ineligible monies which have been made available to the Company by NWFB. If NWFB were to exercise its right to demand repayment of ineligible monies, the Company may need to raise additional funding. There is no certainty that this would be possible at all, or on acceptable terms.

NPIF Relationship Agreement

The Company has received investments totalling approximately £0.25 million from NPIF. It was a condition of taking this funding that the Company gave certain acknowledgements, undertakings and confirmations to NPIF regarding, amongst other things, the maintenance of its records, the provision of information, its compliance with applicable laws, regulation and guidance, its approach to capital purchases, and its co-operation in ensuring that NPIF complies with its investment objectives. These acknowledgements, undertakings and confirmations are currently documented in the NPIF Relationship Agreement, further details of which are set out in paragraph 10.16 of Part V of this Document.

The NPIF Relationship Agreement provides that if:

- the investment in the Company by NPIF is deemed to be or becomes ineligible under the investment objectives and policies of NPIF (as the same may be varied from time to time);
- there has been a breach of those objectives and policies; or
- the Company fails to comply with the terms of the agreement and such non-compliance is not remedied or capable of being remedied,

and NPIF so demands, then the Company must repay NPIF, in such a manner and at such time as NPIF may determine, all ineligible monies which have been made available to the Company by NPIF. If NPIF were to exercise its right to demand repayment of ineligible monies, the Company may need to raise additional funding. There is no certainty that this would be possible at all, or on acceptable terms.

General legal and regulatory issues

The laws, regulatory restrictions and governmental directives, recommendations and guidelines (relating to, amongst other things, occupational safety, laboratory practice, the use and handling of hazardous materials, prevention of illness and injury, environmental protection and animal and human testing) applicable to the Company's operations may be subject to change without prior notice or consultation. Any such changes or amendments may significantly impact the Company's operations. In view of the ongoing Brexit negotiations and implementation and the uncertainty surrounding the effect these will have, it is not clear whether such rules will significantly change and, if so, exactly how they will differ. There may also be increased costs to the Company of complying with any changes in the regulatory requirements to which it is subject.

The general speculation and concern surrounding how and when the UK will leave the EU has also caused uncertainty in the market which may damage customers' and investors' confidence. Any of these risks could have a material adverse effect on the Company's business, results of operations and/or financial condition.

Misconduct

The Company is exposed to the risk of employees, independent contractors, principal investigators, consultants, commercial partners or vendors engaging in fraud or other misconduct. Misconduct could include intentional failures to comply with regulations, or to provide accurate information to the regulators, or to comply with manufacturing standards the Company has established.

Computer system failure

Despite the implementation of security measures, any of the internal computer systems belonging to the Company or its third-party service providers and collaborators are vulnerable to damage from computer viruses, unauthorised access, natural disasters, terrorism, war and telecommunication and electrical failure. Any system failure, accident or security breach that causes interruptions in its own or in third-party service providers' and collaborators' operations could result in a material disruption of its product development programmes.

Product development timelines

The Company has a number of development stage product candidates. Development programme delays, inconclusive results, identification of safety issues, product formulation failures or regulatory challenges may require additional follow-up studies that are not envisaged at this time. Such delays will have an adverse impact upon the Company's business, financial condition and results from operations.

Pipeline Agreement

The Company has a Pipeline Agreement in place with the University of Bradford, further details of which are set out in paragraph 10.18 of Part V of this Document. There is no guarantee that the Pipeline Agreement will provide any commercially appropriate intellectual property to the Company.

Proprietary technology

The Company relies and will rely on intellectual property laws and third-party non-disclosure agreements to protect its patents and other proprietary rights. The Company's business is based upon a combination of patent applications and confidential business know-how. No assurance can be given that any currently pending patent applications or any future patent applications will result in patents being granted. In addition, there can be no guarantee that the patents will be granted on a timely basis, that the scope of any patent protection will exclude competitors or provide competitive advantages to the Company, that any of the Company's patents will be held valid if challenged, or that third parties will not claim rights in, or ownership of, the patents and other proprietary rights held by the Company.

Despite precautions taken by the Company to protect its products, unauthorised third parties may attempt to copy, or obtain and use the Company's IPR and other technology that is incorporated into its pharmaceutical products. In addition, alternative technological solutions similar to the Company's products may become available to competitors or prospective competitors of the Company. It should be noted that once granted, a patent can be challenged both in the relevant patent office and in the courts by third parties. Third parties can bring material and arguments which the patent office granting the patent may not have seen at the time of granting the patent. Therefore, whilst a patent may be granted to the Company it could in the future be found by a court of law or by the patent office to be invalid or unenforceable or in need of further restriction.

Should the Company be required to assert its IPR, including any patents, against third parties it is likely to use a significant amount of the Company's resources as patent litigation can be both costly and time consuming. No assurance can be given that the Company will be in a position to devote sufficient resources to pursue such litigation. In addition, a defendant could counterclaim that the patent covering the Company's IPR is invalid or unenforceable. Any unfavourable outcomes in respect of patent litigation could limit the Company's IPR and activities moving forward. Any claims made against the Company's Intellectual Property Rights by a third party, even without merit, could be time consuming and expensive to defend and could have a materially detrimental effect on the Company's resources.

Other commercial agreements

The Company's strategy is to commercialise its portfolio of candidates through commercial agreements with established third-party pharmaceutical or cosmetic companies thereby generating revenue for the Company and ensuring continued development of the technologies, at the commercial partner's cost. There can be no guarantee that any agreements will be entered into in the future.

Research and development risk

The Company is operating in the biopharmaceutical development sector and has a number of drug candidates in various stages of clinical development. In addition, the Company may continue to exploit 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.

The Company's resource allocation decisions and its ability to accurately evaluate the commercial potential of a particular pharmaceutical candidate may result in the Company failing to pursue and capitalise on products which have profitable market opportunities.

Uncertainty relating to 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 establish the trials, and ultimately market its products. These regulations vary from country to country and the time required for regulatory review can be lengthy, expensive and uncertain. While efforts have been and will be made to ensure compliance with government standards, there is no guarantee that any product will be able to achieve the necessary regulatory approvals to promote that product in any of the targeted markets and any such regulatory approval may include significant restrictions for which the Company's products can be used. In addition, the Company may be required to incur significant costs in obtaining or maintaining its regulatory approvals. Delays or failure in obtaining regulatory approval for products would be likely to have a serious adverse effect on the value of the Company and have a consequent impact on its financial performance.

Liability and insurance

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's suppliers may not have insurance in place or may have inadequate insurance to cover any liability which may arise from the products supplied therefore the Company itself may become liable in whole or in part for claims resulting from negligence of the supplier. In addition, in the case of certain existing supplier agreements the Company has indemnified the supplier for any excess liability over and above its insurance cover.

3. RISKS RELATING TO AN INVESTMENT IN THE ORDINARY SHARES

No prior market for the Ordinary Shares

Before Admission, there has been no prior market for the Ordinary Shares. Although application has been made for the Ordinary Shares to be admitted to trading on NEX, an active public market may not develop or be sustained following Admission.

Trading and performance of Ordinary Shares

It may be more difficult for investors to realise their investment in a company whose shares are traded on NEX than to realise an investment in a company whose shares are quoted on the Official List. The share price of publicly traded, early stage companies can be highly volatile. The price at which the Ordinary Shares will be traded and the price at which investors may realise these investments will be influenced by a large number of factors; some specific to the Company and its operations, and some which may affect quoted companies generally. The value of Ordinary Shares will be dependent upon the success of the operational activities undertaken by the Company, and prospective investors should be aware that the value of the Ordinary Shares can go down as well as up. Furthermore, there is no guarantee that the market price of an Ordinary Share will accurately reflect its underlying value.

Volatility of share price

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.

These fluctuations may adversely affect the trading price of the Ordinary Shares, regardless of the Company's performance.

Future sales of Ordinary Shares could adversely affect the price of the Ordinary Shares

Certain Shareholders have given lock-in undertakings that, save in certain circumstances, they will not, until twelve months following Admission, dispose of the legal or beneficial ownership of, or any other interest in, Ordinary Shares held by them. There can be no assurance that such parties will not affect transactions upon the expiry of the lock-in or any earlier waiver of the provisions of their lock-in. The sale of a significant number of Ordinary Shares in the public market, or the perception that such sales may occur, could materially adversely affect the market price of the Ordinary Shares.

Shareholders not subject to lock-in arrangements and, following the expiry of twelve months following Admission (or earlier in the event of a waiver of the provisions of the lock-in), Shareholders who are otherwise subject to lock-in arrangements, may sell their Ordinary Shares in the public or private market and the Company may undertake a public or private offering of Ordinary Shares. The Company cannot predict what effect, if any, future sales of Ordinary Shares will have on the market price of the Ordinary Shares. If Shareholders were to sell, or the Company was to issue a substantial number of Ordinary Shares in the public market, the market price of the Ordinary Shares could be materially adversely affected. Sales by Shareholders could also make it more difficult for the Company to sell equity securities in the future at a time and price that it deems appropriate.

Dilution of Shareholders' interests as a result of additional equity fundraising

The Company will need to raise additional funds in the future to finance, amongst other things, working capital. If additional funds are raised through the issuance of new equity or equity-linked securities of the Company other than on a *pro rata* basis to existing Shareholders, the percentage ownership of the existing Shareholders may be reduced. Shareholders may also experience subsequent dilution. The Company may also issue shares as consideration shares on acquisitions or investments which would also dilute Shareholders' respective shareholdings.

EIS

The Company has obtained advance assurance from HMRC that the Placing Shares will be eligible for EIS purposes, subject to the submission of the relevant claim form in due course. The obtaining of such advance assurance and submission of such a claim by the Company does not guarantee EIS qualification for an individual, whose claim for relief will be conditional upon his or her own circumstances and is subject to holding the Placing Shares throughout the relevant three-year period. The continuing status of the Placing Shares as qualifying for EIS purposes will be conditional on qualifying conditions being satisfied throughout the relevant period of ownership. Neither the Company, the Directors nor the Company's advisers give any warranty, representation or undertaking that any investment in the Company by way of the Placing Shares will remain a qualifying investment for EIS purposes. Investors must take their own advice and rely on it. If the Company carries on activities beyond those disclosed to HMRC, then EIS investors may cease to qualify for the tax benefits.

Forward looking statements

This document contains forward-looking statements that involve risks and uncertainties. The Company's results could differ materially from those anticipated in the forward-looking statements as a result of many factors, including the risks faced by the Company, which are described above and elsewhere in the document. Additional risks and uncertainties not currently known to the Directors may also have an adverse effect on the Company's business.

The specific and general risk factors detailed above do not include those risks associated with the Company which are unknown to the Directors.

Although the Directors will seek to minimise the impact of the Risk Factors, investment in the Company should only be made by investors able to sustain a total loss of their investment. Investors are strongly recommended to consult an investment adviser authorised under FSMA who specialises in investments of this nature before making any decision to invest.

PART III

Part III of this Document contains:

- in Section A, the historical financial information of the Incanthera Group for the three years ended 31 March 2019 and the six months ended 30 September 2019;
- in Section B, the accountants' report on the historical financial information in Section A; and
- in Section C, the unaudited pro forma statement of net assets for the Company.

A: HISTORICAL FINANCIAL INFORMATION ON THE INCANTHERA GROUP FOR THE THREE YEARS ENDED 31 MARCH 2019

Consolidated statements of comprehensive income

	Notes	*Year to 31 Mar 2017 Audited £000*	*Year to 31 Mar 2018 Audited £000*	*Year to 31 Mar 2019 Audited £000*	*6 mths to 30 Sep 2018 Unaudited £000*	*6 mths to 30 Sep 2019 Unaudited £000*
Revenue	*4*	–	603	–	–	–
Cost of Sales		–	(189)	(106)	(35)	(61)
Gross profit		–	414	(106)	(35)	(61)
Research and development expenses		(365)	(143)	(299)	(20)	–
Administrative expenses		(710)	(1,255)	(1,607)	(509)	(424)
Loss on ordinary activities before taxation	5	(1,075)	(984)	(2,012)	(564)	(485)
Taxation	7	120	41	24	7	–
Loss for the year and total comprehensive loss for the year attributable to equity shareholders of the company		(955)	(943)	(1,988)	(557)	(485)

All losses arose from continuing operations.

There were no other items of comprehensive income and therefore the losses were also the total comprehensive losses.

Consolidated statements of changes in equity

	Issued equity capital	*Share premium*	*Share-based payment reserve*	*Revenue reserve*	*Total*
	Attributable to equity shareholders of the company				
	£000	*£000*	*£000*	*£000*	*£000*
At 31 March 2016	9	3,556	65	(2,841)	789
Loss for the year and total comprehensive loss for the year	–	–	–	(955)	(955)
Issue of share capital	1	339	–	–	340
Expenses of share issues	–	(23)	–	–	(23)
Share-based payments	–	–	34	–	34
Transactions with owners	1	316	34	–	351
At 31 March 2017	10	3,872	99	(3,796)	185
Loss for the year and total comprehensive loss for the year	–	–	–	(943)	(943)
Issue of share capital	9	1,012	–	–	1,021
Expenses of share issues	–	(49)	–	–	(49)
Shares cancelled	–	(10)	–	–	(10)
Share-based payments	–	–	32	–	32
Transactions with owners	9	953	32	–	994
At 31 March 2018	19	4,825	131	(4,739)	236
Loss for the year and total comprehensive loss for the year	–	–	–	(1,988)	(1,988)
Issue of share capital	6	2,492	–	–	2,498
Expenses of share issues	–	(12)	–	–	(12)
Share-based payments	–	–	270	–	270
Transactions with owners	6	2,480	270	–	2,756
At 31 March 2019	25	7,305	401	(6,727)	1,004
Loss for the 6 months to 30 September 2019 and total comprehensive loss for the period	–	–	–	(485)	(485)
Share-based payments	–	–	147	–	147
Transactions with owners	–	–	147	–	147
At 30 September 2019 (unaudited)	25	7,305	548	(7,212)	666
At 31 March 2018	19	4,825	131	(4,739)	236
Loss for the 6 months to 30 September 2018 and total comprehensive loss for the period	–	–	–	(557)	(557)
Share-based payments	–	–	13	–	13
Transactions with owners	–	–	13	–	13
At 30 September 2018 (unaudited)	19	4,825	144	(5,296)	(308)

Consolidated statements of financial position

	Notes	*Year to 31 Mar 2017 Audited £000*	*Year to 31 Mar 2018 Audited £000*	*Year to 31 Mar 2019 Audited £000*	*6 mths to 30 Sep 2018 Unaudited £000*	*6 mths to 30 Sep 2019 Unaudited £000*
Assets						
Non–current assets						
Property, plant and equipment	8	11	10	5	7	4
Intangible assets	9	760	949	921	893	856
		771	959	926	900	860
Current assets						
Trade and other receivables	11	71	240	100	643	18
Income tax asset	12	120	41	24	47	(3)
Cash and cash equivalents	13	88	142	176	693	51
		279	423	301	1,383	66
Total assets		1,050	1,382	1,227	2,283	926
Liabilities						
Current liabilities						
Trade and other payables	14	865	1,147	223	2,592	260
		865	1,147	223	2,592	260
Total liabilities		865	1,147	223	2,592	260
Net assets		185	236	1,004	(308)	666
Capital and reserves						
Issued equity capital	15	10	19	25	19	25
Share premium	15	3,872	4,825	7,305	4,825	7,305
Share-based payment reserve	16	99	131	401	144	548
Retained earnings		(3,796)	(4,739)	(6,727)	(5,296)	(7,212)
Total equity attributable to equity shareholders of the company		185	236	1,004	(308)	666

Consolidated statements of cash flow

	Notes	*Year to 31 Mar 2017 £000 Audited*	*Year to 31 Mar 2018 £000 Audited*	*Year to 31 Mar 2019 £000 Audited*	*6 mths to 30 Sep 2018 £000 Unaudited*	*6 mths to 30 Sep 2019 £000 Unaudited*
Loss before tax		(1,075)	(984)	(2,012)	(564)	(485)
Adjustments for:						
Depreciation of property, plant and equipment	8	10	9	5	3	1
Amortisation of intangible assets	9	111	111	128	56	64
Share-based payments	16	34	32	270	13	147
Changes in working capital:						
Decrease/(Increase) in trade and other receivables	11	(6)	(169)	140	(403)	82
Increase/(Decrease) in trade and other payables	14	537	282	(924)	1,445	38
Cash in/outflows from operating activities		(389)	(720)	(2,393)	550	(153)
Research and development tax credit received		117	120	41	–	28
Net cash in/outflows from operating activities		(272)	(600)	(2,352)	550	(126)
Cash flows from investing activities						
Purchases of plant and equipment	8	–	(8)	–	–	–
Net cash used in investing activities		–	(8)	–	–	–
Cash flows from financing activities						
Proceeds from issue of ordinary share capital	15	340	712	2,398	–	–
Expenses on issue of shares		(23)	(49)	(12)	–	–
Net cash inflows from financing activities		317	663	2,386	–	–
Increase/(Decrease) in cash and cash equivalents		45	55	34	550	(126)
Cash and cash equivalents at the start of the year		43	88	143	143	177
Cash and cash equivalents at the end of the year	13	88	143	177	693	51

Notes to the historical financial information

1. Reporting entity

Incanthera is a limited liability company, incorporated on 2 March 2010 and is domiciled in England and Wales (registered number 07174977). The principal activity of Incanthera and its subsidiaries (the "Incanthera Group") is that of drug discovery. The registered office is 76 King Street, Manchester, M2 4NH.

2. Basis of preparation

The historical financial information includes the results of the Incanthera Group for the three years ended 31 March 2019 plus the 6 month period to the 30 September 2019 and is prepared for the purposes of the admission of the ordinary shares of the Company to NEX operated by the NEX Exchange.

The historical financial information has been prepared in accordance with International Financial Reporting Standards and interpretations issued by the International Financial Reporting Standards Interpretations Committee ("IFRIC") as adopted by the European Union (collectively "EU adopted IFRS's").This financial information has been prepared and approved by the directors in accordance with IFRS.

The financial information consolidates the financial information of wholly-owned subsidiaries, Onco-NX and Spear Therapeutics.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in this financial information. The historical financial information has been prepared on the basis of IFRS consistently throughout all periods.

(a) ***Basis of measurement***

The Incanthera Group's financial statements have been prepared on the historical cost basis.

The methods used to measure assets and liabilities are discussed in the respective notes of note 3 below.

(b) ***Going concern***

Incanthera conducts scientific research and development and has invested significantly in the development of new cancer therapeutics. The directors believe that this investment positions the Company for a transformational year in 2020, to deliver to the pharmaceutical industry cancer therapeutics from a low cost base via a productive pipeline of early stage technology opportunities.

The historical financial information has been prepared on the going concern basis, which assumes the Incanthera Group will continue to be able to meet its liabilities as they fall due for the foreseeable future, based on detailed financial projections, prepared by the Directors, including the net proceeds from the Placing upon Admission to NEX.

(c) ***Functional and presentational currency***

These financial statements are presented in pounds sterling, which is the Incanthera Group's functional currency. All financial information presented has been rounded to the nearest thousand.

(d) ***Use of estimates and judgements***

The preparation of historical financial information requires management to make estimates and judgements that affect the amounts reported for assets and liabilities as at the reporting date and the amounts reported for revenues and expenses during the year. The nature of estimation means that actual amounts could differ from those estimates. Estimates and judgements used in the preparation of the historical financial information are continually reviewed and revised as necessary. While every effort is made to ensure that such estimates and judgements are reasonable, by their nature they are uncertain and, as such, changes in estimates and judgements may have a material impact on the financial statements. The key sources of judgement and estimation uncertainty that have a significant risk of causing material adjustment to the carrying amount of assets and liabilities within the current financial year are discussed below.

- *Equity-settled share-based payments*

  The determination of share–based payment costs requires: the selection of an appropriate valuation method, consideration as to the inputs necessary for the valuation model chosen, judgement regarding when and if performance conditions will be met, and the estimation of the number of awards that will ultimately vest. Inputs required for this arise from judgements relating to the future volatility of the share price of Incanthera and comparable companies, the Company's expected dividend yields, risk free interest rates and expected lives of the options. The Directors draw on a variety of sources to aid in the determination of the appropriate data to use in such calculations. The share-based payment expense is most sensitive to the future volatility of the future share price factor, see note 16.

- *Revenue recognition*

  Judgements are required as to whether and when contractual milestones have been achieved and in turn the period over which development revenue should be recognised. Management judgements are similarly required to determine whether services or rights under licence agreements have been delivered so as to enable licence revenue to be recognised.

  Further information on critical judgements made in applying accounting policies, including details of significant methods and assumptions used, is included in note 3.

- *Taxation*

  Management judgement is required to determine the amount of tax assets (including R & D tax credits) that can be recognised, based upon the likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies. Further information is included in note 7.

- *Research and development*

  Careful judgement by the Directors is applied when deciding whether the recognition requirements for development costs have been met. This is necessary as the economic success of any product development is uncertain until such time as technical viability has been proven and commercial supply agreements are likely to be achieved. Judgements are based on the information available at each reporting date which includes the progress with testing and certification and progress on, for example, establishment of commercial arrangements with third parties. In addition, all internal activities related to research and development of new products are continuously monitored by the Directors.

3. Significant accounting policies

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in the historical financial information.

(a) ***Basis of consolidation***

The Incanthera Group historical financial information consolidates the financial statements of Incanthera and the entities it controls (its subsidiaries) drawn up to 31 March 2017, 31 March 2018, 31 March 2019, 30 September 2018 and 30 September 2019.

All business combinations are accounted for by applying the acquisition method as at the acquisition date, which is the date on which control transferred to Incanthera.

The Incanthera Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (being fair value) of the identifiable assets acquired and liabilities assumed.

Transaction costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Incanthera Group incurs in connection with a business combination are expensed as incurred.

Subsidiaries are all entities over which the Incanthera Group has the power to govern the financial and operating policies. All Incanthera's subsidiaries are 100 per cent. owned. Subsidiaries are fully consolidated from the date control passes.

All intra–group transactions, balances and unrealised gains on transactions between Incanthera Group companies are eliminated on consolidation. Subsidiaries' accounting policies are amended where necessary to ensure consistency with the policies adopted by the Incanthera Group.

(b) ***Revenue recognition***

Revenue is recognised to the extent that it is probable that economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable for the sale of goods or services, excluding discounts, rebates, VAT and other sales taxes or duties.

Incanthera's revenues to date comprise amounts earned for the rendering of services under collaboration agreements.

Revenues received in advance of work performed, from development programmes, are recognised on a straight-line basis over the period that the development work is being performed as measured by contractual milestones. Revenue is not recognised where there is uncertainty regarding the achievement of such milestones and where, either revenue has not been paid, or where the customer has the right to recoup advance payments.

Contractual payments received from licence agreements are recognised as revenue when goods, services or rights and entitlements are supplied or when contractual rights for the customer to recoup such payments have lapsed.

Revenue is recognised in according with the requirements of IFRS 15 'Revenue from Contracts with Customers'. The Company recognises revenue to depict the transfer of promised goods and services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This core principle is delivered in a five-step model framework:

1. Identify the contract(s) with the customer;
2. Identify the performance obligations in the contract;
3. Determine the transaction price;
4. Allocate the transaction price to the performance obligations in the contract; and
5. Recognise revenue when (or as) the entity satisfy a performance obligation.

Revenue is recognised when control of the products have been transferred to the customer. Control is considered to have transferred once products have been received by the customer unless shipping terms dictate any different. Revenues exclude intra-group sales and value added taxes and represent net invoice value less estimated rebates, returns and settlement discounts. The net invoice value is measured by reference to the fair value of consideration received or receivable by the Group for goods supplied.

(c) ***Foreign currency transactions***

Transactions in foreign currencies are initially recorded in the functional currency by applying the spot rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the reporting date. All differences are taken to the consolidated statement of comprehensive income.

(d) ***Segmental reporting***

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. As at the reporting dates the Incanthera Group operated with only a single segment, that of scientific research and development.

(e) ***Research and development***

Research costs are charged in the consolidated statement of comprehensive income as they are incurred. Development costs could be capitalised as intangible assets if it is probable that future economic benefits will flow to the company. Such intangible assets would be amortised on a straight-line basis from the point at which the assets are ready for use over the period of the expected benefit, and would be reviewed for impairment at each reporting date.

The criteria for recognising expenditure as an asset are:

- it is technically feasible to complete the product;
- management intends to complete the product and use or sell it;
- there is an ability to use or sell the product;
- it can be demonstrated how the product will generate probable future economic benefits;
- adequate technical, financial and other resources are available to complete the development, use and sale of the product; and
- expenditure attributable to the product can be reliably measured.

Development costs are currently charged, within administrative expenses, against income as incurred since the criteria for their recognition as an asset are not met.

(f) ***Lease payments***

Rentals payable under operating leases, which are leases where the lessor retains a significant proportion of the risks and rewards of the underlying asset, are charged in the consolidated statement of comprehensive income on a straight-line basis over the expected lease term.

Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

The Directors have given consideration to the impact of the new accounting standard, IFRS16 Leases (effective date 1 January 2019). The Board have assessed that any impact would be negligible.

(g) ***Income tax***

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the consolidated statement of comprehensive income except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to, the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements with the following exceptions:

- where the temporary difference arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination, that at the time of the transaction affects neither accounting nor taxable profit nor loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are measured on an undiscounted basis using the tax rates and tax laws that have been enacted or substantially enacted by the date and which are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profits will be available against which differences can be utilised. An asset is not recognised to the extent that the transfer or economic benefits in the future is uncertain.

(h) ***Property, plant and equipment***

Property, plant and equipment assets are recognised initially at cost. After initial recognition, these assets are carried at cost less any accumulated depreciation and any accumulated impairment losses. Cost comprises the aggregate amount paid and the fair value of any other consideration given to acquire the asset and includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is computed by allocating the depreciable amount of an asset on a systematic basis over its useful life and is applied separately to each identifiable component.

The following bases and rates are used to depreciate assets:

Office equipment, fixtures and fittings	–	straight line over 3 years

The carrying values of property, plant and equipment are reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable, and are written down immediately to their recoverable amount. Useful lives and residual values are reviewed annually and where adjustments are required these are made prospectively.

A property, plant and equipment item is de-recognised on disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the derecognition of the asset is included in the consolidated statement of comprehensive income in the period of de-recognition.

(i) ***Intangible assets***

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

(j) ***Impairment of assets***

At each reporting date the Incanthera Group reviews the carrying value of its property, plant and equipment and intangible assets to determine whether there is an indication that these assets have suffered an impairment loss. If any such indication exists, the company makes an assessment of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying value of an asset exceeds its recoverable amount, the asset is considered impaired and is

written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used, these calculations corroborated by valuation multiples, or other available fair value indicators. Impairment losses on continuing operations are recognised in the statement of comprehensive income in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of comprehensive income unless the asset is carried at re-valued amount, in which case the reversal is treated as a valuation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

The carrying values of plant, equipment and intangible assets as at the reporting date have not been subjected to impairment charges.

(k) ***Cash, cash equivalents and short-term investments and cash on deposit***

Cash and cash equivalents comprise cash at hand and deposits with maturities of three months or less. Short-term investments comprise deposits with maturities of more than three months, but no greater than twelve months.

(l) ***Trade and other payables***

Trade and other payables are non-interest bearing and are initially recognised at fair value. They are subsequently measured at amortised cost using the effective interest rate method.

(m) ***Financial assets and liabilities***

The Group classifies its financial assets at inception into three measurement categories; 'amortised cost', 'fair value through other comprehensive income' ('FVOCI') and 'fair value through profit and loss' ('FVTPL'). The Group classifies its financial liabilities, other than financial guarantees and loan commitments, as measured at amortised cost. Management determines the classification of its investments at initial recognition. A financial asset or financial liability is measured initially at fair value. At inception transaction cost that are directly attributable to its acquisition or issue, for an item not at fair value through profit or loss, is added to the fair value of the financial asset and deducted from the fair value of the financial liability.

Amortised cost measurement

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal payments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and maturity amount, minus any reduction for impairment.

Fair value measurement

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction on the measurement date. The fair value of assets and liabilities in active markets are based on current bid and offer prices respectively. If the market is not active the group establishes fair value by using appropriate valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same for which market observable prices exist, net present value and discounted cash flow analysis.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or where the group has transferred substantially all of the risks and rewards of ownership. In transaction in which the group neither retains nor transfers substantially all the risks and rewards of ownership of a financial asset and it retains control over the asset, the group continues to recognise the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset. There have not been any instances where assets have only been partly derecognised. The group derecognises a financial liability when its contractual obligation are discharge, cancelled or expire.

Impairment

The Group assesses at each financial position date whether there is objective evidence that a financial asset or group of financial assets is impaired. If there is objective experience (such as significant financial difficulty of obligor, breach of contract, or it becomes probable that debtor will enter bankruptcy), the asset is tested for impairment. The amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows (excluding future expected credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (that is, the effective interest rate computed at initial recognition).The carrying amount of the asset is reduced through use of an allowance account. The amount of loss is recognised in the statement of comprehensive Income.

(n) ***Share capital***

Proceeds on issue of shares are included in shareholders' equity, net of transaction costs. The carrying amount is not re-measured in subsequent years.

(o) ***Share-based payments***

Equity settled share–based payment transactions are measured with reference to the fair value at the date of grant, recognised on a straight line basis over the vesting period, based on the Incanthera Group's estimate of shares that will eventually vest. Fair value is measured using a suitable option pricing model.

At each reporting date before vesting, the cumulative expense is calculated, representing the extent to which the vesting period has expired and management's best estimate of the achievement or otherwise of non–market conditions and the number of equity instruments that will ultimately vest. The movement in cumulative expense since the previous reporting date is recognised in the consolidated statement of comprehensive income, with a corresponding entry in equity.

Where the terms of an equity–settled award are modified or a new award is designated as replacing a cancelled or settled award, the cost based on the original award terms continues to be recognised over the original vesting period. In addition, an expense is recognised over the remainder of the new vesting period for the incremental fair value of any modification, based on the difference between the fair value of the original award and the fair value of the modified award, both as measured on the date of the modification. No reduction is recognised if this difference is negative.

(p) ***Defined contribution pension scheme***

The Incanthera Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Incanthera Group in an independently administered fund. The amounts charged against profits represent the contributions payable to the scheme in respect of the accounting period.

(q) ***New accounting standards and interpretations***

	Effective date
IFRS 16 Leases	1 January 2019
Amendments to IAS 12: Recognition of Deferred Tax Assets for Unrealised Losses	To be confirmed
Amendments to IAS 7: Disclosure Initiative	To be confirmed
Amendments to IFRS 4: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts	To be confirmed

A number of new standards, amendments to standards and interpretations are effective for annual periods commencing on or after 1 January 2017 or ending 31 March 2018 or thereafter and have not been applied in preparing this consolidated historical financial information and those that are relevant to the Incanthera Group are summarised above. None of these are expected to have a significant effect on the consolidated financial statements of the Incanthera Group in the period of initial application.

4. Revenue

All revenues have been generated from continuing operations and are from external customers.

	Year to 31 Mar 2017 £000	*Year to 31 Mar 2018 £000*	*Year to 31 Mar 2019 £000*	*6m to 30 Sep 2018 £000*	*6m to 30 Sep 2019 £000*
Analysis of revenue					
Amounts earned under licensing agreement	–	603	–	–	–
	–	603	–	–	–

Included within amounts earned under licensing agreement is revenue from one material customer of £603,000.

The Incanthera Group operates in one main geographic area, the UK. The Incanthera Group's revenue per geographical segment based on the customer's location is as follows:

	Year to 31 Mar 2017 £000	*Year to 31 Mar 2018 £000*	*Year to 31 Mar 2019 £000*	*6m to 30 Sep 2018 £000*	*6m to 30 Sep 2019 £000*
Revenue					
UK	–	603	–	–	–
	–	603	–	–	–

All assets are held in the UK and all of its capital expenditure arises in the UK.

5. Operating loss

This is stated after charging:

	Year to 31 Mar 2017 £000	*Year to 31 Mar 2018 £000*	*Year to 31 Mar 2019 £000*	*6m to 30 Sep 2018 £000*	*6m to 30 Sep 2019 £000*
Depreciation of property, plant and equipment (see note 8)	10	9	9	3	1
Amortisation of intangible assets (see note 9)	111	111	128	56	64
Staff costs (see note 6)	622	896	949	296	65
Research and development expense*	365	143	299	20	–
Operating lease rentals – land and buildings	15	16	16	8	8

* Included within research and development expense are staff costs totalling, 6 months to 30 September 2019: nil (6 months to 30 September 2018: £20,000, year to 31 March 2019: £73,000 year to 31 March 2018: £83,000 and year to 31 March 2017: £348,000) also included in note 6.

6. Staff costs and numbers

	Year to 31 Mar 2017 £000	*Year to 31 Mar 2018 £000*	*Year to 31 Mar 2019 £000*	*6m to 30 Sep 2018 £000*	*6m to 30 Sep 2019 £000*
Wages and salaries	484	726	823	248	58
Social security costs	63	96	109	33	7
Pension contributions	44	46	13	13	–
Share-based payments	31	28	4	2	–
	622	896	949	296	65

The average number of employees during the year, including directors, was as follows:

	Year to 31 Mar 2017 No.	*Year to 31 Mar 2018 No.*	*Year to 31 Mar 2019 No.*	*6m to 30 Sep 2018 No.*	*6m to 30 Sep 2019 No.*
Directors	2	2	4	4	4
Scientists and administrative staff	1	1	1	1	1
	3	3	5	5	5

7. Taxation

The tax credit is made up as follows:

	Year to 31 Mar 2017 £000	*Year to 31 Mar 2018 £000*	*Year to 31 Mar 2019 £000*	*6m to 30 Sep 2018 £000*	*6m to 30 Sep 2019 £000*
Current income tax:					
Research and development income tax credit receivable	(120)	(41)	(24)	(7)	—
	(120)	(41)	(24)	(7)	—

Factors affecting tax charge for the year:

The tax assessed for the year varies from the standard rate of corporation tax as explained below:

	Year to 31 Mar 2017 £000	*Year to 31 Mar 2018 £000*	*Year to 31 Mar 2019 £000*	*6m to 30 Sep 2018 £000*	*6m to 30 Sep 2019 £000*
Loss on ordinary activities before taxation	(1,075)	(985)	(1,954)	(564)	(485)
Tax at standard rate of 19.00% (31 March 2019, 2018 and 20% 31 March 2017)	(215)	(187)	(371)	(107)	(92)
Effects of:					
Expenses not deductible for tax purposes	19	17	62	8	62
Movement in un-provided deferred tax	(1)	(11)	(8)	(17)	(8)
Surrender of research and development expenditure	72	23	14	4	–
Research and development tax credit receivable	(120)	(41)	(24)	(7)	–
Tax losses carried forward (see below)	125	158	304	112	38
Tax credit in income statement	(120)	(41)	(24)	(7)	–

Reductions in the main rate of corporation tax from 20 per cent. to 19 per cent. (effective from 1 April 2017) and to 18 per cent. (effective 1 April 2020) were substantively enacted on 26 October 2015.

An additional reduction to 17 per cent. (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the Incanthera Group's future tax charge accordingly.

The Incanthera Group has accumulated losses available to carry forward against future trading profits. The estimated value of the deferred tax asset, measured at a standard rate of 18 per cent. in all periods is 30 September 2019 £813,000 (31 March 2019: £778,000, 31 March 2018: £624,000, 31 March 2017: £490,000 and 30 September 2018: £597,000), of which £nil has been recognised in all periods. Remaining tax losses have not been recognised as an asset as it is not probable that future taxable profits will be available against which the unused tax losses can be utilised.

The Incanthera Group also has a deferred tax liability being accelerated capital allowances, for which the tax, measured at a standard rate of 18 per cent. in all periods is 30 September 2019 £56,000 (31 March 2019: £61,000, 31 March 2018: £53,000, 31 March 2017: £41,000 and 30 September 2018: £57,000).

The Incanthera Group has a deferred tax asset for share-based payments, for which the tax, measured at a standard rate of 18 per cent. in all periods is 30 September 2019 £26,000 (31 March 2019: £49,000 31 March 2018 £22,000, 31 March 2017: £17,000 and 31 March 2016: £10,000 and 30 September 2017: £18,000).

The net deferred tax liability of £6,000 (31 March 2019: £55,000, 31 March 2018: £31,000, 31 March 2017: £24,000, 31 March 2016: £30,000 and 30 September 2017: £18,000) has not been recognised as it is covered by accumulated tax losses in all periods.

8. Property, plant and equipment

	Office equipment, fixtures and fittings £000
Cost:	
At 1 April 2016	39
Additions	–
At 31 March 2017	39
Additions	8
At 31 March 2018	47
Additions	8
At 31 March 2019	47
Additions	–
At 30 September 2019	47
At 30 September 2018	47
Depreciation:	
At 1 April 2016	18
Provided during the year	10
At 31 March 2017	28
Provided during the period	9
At 31 March 2018	37
Provided during the period	5
At 31 March 2019	42
Provided during the period	1
At 30 September 2019	43
At 30 September 2018	40
Net book value:	
At 30 September 2019	4
At 30 September 2018	7
At 31 March 2019	5
At 31 March 2018	10
At 31 March 2017	11

Depreciation is charged to administrative expenses.

9. Intangible assets

	Patents £000	*IP £000*	*Total £000*
Cost:			
At 1 April 2016	588	475	1,063
Additions	300	–	300
At 31 March 2018	888	475	1,363
Additions	100	–	100
At 31 March 2019	988	475	1,463
At 30 September 2019	988	475	1,463
At 30 September 2018	888	475	1,363
Amortisation:			
At 1 April 2016	114	78	192
Provided during the year	56	55	111
At 31 March 2017	170	133	303
Provided during the year	56	55	111
At 31 March 2018	226	188	414
Provided during the year	73	55	128
At 31 March 2019	299	243	542
Provided during the 6 month period	36	29	65
At 30 September 2019	335	272	607
At 30 September 2018	254	216	470
Net book value:			
At 30 September 2019	653	203	856
At 30 September 2018	634	259	893
At 31 March 2019	689	232	921
At 31 March 2018	662	287	949
At 31 March 2017	418	342	760

Patents are amortised on a straight-line basis over twenty 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 life span of applicable patents. Amortisation provided during the period is recognised in administrative expenses.

10. Investment in subsidiaries

The Incanthera Group's investments at the balance sheet date in the share capital of companies include the following:

Subsidiary undertakings	*Country of incorporation*	*Principal activity*	*Class of shares held*	*30 Sept 2019*
Onco-NX Limited *Registered Office: 76 King Street, Manchester*	England and Wales	Research and development	Ordinary	100%
Spear Therapeutics Limited *Registered Office: 76 King Street, Manchester*	England and Wales	Research and development	Ordinary	100%

Investments are measured at fair value.

11. Trade and other receivables

	31 Mar 2017 £000	*31 Mar 2018 £000*	*31 Mar 2019 £000*	*30 Sep 2018 £000*	*30 Sep 2019 £000*
Amounts due in relation to unpaid Ordinary and B Ordinary shares	61	–	–	–	–
Other receivables	10	240	100	643	18
	71	240	100	643	18

12. Income tax asset/(liability)

	31 Mar 2017 £000	*31 Mar 2018 £000*	*31 Mar 2019 £000*	*30 Sep 2018 £000*	*30 Sep 2019 £000*
Research and development income tax credit receivable	120	41	24	47	(3)
	120	41	24	47	(3)

13. Cash and cash equivalents

	31 Mar 2017 £000	*31 Mar 2018 £000*	*31 Mar 2019 £000*	*30 Sep 2018 £000*	*30 Sep 2019 £000*
Cash at bank and in hand per the balance sheet and cash flow statement	88	143	176	694	53

14. Trade and other payables

	31 Mar 2017 £000	*31 Mar 2018 £000*	*31 Mar 2019 £000*	*30 Sep 2018 £000*	*30 Sep 2019 £000*
Trade payables	74	331	178	165	210
Other payables	85	46	1	2,147	(13)
Other taxes and social security	11	144	–	252	(6)
Accruals	695	626	44	28	69
	865	1,147	223	2,592	260

The Directors consider that the carrying amount of trade and other payables approximates to their fair value.

Provisions

There were no provisions at the period end (year to 31 March 2019, 31 March 2018, year to 31 March 2017 and at the 30 September 2018).

15. Share capital

Allotted, called up and fully paid

	Ordinary shares Number	*A Ordinary shares Number*	*B Ordinary shares Number*	*Share capital £000*	*Share premium £000*	*Total £000*
Allotted, called up and fully paid ordinary shares of 1p:						
As at 31 March 2016	414,217	490,613	12,429	9	3,556	3,565
Issue of share capital	61,912	–	–	1	339	340
Expenses of share issues	–	–	–	–	(23)	(23)
As at 31 March 2017	476,129	490,613	12,429	10	3,872	3,882
Issue of share capital	888,053	–	–	9	1,012	1,021
Expenses of share issues	–	–	–	–	(49)	(49)
Cancellation of shares	–	–	(12,429)	–	(10)	(10)
Reclassification of shares	490,613	(490,613)	–	–	–	–
As at 31 March 2018	1,854,795	–	–	19	4,825	4,844
Issue of share capital	573,424	–	–	6	2,492	2,498
Expenses of share issues	–	–	–	–	(12)	(12)
As at 31 March 2019	2,428,219	–	–	25	7,305	7,330
As at 30 September 2019	2,428,219	–	–	25	7,305	7,330
As at 31 March 2018	1,854,795	–	–	19	4,825	4,844
As at 30 September 2018	2,382,765	–	–	25	7,067	7,092

All classes of shares have a nominal price of £0.01.

Ordinary, A ordinary and B ordinary shares attach the same voting rights, every member having one vote for each ordinary share, A ordinary share and B ordinary share of which he is the holder.

29,091 ordinary shares and 12,429 B ordinary shares remained unpaid at 31 March 2017.

On 30 June 2016, Incanthera issued 31,824 ordinary shares, at an issue price of £5.50 per share, to raise gross proceeds of £175,000.

On 8 February 2017, Incanthera issued 13,638 ordinary shares, at an issue price of £5.50 per share, to raise gross proceeds of £75,000.

On 24 March 2017, Incanthera issued 16,450 ordinary shares, at an issue price of £5.50 per share, to raise gross proceeds of £90,000.

Total expenses associated with the share issues on 30 June 2016, 8 February 2017 and 24 March 2017 were £23,000 and have been deducted from share premium.

On 28 April 2017, Incanthera issued 10,483 ordinary shares, at an issue price of £5.50 per share, to raise gross proceeds £57,000.

Total expenses associated with the share issue on 28 April 2017 were £12,000 and have been deducted from share premium.

On the 28 January 2018 unpaid shares were cancelled, amounting to 12,429 B ordinary shares of £0.01 at an issue price of £0.85.

On the 7 March 2018 3,529 ordinary shares of £0.01 were issued at a price of £4.25 per share on exercise of options, generating proceeds of £14,998.

On the 7 March 2018 there was a bonus issue of shares amounting to 701,572 ordinary shares of £0.01 at an issue price of £5.50. These shares were issued from the share premium account.

On the 7 March 2018 117,923 ordinary shares of £0.01 were issued at a price of £5.50 per share, generating proceeds of £648,577.

On the 7 March 2018 54,546 ordinary shares of £0.01 were issued at a price of £5.50 per share, these shares were issued in exchange for intellectual property. Equating to a £300,003 non-cash issue.

Total expenses associated with the shares issued on the 7th March 2018 were £36,000 and have been deducted from share premium.

On the 7 March 2018 490,613 A ordinary shares were reclassified as ordinary shares.

On the 13 November 2018 406,291 ordinary shares of £0.01 were issued at a price of £5.50 per share, generating proceeds of £2,251,101.

On the 13 November 2018 18,182 ordinary shares of £0.01 were issued at a price of £5.50 per share, these shares were issued in exchange for intellectual property. Equating to a £100,001 non-cash issue.

On the 13 November 2018 145,951 options were exercised in exchange for ordinary shares of £0.01 at an exercise price of 85p and 115p per share, generating proceeds of £145,794.

16. Share-based payment reserve and share options schemes

Share-based payments

	£000
As at 1 April 2016	65
Share-based payments	34
As at 31 March 2017	99
Share-based payments	32
As at 31 March 2018	131
Share-based payments	270
As at 31 March 2019	401
Share-based payments	147
As at 30 September 2019	548
As at 31 March 2018	131
Share-based payments	13
As at 30 September 2018	144

The share-based payment reserve accumulates the corresponding credit entry in respect of share-based payment charges. Movements in the reserve are disclosed in the consolidated statement of changes in equity.

A charge of £147,000 has been recognised in the statement of comprehensive income for the six months to 30 September 2019 (year to 31 March 2019: £270,000, six months to 30 September 2018: £13,000, year to 31 March 2018: £32,000 and year to 31 March 2017: £34,000). The corresponding credit entry is to the share-based payment reserve.

Share option schemes

The Incanthera Group operates the following share option schemes which are operated as Enterprise Management Incentive ("EMI") schemes in so far as the share options being issued meet the EMI criteria as defined by HMRC. Share options issued that do not meet EMI criteria are issued as unapproved share options but are subject to the same exercise performance conditions.

– Grant in May 2012

A total of 7,118 share options were granted to a partner on 5 May 2012. The options granted are exercisable in the event of the sale or flotation of the Company or on or after 9 years and 9 months from the date of grant. The exercise price was set at 425 pence, being the estimated fair value of the shares on the day preceding the issue of the share options. The fair value benefit is measured using a Black Scholes model, taking into account the terms and conditions upon which the share options were issued.

– Grant in October 2012

A total of 1,177 share options were granted to a partner on 24 October 2012. The options granted are exercisable in the event of the sale or flotation of the Company or on or after 9 years and 9 months from the date of grant. The exercise price was set at 425 pence, being the estimated fair value of the shares on the day preceding the issue of the share options. The fair value benefit is measured using a Black Scholes model, taking into account the terms and conditions upon which the share options were issued.

– Grant in October 2012

A total of 25,928 share options were granted to various partners on 25 October 2012. The options granted are exercisable in the event of the sale or flotation of the Company or on or after 9 years and 9 months from the date of grant. The exercise price was set at 425 pence, being the estimated fair value of the shares on the day preceding the issue of the share options. The fair value benefit is measured using a Black Scholes model, taking into account the terms and conditions upon which the share options were issued.

– Grant in October 2012

A total of 88,500 share options were granted to staff on 26 October 2012. The options granted are exercisable in the event of the sale or flotation of the Company or on or after 9 years and 9 months from the date of grant. The exercise price was set at 85 pence, being the estimated fair value of the shares on the day preceding the issue of the share options. The fair value benefit is measured using a Black Scholes model, taking into account the terms and conditions upon which the share options were issued.

– Grant in December 2014

A total of 181,128 share options were granted to staff on 12 December 2014. The options granted are exercisable in the event of the sale or flotation of the Company or on or after 9 years and 9 months from the date of grant. The exercise price was set at 115 pence, being the estimated fair value of the shares on the day preceding the issue of the share options. The fair value benefit is measured using a Black Scholes model, taking into account the terms and conditions upon which the share options were issued.

A total of 54,339 unapproved options were granted to a staff member on 12 December 2014. The options granted are exercisable in the event of the sale or flotation of the Company. The exercise price was set at 115 pence, being the estimated fair value of the shares on the day preceding the issue of the share options. The fair value benefit is measured using a Black Scholes model, taking into account the terms and conditions upon which the share options were issued.

A total of 3,397 share options were granted to a partner on 12 December 2014. The options granted are exercisable in the event of the sale or flotation of the Company or on or after 9 years and 9 months from the date of grant. The exercise price was set at 550 pence, being the estimated fair value of the shares on the day preceding the issue of the share options. The fair value benefit is measured using a Black Scholes model, taking into account the terms and conditions upon which the share options were issued.

The following tables illustrate the number and weighted average exercise prices of, and movements in, share options during the year.

	Year to 31 Mar 2017 No.	*Year to 31 Mar 2018 No.*	*Year to 31 Mar 2019 No.*	*6m to 30 Sep 2018 No.*	*6m to 30 Sep 2019 No.*
Outstanding at the start of the period	361,587	363,721	362,312	362,312	579,997
Exercised during the year	–	(3,529)	(145,951)	–	–
Granted during the year	2,134	2,120	363,636	–	–
Outstanding at the end of the period	363,721	362,312	579,997	362,312	579,997
Exercisable	–	–	–	–	–

Weighted average exercise price of options

	Year to 31 Mar 2017 Pence	*Year to 31 Mar 2018 Pence*	*Year to 31 Mar 2019 Pence*	*6m to 30 Sep 2018 Pence*	*6m to 30 Sep 2019 Pence*
Outstanding at the beginning of the period	143.48	143.48	143.12	143.12	409.12
Granted during the year	–	550.00	550.00	–	–
Outstanding at the end of the period	143.48	143.12	409.10	143.12	409.12

The range of exercise prices for options outstanding at the end of all periods was 85 pence – 550 pence.

The weighted average remaining contractual life of share options was at 31 March 2017: 7 years, 31 March 2018: 6 years, 31 March 2019: 3 years, 30 September 2019: 2.5 years and 30 September 2018: 5.5 years.

During the year to 31 March 2019 three Directors exercised options.

The fair value of options granted has been estimated using a Black Scholes model.

The expected volatility is assessed by reference to historic volatility and similar companies.

The following table lists the inputs to the models used for all periods.

	Year to 31 Mar 2017	*Year to 31 Mar 2018*	*Year to 31 Mar 2019*	*6m to 30 Sep 2018*	*6m to 30 Sep 2019*
Expected volatility (%)	52.5%	52.5%	52.5%	52.5%	52.5%
Risk-free interest rate (%)	0.41%-0.61%	0.41%-0.61%	0.41%-0.61%	0.41%-0.61%	0.41%-0.61%
Expected life of options (year's average)	5 years	5 years	3 years	5 years	3 years
Weighted average exercise price (pence)	143.48	143.12	409.10	143.12	409.12

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

No other features of options granted were incorporated into the measurement of fair value.

17. Commitments

Operating lease commitments

The Incanthera Group leases office facilities under a licence agreement. The future aggregate minimum lease and service charge payments under non-cancellable operating leases are as follows:

	31 Mar 2017 £000	*31 Mar 2018 £000*	*31 Mar 2019 £000*	*30 Sep 2018 £000*	*30 Sep 2019 £000*
Land and buildings:					
Not more than one year	17	17	17	17	17

18. Financial risk management

Overview

This note presents information about the Incanthera Group's exposure to various kinds of financial risks, the Incanthera Group's objectives, policies and processes for measuring and managing risk, and the Incanthera Group's management of capital.

The Board has overall responsibility for the establishment and oversight of the Group's risk management framework.

Capital risk management

The Incanthera Group reviews its forecast capital requirements on a half-yearly basis to ensure that it will be able to continue as a going concern while maximising the return to stakeholders.

The capital structure of the Incanthera Group consists of equity attributable to equity holders, comprising issued equity capital, share-based payment reserve, share premium account and revenue reserve as disclosed in notes 16, 17 & 18 and in the statement of changes in equity. Total equity was at 31 March 2017: £185,000, 31 March 2018: £236,000, 31 March 2019: £1,004,000 30 September 2019: (£308,000) and 30 September 2018: £666,000.

The Incanthera Group is not subject to externally imposed capital requirements.

Liquidity risk

The Incanthera Group manages all of its external bank relationships centrally. Any material change to the Incanthera Group's principal banking facility requires board approval.

At each year-end over the reporting period the Incanthera Group was cash positive with no outstanding borrowings.

Categorisation of financial instruments

Financial assets/liabilities	*Financial Assets £000*	*Financial liabilities at amortised cost £000*	*Total £000*
31 March 2017			
Trade and other receivables	71	–	71
Cash, cash equivalents and deposits	88	–	88
Trade and other payables	–	(854)	(854)
	159	(854)	(695)

Financial assets/liabilities	*Financial Assets £000*	*Financial liabilities at amortised cost £000*	*Total £000*
31 March 2018			
Trade and other receivables	240	–	240
Cash, cash equivalents and deposits	143	–	143
Trade and other payables	–	(1,147)	(1,147)
	383	(1,147)	(764)

Financial assets/liabilities	*Financial Assets £000*	*Financial liabilities at amortised cost £000*	*Total £000*
31 March 2019			
Trade and other receivables	100	–	100
Cash, cash equivalents and deposits	176	–	176
Trade and other payables	–	(223)	(223)
	276	(223)	53

Financial assets/liabilities	*Financial Assets £000*	*Financial liabilities at amortised cost £000*	*Total £000*
30 September 2018			
Trade and other receivables	643	–	643
Cash, cash equivalents and deposits	693	–	693
Trade and other payables	–	(2,592)	(2,592)
	1,336	(2,592)	(1,256)

Financial assets/liabilities	*Financial Assets £000*	*Financial liabilities at amortised cost £000*	*Total £000*
30 September 2019			
Trade and other receivables	18	–	18
Cash, cash equivalents and deposits	51	–	51
Trade and other payables	–	(260)	(260)
	69	(260)	(191)

The values disclosed in the above table are carrying values. The Board considers that the carrying amount of financial assets and liabilities approximates to their fair value.

The Board reviews and agrees policies for managing credit risk and foreign currency risk which are summarised below.

Credit risk

The Incanthera Group's principal financial assets are cash, cash equivalents and deposits. As the levels of cash, cash equivalents and deposits increase, the Incanthera Group will seek to limit the level of credit risk on the cash balances by only depositing surplus liquid funds with multiple counterparty banks that have investment grade credit ratings.

The Incanthera Group has no trade receivable balances at the end of any period.

The maximum exposure to credit risk in relation to cash, cash equivalents and deposits is the carrying value at the balance sheet date.

Foreign currency risk

The Group currently has no sales, purchases, assets or liabilities that are denominated in a currency other than the respective functional currency of the Incanthera Group.

Accordingly the Incanthera Group believes its foreign currency risk is negligible.

Interest rate risk

As the Incanthera Group has no borrowings the risk is limited to the reduction of interest received on cash surpluses held at bank which receive a floating rate of interest. The principal impact to the Incanthera Group is the result of interest–bearing cash and cash equivalent balances held as set out below:

	Fixed rate £000	*Floating rate £000*	*Total £000*
31 March 2017			
Cash and cash equivalents	–	88	88
31 March 2018			
Cash and cash equivalents	–	143	143
31 March 2019			
Cash and cash equivalents	–	176	176
30 September 2018			
Cash and cash equivalents	–	693	693
30 September 2019			
Cash and cash equivalents		51	51

As the level of cash and cash equivalents is low, the exposure to interest rate movements is immaterial.

Maturity profile

Set out below is the maturity profile of the Incanthera Group's financial liabilities at 30 September 2019 based on contractual undiscounted payments.

31 March 2017	*Less than 1 year £000*	*1 to 5 years £000*	*Total £000*
Financial liabilities			
Trade and other payables*	865	–	865
	865	–	865

31 March 2018	*Less than 1 year £000*	*1 to 5 years £000*	*Total £000*
Financial liabilities			
Trade and other payables*	1,147	–	1,147
	1,147	–	1,147

31 March 2019	*Less than 1 year £000*	*1 to 5 years £000*	*Total £000*
Financial liabilities			
Trade and other payables*	223	–	223
	223	–	223

30 September 2018	*Less than 1 year £000*	*1 to 5 years £000*	*Total £000*
Financial liabilities			
Trade and other payables*	2,592	–	2,592
	2,592	–	2,592

30 September 2019	*Less than 1 year £000*	*1 to 5 years £000*	*Total £000*
Financial liabilities			
Trade and other payables*	260	–	260
	260	–	260

* Trade and other payables are due within three months.

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

As all financial assets are expected to mature within the next twelve months an aged analysis of financial assets has not been presented.

19. Related party transactions

There have been no transactions between the Company and its wholly owned subsidiaries, which are related parties, during the extent of this report.

Transactions with shareholders

The following transactions with shareholders and companies controlled by former directors of the Incanthera Group were recorded, excluding VAT, during the year:

	Year to 31 Mar 2017 £000	*Year to 31 Mar 2018 £000*	*Year to 31 Mar 2019 £000*	*6m to 30 Sep 2018 £000*	*6m to 30 Sep 2019 £000*
NWF (Biomedical) LP					
Charge for monitoring fees (Spark Impact Limited)	15	7	41	5	5
Alan Warrander (Director)					
Non-Executive Director fees and expenses	36	85	27	18	–
Patrick Claridge (Director)					
Non-Executive Director fees and expenses	–	–	33	20	–
Thomas Morris (Director)					
Non-Executive Director fees and expenses	–	–	22	–	–
Unnamed Limited (Director, Tim McCarthy)					
Expenses	4	13	11	4	1

The following balances were outstanding at the end of the year in respect of the transactions set out above

NWF (Biomedical) LP	29	1	3	9	–
Alan Warrander	57	73	4	–	–
Unnamed Limited	2	2	–	–	1

20. Compensation of key management personnel (including directors)

	Year to 31 Mar 2017 £000	*Year to 31 Mar 2018 £000*	*Year to 31 Mar 2019 £000*	*6m to 30 Sep 2018 £000*	*6m to 30 Sep 2019 £000*
Wages and salaries	484	726	823	248	58
Social security costs	63	96	109	33	7
Pension contributions	44	46	13	23	–
Share-based payments	32	28	4	13	–
	623	896	949	317	65

All Directors' and employees' remuneration (including benefits-in-kind) included in the aggregate remuneration above comprised:

	Year to 31 Mar 2017 £000	*Year to 31 Mar 2018 £000*	*Year to 31 Mar 2019 £000*	*6m to 30 Sep 2018 £000*	*6m to 30 Sep 2019 £000*
Emoluments for qualifying services	430	902	954	350	69

The table below shows the Directors', Non-executive Director', and Key Senior Management's remuneration and benefits in the year ended 31 March 2019.

Directors	*Directors Remuneration and salary £000*	*Fees £000*	*Benefit in Kind £000*	*Pension £000*	*Total £000*
Tim McCarthy	296	–	3	5	304
Simon Ward	243	–	1	5	249
Non-executive Director					
Alan Warrander	–	27	–	–	27
Patrick Claridge	–	33	–	–	33
Thomas Morris	–	22	–	–	22
Key Senior Management					
Pawel Zolnierczyk	160	–	1	2	163
Laura Brogden	34	–	–	1	35
Suzanne Brocks	67	–	–	–	67
	800	82	5	13	900

Directors' emoluments (excluding social security costs, but including benefits in kind) disclosed above include payments to the highest paid director of: year to 31 March 2017; £195,000, year to 31 March 2018: £293,000 and year to 31 March 2019: £304,000, the 6 month period to 30 September 2019; £17,000 and the comparative period to 30 September 2018: £70,000.

Retirement benefits are accruing to in the year to 31 March 2017; 2 directors, year to 31 March 2018: 4 directors and year to 31 March 2019: nil directors.

21. Events after the balance sheet date

On 26 February 2020, an agreement was entered into between the Company and the shareholders of Incanthera at that time whereby each such member in Incanthera agreed to exchange their shares in Incanthera for shares in the Company.

Jeffreys Henry LLP
CHARTERED ACCOUNTANTS

PART III

B: INDEPENDENT REASONABLE ASSURANCE REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF THE INCANTHERA GROUP

26 February 2020

The Directors
Incanthera Plc
76 King Street
Manchester
M2 4NH

Dear Sirs,

Introduction

We report on the financial information of Incanthera Plc ("the Company") and its subsidiaries ("the Group"), for the three years ended 31 March 2019 (the "Financial Information"). The Financial Information has been prepared for inclusion in Part III *"Financial Information"* of the Group's NEX Exchange Growth Market Admission Document to be dated (26 February 2020 (the "Admission Document"), on the basis of the accounting policies set out in note 2 to the Financial Information. This report is required by paragraphs 7 to 7.1.7 of Table A contained within Appendix 1 to the NEX Exchange Growth Market – Rules for Issuers (the "NEX Rules") and is given for the purpose of complying with that requirement and for no other purpose.

Responsibilities

The directors of the Group (the "Directors") are responsible for preparing Financial Information in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union.

It is our responsibility to form an opinion on the Financial Information as to whether the Financial Information gives a true and fair view, for the purposes of the Admission Document, and to report our opinion to you.

Save for any responsibility arising under paragraphs 7 to 7.1.7 of Table A contained within Appendix 1 of the NEX Rules to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any person other than the addressees of this letter for any loss suffered by any such person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with paragraphs 7 to 7.1.7 of Table A contained within Appendix 1 of the NEX Rules, consenting to its inclusion in the Admission Document.

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Basis of Opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included and assessment of evidence relevant to the amounts and disclosures in the Financial Information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the Financial Information and whether the accounting policies are appropriate to the Group's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Group's Financial Information is free from material misstatement, whether caused by fraud or other irregularity or error.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in jurisdictions outside the United Kingdom, including the United States of America, and accordingly should not be relied upon as if it had been carried out in accordance with those standards or practices.

Opinion

In our opinion, the Financial Information gives, for the purposes of the Admission Document, a true and fair view of the state of affairs of the Group as at 31 March 2019, 31 March 2018 and 31 March 2017 and of its results, cash flows and changes in equity for the period then ended in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union and has been prepared in a form that is consistent with the accounting policies adopted by the Group.

Declaration

For the purposes of paragraph 7 of Table A contained within the Appendix 1 of the NEX Rules, we are responsible for this report as part of the Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import.

Yours faithfully,

Jeffreys Henry LLP
Chartered Accountants

PART III

C: UNAUDITED PRO FORMA STATEMENT OF NET ASSETS FOR THE COMPANY

Set out below is an unaudited pro forma statement of net assets. This unaudited pro forma statement of net assets is provided for illustrative purposes only to show the effect of the Placing and Subscription Agreements ("Proceeds") as if it had occurred on 30 September 2019.

Because of the nature of pro forma information, this information addresses a hypothetical situation and does not therefore represent the actual financial position or results of the Company.

The statement of pro forma net assets set out below is based on the unaudited balance sheet of the Company as at 30 September 2019 (as extracted without material adjustment from the Company's financial information in Section A of this Part III) and adjustments on the basis described in the notes below.

		Proceeds net of expenses	*Total pro forma*
	30-Sep 2019 Unaudited £000	*30-Sep 2019 Unaudited £000*	*30-Sep 2019 Unaudited £000*
Notes	1	2	
Assets			
Non–current assets			
Property, plant and equipment	4	–	4
Intangible assets	856	–	856
	860		860
Current assets			
Trade and other receivables	18	–	18
Income tax asset	(3)	–	(3)
Cash and cash equivalents	51	939	990
	66	939	1.005
Total assets	926	939	1,865
Liabilities			
Current liabilities			
Trade and other payables	260	–	260
	260	–	260
Total liabilities	260	–	260
Net assets	666	939	1,605

Notes:

1. The financial information in respect of the Company as at 30 September 2019 has been extracted, without material adjustment, from the unaudited report, set out in Section A of this Part III.
2. The Placing and Subscription Agreements' receipts are £1,205,000. The cash expenses of the transaction payable by the Company are expected to total approximately £266,000 (excluding VAT).
3. The pro forma financial information does not constitute statutory accounts within the meaning of section 434 of CA 2006.
4. Apart from the above, no other adjustments have been made to reflect any trading, changes in working capital or other movements since 30 September 2019 for the Company.

PART IV

PATENT ATTORNEYS' REPORT

The Directors

Incanthera PLC
76 King Street
Manchester
M2 4NH

The Partners of Cairn Financial Advisers LLP
Cheyne House, Crown Court
62-63 Cheapside
London
EC2V 6AX

26 February 2020

Our ref: A119778GB00

Dear Sirs

Patent Attorney Report

Haseltine Lake Kempner LLP, a firm of European Patent and Trade Mark Attorneys and IP solicitors ("HLK"), is instructed by the Directors of Incanthera PLC (with company number 11026926) (the "Company") and of Cairn Financial Advisers LLP to prepare a report on the patent and trade mark portfolio currently in the name of the Company and its subsidiaries (together the "Group"), or in which the Group has an interest, and its Intellectual Property ("IP") strategy for inclusion in the Company's NEX Exchange Growth Market ("NEX") Admission Document dated February 2020. This report is prepared for the Company and for Cairn Financial Advisers LLP. We have taken all reasonable care to ensure that the information contained in the report is, to the best of our knowledge and belief, in accordance with the facts and contains no omissions likely to affect its import.

On information from the Group, all registered IP rights currently owned by the Group, or to which the Group holds a license, or the Group has an ongoing commercial interest, have been disclosed to HLK and all such rights are identified in this report.

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THE RELATIONSHIP BETWEEN HLK AND THE GROUP

This Patent Attorney's Report is given by Isobel Finnie, a Partner with HLK. Mrs. Finnie has circa 20 years' experience practicing as a European and UK patent attorney, and became qualified as a European Patent Attorney in 2004 and a UK Chartered Patent Attorney in 2007. She joined HLK in 2015, and is experienced in all aspects of UK, European and International patent law in a wide range of technical fields related to biotechnology, biochemistry, diagnostics and pharmaceuticals.

HLK is one of the largest and longest established firms of Patent and Trade Mark Attorneys in Europe, having been in business since about 1850. The firm currently has more than 70 registered patent and trade mark attorneys, more than 20 attorneys in training, as well as over 100 other staff providing a range of services to clients including translation, renewal of intellectual property ("IP") rights, and on-line records and portfolio management services, and internal support services.

HLK has offices in London, Bristol, Leeds, Glasgow, Munich, and The Netherlands as well as a representative office in Guangzhou, China.

Mrs. Finnie has provided IP services to the Group since 2013; from 2013 to 2015 at her previous firm and since 2015 at HLK.

In preparing its report, HLK reviewed the IP portfolio based on information in their records, cross-checked as appropriate with publicly available databases, and on information provided by the Group.

AN OUTLINE OF INTELLECTUAL PROPERTY REGISTRATION SYSTEMS RELEVANT TO THE GROUP

(a) Patents

Patents are registered rights that protect inventions against unauthorised commercialisation. Patents are granted by national or regional Patent Offices if the invention satisfies particular legal requirements, primarily novelty and inventive step (non-obviousness). Patents grant the proprietor a monopoly right to prevent others from carrying out the invention claimed in the patent. The right, once granted, may be kept in force for a limited patent term (normally 20 years from the date of application for the patent) by payment of periodic (normally annual) renewal fees.

In certain circumstances, an effective patent term extension is available for pharmaceutical products that have obtained regulatory approval. In European countries including the UK, up to an extra 5.5 years of patent protection may be possible via the Supplementary Protection Certificate (SPC) system. In other jurisdictions including the US, Japan, South Korea, Australia and Canada for example, additional periods of protection may be possible via Patent Term Extension (PTE) systems. Such extensions are designed to compensate the patentee for any undue delay in the regulatory approval process that the pharmaceutical product has been through.

Patents are territorial rights that are effective within a given jurisdiction. The jurisdiction covered by a granted patent is usually a single country. For example, a UK national patent gives the proprietor the right to prevent unauthorised use of the invention in the UK, or to prevent importation of the invention into the UK, but it does not have any effect in any other country. Generally speaking, separate patents are required in each country where the invention will be commercially exploited or in a sufficient number of commercially relevant countries to be able to create exclusivity for profitability.

An initial national patent application will usually serve as a so-called priority application for national applications to be filed up to one year later in other countries and also for European patent applications or International (PCT) patent applications (see below).

A European patent application is an application effective for the states that are party to the European Patent Convention (EPC). Brexit has had and will have no effect on this European Patent system, and so no effect on the Group's existing and future European patent applications and granted EP(UK) patents, because this European Patent system is not an EU organization and therefore the UK will remain a party to the EPC. There are currently 38 European countries that are party to the EPC, two extension states and four validation states where the patent can also have an effect. European patent applications are searched and examined by the European Patent Office (EPO). It usually takes several years for the search and examination phases between filing a patent application and the grant of a patent. After grant, a European patent will effectively be a bundle of national patent rights, and steps are required to cause each national patent to take effect in those countries where patent protection is required. It will be necessary to pay renewal fees in each national territory during the term of the patent, to maintain the patent rights. This European Patent system is not an EU organization and therefore Brexit will have no effect on these processes nor on the Group's existing European patents and patent applications.

There are plans for it to become possible to select to have a European patent with unitary effect (UP) which will be a single patent effective for a jurisdiction covering a number of EU countries. It is also expected that a unified patent court (UPC) will come into effect at the same time. It is currently unclear when the UP and UPC start dates will be and how Brexit will affect this.

If patent protection is desired in several territories, for example in Europe and beyond, there is the option to file an International (PCT) patent application. An International application will designate all countries party to the Patent Cooperation Treaty at the time of its filing (153 states currently). This will generally cover most territories of commercial importance, including Europe, USA and Japan. An International application is normally filed within 12 months from the original priority-founding application. An authorised national or regional Patent Office will carry out a novelty search and a (non-binding) first stage examination procedure (leading to an International Preliminary Report on Patentability) on the International application. At about 30 months from filing, the International patent application must be brought into the national/regional phases in the territories of interest. Each national/regional application deriving from the International application will

then be examined independently by the relevant national/regional patent office, and if the application meets the requirements of the law in the relevant territory a patent will be granted for that territory. Each national/regional application will have the same priority and filing dates as the International application.

It is possible for a patent application to embrace more than one patentable inventive concept. In such a situation, it is possible during prosecution to pursue one set of claims directed to one of the disclosed inventive concepts and separate out one or more further patentable inventive concepts into one or divisional patent applications. Use of divisional applications can result in more than one granted patent in the same jurisdiction stemming from the same original patent application providing protection for different aspects of the content of that original patent application.

Certain patent offices are considered to be strict examining Patent Offices. For example, the European Patent Office (EPO) is known to be one of the strict examining Patent Offices. Similarly the Japanese Patent Office (JPO), the United Stated Patent and Trademark Office (USPTO) and the UK Intellectual Property Office (UKIPO) are also considered to be strict examining Patent Offices. Therefore, when considering the likelihood that a patent in a particular jurisdiction will be granted, having a corresponding patent on the same technology in the same patent family already granted by another Patent Office which is regarded as one of the strict examining Patent Offices provides a strong positive signal that grant can be expected.

(b) Trade Marks

A trade mark registration gives its owner a monopoly right in the trade mark, or a confusingly similar mark, in respect of the goods or services for which the trade mark is registered, or similar goods or services. Trade mark rights may be kept in force indefinitely subject to the payment of renewal fees, usually at 10 year intervals. Generally speaking, a registered trade mark must be used by the proprietor in the territory of the registration to prevent it from becoming invalid.

(c) Others

Other registered and unregistered forms of IP can exist. For example, utility models, registered designs and the SPCs mentioned above are all examples of registered IP rights that can be obtained, in appropriate cases, in countries that provide for the grant of such rights in their national laws.

Certain international systems for streamlining the obtaining of such rights have been developed, although so far they are not as far developed as the international procedures for obtaining patents and for registering trade marks. Probably the best examples of international systems for obtaining registered rights outside the areas of patents and trade marks are in the international system for registering designs and the Community Registered Design, which is a single registered design enforceable in every country of the European Union.

Examples of unregistered IP rights include copyright, unregistered design right, database right, unregistered trade mark rights deriving simply from use of a trade mark or other distinctive sign, the protective benefit of owning a domain name, and other protective rights such as those arising from duties to preserve confidentiality and secrecy of information received in confidence.

On information from the Group, such unregistered IP rights exist and are held by the Group. However, this Patent Attorneys' Report has excluded these rights from the scope of the review. Discussion of rights of confidentiality and secret information in a public document is clearly not appropriate. As far as other unregistered IP rights are concerned, it is not recognized normal practice to review these in a Patent Attorneys' Report of this type.

AN OUTLINE OF THE GROUP'S IP STRATEGY

Overview

The Group put IP front and centre in the considerations of the Directors as evidenced by the COO's attention to IP via attendance at regular IP strategy meetings with a patent attorney from HLK to review high level IP approach, new developments and forthcoming deadlines. We consider that the Group has a pragmatic, cost conscious approach to growth of the IP portfolio as evidenced by the step-wise approach to divisional application filing to complete the overarching protection strategy from patent families 1 and 2 (successfully licenced and subsequently assigned on to Ellipses Pharma).

Identification of new innovation

New innovation is identified and captured through discussions during regular IP strategy meetings involving at least the Group's COO and a patent attorney from HLK.

Patent Filing Strategy

The Group have so far made initial patent filings with the UKIPO. In most cases the Group also take advantage of the information obtainable by requesting an early search report during the priority year from the UKIPO.

Towards the end of the priority year, continued interest in an innovation is confirmed and then a priority claiming international patent application (PCT) is filed. Whether the initial priority application is retained, or future protection is sought via the PCT application, is a commercial decision taken on a case-by-case basis.

Three to six months prior to the deadline for national and regional phase entry (30 months from the priority date) consideration is given to the countries and regions for which patent protection will continue to be sought. The considerations involve a number of issues including seeking to obtain optimal market coverage and pragmatic budgetary factors. The Group have selected at least the key markets of Europe and the USA in each patent family. Some patent families also include other important territories. We are satisfied that the Group appreciate this is an important decision and apply appropriate consideration.

After grant of a European patent, steps must be taken to ensure the patent is in force in each of the European countries where patent protection is required. The Group have generally chosen to have patent protection in many European countries. We are satisfied that the Group appreciate this is an important decision and apply appropriate consideration.

The Group's patenting strategy is to obtain patent protection for the lead compound or prodrug as well as a range of structurally related compounds or prodrugs. Therefore the Group has product patents, also known as composition of matter patents, on lead compounds and prodrugs and related molecules. The Group also seeks patent protection for use of the patented compounds and related molecules in treatments, also known as method of treatment patents. We are satisfied that the Group are also aware of building a layered patent portfolio using follow on patent filings.

Trade Mark Strategy

The Group has adopted the strategy of protecting the main incanthera word and logo composite mark in the UK and the USA. Unlike patents, applications to extend the geographical scope of trade mark protection can be made at any time. We understand that the Group intends to extend geographical coverage for the brand and protect the word mark as the commercial need develops.

Renewals procedures

The Group uses specialist renewals service provider HL Renewals LLP to monitor renewals deadlines and pay fees when they fall due. HL Renewals LLP have confirmed that as of the date of this Report, the IP set out in this report is pending/in force with all renewal fees paid up to date as at the date of this report.

THIRD PARTY RIGHTS OR INTERACTIONS OF RELEVANCE TO THE COMPANY

(i) Freedom to Operate

Grant of a patent does not provide the patentee with a right to use the claimed invention. The exclusive rights conferred by the patent are rights to stop others. This means that consideration of third party patent rights is necessary regardless of one's own patent position.

It is not always practical to perform freedom to operate (FTO) analysis when a product is at an early stage of development. FTO searching and analysis of the results becomes more practical at later stages of development, and before commercialisation, when a product can be sufficiently specified to perform a focussed analysis.

The Group considers that the individuals within the Group, the named inventors in the Group's patent portfolio and the Group's scientific and clinical advisors are well versed in the relevant fields and therefore they have a good insight into the work of other research and development groups in the same fields. Additionally, development is at an early stage. As a consequence, full freedom to operate analyses have not yet been performed. It is intended to perform abbreviated freedom to operate analyses on each product alongside early clinical trials. The Group's patenting strategy requires more extensive freedom to operate analysis prior to commercialisation.

The Group has taken a licence to provide freedom to operate under a patent family owned by a pharmaceutical company who are specialists in the formulation of dermatological products and whose proprietary topical delivery vehicle is used in the development of Project Sol discussed further below.

(ii) Unauthorised third party use

On information from the Group, no actions for patent infringement have been filed against any third parties and the Group is not aware of any unauthorised third party use of its inventions.

On information from the Group, no actions for trade mark infringement are currently being pursued by the Group against any third parties and the Group is not aware of any unauthorised third party use of its trade mark.

(iii) Allegations of or actions for infringement made against the Group by a third party and third party action

On information from the Group, no third party has taken or has proposed to take any action for patent infringement by the Group.

(iv) Third party IP

On information from the Group, the Group is not aware that any current or proposed actions by the Group would infringe third party patents.

On information from the Group, the Group is not currently opposing any third party patents or patent applications in any country.

(v) Third party actions against the Group's IP

On information from the Group, no third party is currently opposing or indicated any intention to oppose any of the Group's patents or patent applications in any country.

GROUP'S TECHNOLOGY AND DEVELOPMENT PROJECTS

(i) Project Sol

The key development area is an improved topical skin formulation for delivery of an active agent for skin solar keratosis treatment and skin melanoma prevention, which is currently under development. The Group are working with a pharmaceutical company who are specialists in the formulation of dermatological products to develop an improved topical skin formulation for delivery of an active agent for skin solar keratosis treatment and skin melanoma prevention.

(ii) Project EP0015

Project EP0015 has four key elements, which are explained further below, together provide an example of implementing the Group's corporate strategy. The Group licensed in 2017 and subsequently assigned in 2019 its most advanced clinical asset, ICT01-2588, and a suite of related projects, to Ellipses Pharma whilst retaining an ongoing commercial interest in Project EP0015.

Ellipses Pharma, is a global drug development company focused exclusively on the development of innovative cancer medicines and treatments. Ellipses' world class management team leverages the experience and expertise of one of the world's largest cancer-focused key opinion leader groups to select, in-license and fund development of the most promising scientific discoveries.

Further information on the agreements with Ellipses Pharma can be found in the Company Admission Document.

Project EP0015 – Delivery Platform Technology

On information from the Group, the Delivery Platform Technology is a broadly applicable anti-cancer warhead delivery vehicle provided by a stable peptide chain with its sequence optimised to be membrane-type-1 MMP (MT1-MMP; MMP-14) specifically and selectively cleavable, an enzyme over-expressed in many human cancers. The Group's strategy was not to inhibit the MMPs, as was attempted with agents such as marimastat. Rather, the Group was looking to exploit the functional activity of MT1-MMP to hydrolyse a peptide-conjugated anti-cancer agent and release that anti-cancer agent directly into the tumour.

The key development area was a delivery platform in which the optimised peptide chain comprised a specific sequence of seven amino acids of –Arg-Ser-Cit-Gly-Hof-Tyr-Leu-.

Other development areas comprised a delivery platform in which certain modifications were made to the key specific peptide sequence.

Project EP0015 – the lead compound and related VDA based prodrugs

On information from the Group, the key development area was the lead prodrug ICT01-2588. ICT01-2588 had been developed by the research group of Prof. Laurence Patterson at the Institute of Cancer Therapeutics, University of Bradford. ICT01-2588 was a novel peptide-conjugate of a vascular disrupting agent (VDA) "warhead", which is azademethylcolchicine (aza-d-colch), linked to the drug delivery platform technology described above. In the laboratory, ICT01-2588 achieved solid tumour selective delivery of the VDA leading to reduced blood flow to the tumour and tumour shrinkage without significant toxicity.

Other development areas were prodrugs comprising a VDA other than azademethylcolchicine linked to the drug delivery platform technology of ICT00 described above which may be the key specific peptide sequence or may involve certain modifications to that key specific peptide sequence.

Project EP0015 – Tumour Targeted Theranostics

On information from the Group: The Tumour Targeted Theranostics comprised a VDA warhead (the therapeutic element) linked to both the drug delivery platform technology described above and to an MRI contrast agent (the diagnostic element) to allow detection of its location. This project was a collaboration with the University of Stanford.

The key development area was the lead theranostic conjugate comprising two main modules: ICT01-2588 and a CLIO nanoparticle for imaging.

Other development areas were further theranostic conjugates that are variants of the lead conjugate.

Project EP0015 – taxane based prodrugs

On information from the Group: the key development area was the lead prodrug which was a peptide-conjugate of a paclitaxel "warhead", linked via a self-immolative linker to the drug delivery platform technology described above.

Other development areas were prodrugs comprising a taxane other than paclitaxel linked to the drug delivery platform technology described above which may be the key specific peptide sequence or may involve certain modifications to that key specific peptide sequence.

(iii) Project Equin

On information from the Group, the key development area is the lead prodrug ICT03-Es5; a quinone based bio-reductive anti-cancer agent activated by the enzyme DT-Diaphorase (DTD) which is overexpressed in many solid tumours including: breast; colon; liver; bladder; stomach; the central nervous system (CNS); lung tumours and in melanomas. The Group's approach is to use DTD to activate quinone-based pro-drugs to selectively target cancer cells that express DTD. ICT03-Es5 is a DNA cross-linking agent and has been designed to overcome limitations associated with previously proposed bioreductive agents including, stability, solubility, poor efficacy and unsuitable clinical regimes. In preclinical development ICT03-Es5 showed promising efficacy and an improved pharmacokinetics (PK) profile.

Other development areas are prodrugs with structure closely related to Es5 and embraced by the patents protecting Project Equin.

(iv) Project Duo-C

On information from the Group, the lead compound is based on know-how and earlier work from Prof Laurence Patterson at the Institute of Cancer Therapeutics, University of Bradford. Earlier work focused on targeting colorectal cancer using CYP2W1, a catabolic enzyme, to convert prodrug to ultrapotent chemotoxins based upon the class of natural compounds known as the duocarmycins. Results to date show promising prospects for this new class of drug, demonstrating successful delivery of ultrapotent agents with acceptable toxicity profiles.

The following table sets out the relationship between the Group's technology and development projects and the relevant patent families.

Technology and Development Project	*Patent Family*
Project Sol	Patent family 8*
Project EP0015[1]	Patent families 1, 2, 3 and 4
Project Equin	Patent family 5
Project Duo-C	Patent families 6, 7 and 9*

Patent families marked * are to be filed in 2020

The Project marked 1 has now assigned to Ellipses Pharma and we are advised that the Group retains a commercial interest

THE STATUS OF THE PATENT RIGHTS UPON WHICH THE GROUP RELIES AND INDICATION OF PATENT RIGHTS IN WHICH THE GROUP HAS AN INTEREST

This section of the report sets out the pending patent applications and granted, in force patents held by the Group.

This section also sets out the pending patent applications and granted, in force patents that were progressed by the Group, then licensed and subsequently assigned to Ellipses Pharma.

Only patents and patent applications that have been published by the relevant Patent Offices are listed here. Patents and applications that are less than 18 months old, counted from the date of filing of the priority application, are held confidential within the relevant Patent Offices and are not available for public inspection. The Group's patent portfolio currently does not include any unpublished patents or patent applications.

(i) Project Sol

(Patent Family 8*)

On information from the Group, Incanthera Ltd (which becomes Incanthera R&D Ltd on admission to the NEX Exchange), has a licence to a family of patent applications embracing a specific topical dermatological drug delivery formulation which underlies Project-Sol. These patent applications are owned by a UK based pharmaceutical company who are specialists in the formulation of dermatological products.

This license will enable the Group to commercialise their improved topical skin formulation for delivery of an active agent for solar keratosis treatment and prevention of skin cancers including melanoma.

It is intended to expand Project Sol's patent protection by filing an additional patent application forming a new patent family 8 in Q1 2020, and priority claiming patent applications in Q1 2021, such that the potential expiry date of any resulting patents would be Q1 2041. This patent family is intended to be filed in the name of Incanthera R&D Ltd (part of the Group).

(ii) Project EP0015

(Patent Families 1, 2, 3 and 4)

As noted above Project EP0015 was licenced in 2017 and subsequently assigned in 2019 to Ellipses Pharma. Further information on the agreements with Ellipses Pharma can be found in the Company Admission Document. Patent families relating to EP0015 are listed here because the Group retains an ongoing commercial interest in the lead clinical asset and related projects.

The following table has been prepared to show which patent families afford patent protection for the four key elements of Project EP0015.

Project	*Patent Family*
EP0015 – Delivery Platform Technology	1, 2
EP0015 – ICT01-2588 and other VDA based prodrugs	1, 2
EP0015 – Tumour targeted theranostics	3
EP0015 – taxane based prodrugs	1, 4

Patent Family 1

This family of patents and patent applications was based on International (PCT) patent application no. PCT/GB2008/001043 (published as WO 2008/125800).

A UK application (No. GB0707034.5) was filed on 12 April 2007 and served as a priority founding application for the subsequently filed PCT application, filed on 27 March 2008.

The GB and PCT applications were filed in the name of the University of Bradford and designating Jason Gill, Paul Loadman, Rob Falconer, Laurence Patterson, Jennifer Atkinson and Mike Bibby as inventors. On information from the Group, all inventors were employed by the University of Bradford when their inventive

contributions were made and therefore rights from the inventors transferred to the University of Bradford due to employment. Rights in this family of applications were subsequently assigned to Incanthera Ltd (which will become Incanthera R&D Ltd and part of the Group on admission to the NEX Exchange) on 18 December 2012. After further development, rights in this family of patents and patent applications were licenced in 2017 and subsequently assigned in December 2019 to Ellipses Pharma. The following table indicates the status of patents and patent applications in this family when assigned in late 2019.

The disclosure of PCT/GB2008/001043 embraced anti-tumour prodrugs comprising a range of VDAs including azademethylcolchicine (ICT01-2588) and compounds like paclitaxel, the use of such prodrugs in therapy/methods of treatment, as well as the delivery platform technology.

Country/Region	*Priority Date*	*Filing Date*	*Appl. No*	*Patent/ Reg. No*	*Grant/ Reg. Date*	*Status*
European Patent – Validated in Austria, Belgium, Czech Republic, Denmark, Finland, France, Germany, Hungary, Iceland, Ireland, Italy, Luxembourg, The Netherlands, Norway, Poland, Portugal, Romania, Spain, Sweden, Switzerland & Liechtenstein and the United Kingdom	12/04/2007	27/03/2008	08718877.7	EP2134372	24/02/2016	Granted
European Patent – Validated in Austria, Belgium, Czech Republic, Denmark, Finland, France, Germany, Hungary, Iceland, Ireland, Italy, Luxembourg, The Netherlands, Norway, Poland, Portugal, Romania, Spain, Sweden, Switzerland & Liechtenstein and the United Kingdom	12/04/2007	27/03/2008	12160556.2	EP2481428	02/03/2016	Granted
European Patent – Validated in Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Monaco, Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, Switzerland & Liechtenstein, Turkey and United Kingdom	12/04/2007	27/03/2008	12160565.3	EP2481429	09/05/2018	Granted

Country/Region	*Priority Date*	*Filing Date*	*Appl. No*	*Patent/ Reg. No*	*Grant/ Reg. Date*	*Status*
European Patent Application	12/04/2007	27/03/2008	18156526.8			Pending
Hong Kong	12/04/2007	31/01/2013	13101399.0	HK1174534	27/01/2017	Granted
Hong Kong	12/04/2007	31/01/2013	13101400.7	HK1174535		Pending
Hong Kong	12/04/2007	16/01/2019	19100772.3			Pending
Japan	12/04/2007	27/03/2008	2010-502559	JP5537413	09/05/2014	Granted
Japan	12/04/2007	27/03/2008	2014-090990	JP5911908	08/04/2016	Granted
Japan	12/04/2007	27/03/2008	2014-090991	JP5931952	13/05/2016	Granted
Japan	12/04/2007	27/03/2008	2016-088836	JP6170590	07/07/2017	Granted
USA	12/04/2007	27/03/2008	US 12/595,482	US8691751	08/04/2014	Granted
USA	12/04/2007	27/03/2008	US 14/109,333	US9358303	07/06/2016	Granted
USA	12/04/2007	27/03/2008	US 15/148,368	US9956296	01/05/2018	Granted
USA	12/04/2007	27/03/2008	US 15/923,564			Pending

Patent Family 2

This family of patent applications was based on International (PCT) patent application no. PCT/GB2009/002484 (published as WO 2010/046628).

A UK application (No. GB0819287.4) was filed on 22 October 2008 and served as priority founding application for the subsequently filed PCT application, filed on 20 October 2009.

The GB and PCT applications were filed in the name of the University of Bradford and designating Robert Andrew Falconer, Jason Gill, Jennifer Atkinson, Paul Loadman, Michael Bibby and Laurence Patterson as inventors. On information from the Group, all inventors were employed by the University of Bradford when their inventive contributions were made and therefore rights from the inventors transferred to the University of Bradford due to employment. Rights in this family of applications were subsequently assigned to Incanthera Ltd (which will become Incanthera R&D Ltd and part of the Group on admission to the NEX Exchange) on 18 December 2012. After further development, rights in this family of patents and patent applications were licenced in 2017 and subsequently assigned in December 2019 to Ellipses Pharma. The following table indicates the status of patents and patent applications in this family when assigned in late 2019.

Country/Region	*Priority Date*	*Filing Date*	*Appl. No*	*Patent/ Reg. No*	*Grant/ Reg. Date*	*Status*
Canada	22/10/2008	20/10/2009	2741475			Pending
China	22/10/2008	20/10/2009	CN 200980141703.3	CN102143762	22/10/2014	Granted
China	22/10/2008	20/10/2009	CN 201410401756.7			Pending
European Patent – Validated in Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Monaco, North Macedonia, Netherlands, Norway, Poland, Portugal, Romania, San Marino, Slovakia, Slovenia, Spain, Sweden, Switzerland & Liechtenstein, Turkey and United Kingdom	22/10/2008	20/10/2009	09760548.9	2349344	05/12/2018	Granted

Country/Region	*Priority Date*	*Filing Date*	*Appl. No*	*Patent/ Reg. No*	*Grant/ Reg. Date*	*Status*
European Patent Application	22/10/2008	20/10/2009	18194638.5			Pending
Hong Kong	22/10/2008	04/06/2015	15105339.2			Pending
Hong Kong	22/10/2008	16/07/2019	19126897.8			Pending
India	22/10/2008	20/10/2009	3384/CHENP/2011	303329	22/11/2018	Granted
Japan	22/10/2008	20/10/2009	2011-532704	JP5820272	09/10/2015	Granted
USA	22/10/2008	20/10/2009	US 13/125,732	US8927486	06/01/2015	Granted
USA	22/10/2008	20/10/2009	US 15/297,649	US9937267	10/04/2018	Granted
USA	22/10/2008	20/10/2009	US 15/909,475			Pending

Patent Family 3

This family of patent applications was based on International (PCT) patent application no. PCT/EP2014/066087 (published as WO 2015/014756).

A UK application (No. GB1313900.1) was filed on 2 August 2013 and served as priority founding application for the subsequently filed PCT application, filed on 25 July 2014.

The GB and PCT applications were filed in the name of co-applicants: University of Bradford and The Trustees of the Leland Stanford Junior University. Paul Loadman, Robert Falconer, Jason Gill, Jianghong Rao and Heike E. Daldrup-Link are designated as inventors for both the GB and PCT applications. We have had sight of assignments confirming that rights from the inventors Loadman, Falconer and Gill transferred to the University of Bradford by assignments dated in November 2013. Additionally, on information from the Group, inventors Loadman and Falconer were employed by the University of Bradford when their inventive contributions were made and therefore rights from the inventors transferred to the University of Bradford due to employment. Rights from the inventors Rao and Daldrup-Link transferred to The Trustees of the Leland Stanford Junior University by assignments dated in October and August 2013 respectively. The rights of the University of Bradford in this family of applications were subsequently assigned to Incanthera Ltd (part of the Group and which will become Incanthera R&D Ltd on admission to the NEX Exchange) on 27 January 2015. After further development, rights in this family of patents and patent applications were licenced in 2017 and subsequently assigned in December 2019 to Ellipses Pharma. The following table indicates the status of patents and patent applications in this family when assigned in late 2019.

The disclosure of PCT/EP2014/066087 embraced tumour targeted theranostic conjugates comprising both an MRI contrast agent and a VDA deliverable to a tumour site via a MMP cleavable peptide. Therefore patent applications within Patent Family 3 were intended to provide protection for tumour targeted theranostics.

Country/Region	*Priority Date*	*Filing Date*	*Appl. No*	*Patent/ Reg. No*	*Grant/ Reg. Date*	*Status*
European Patent Application	02/08/2013	25/07/2014	EP14742552.4			Pending
USA	02/08/2013	25/07/2014	US 14/908,096	10,201,622	12/02/2019	Granted

Patent Family 4

This family of patent applications was based on International (PCT) patent application no. PCT/GB2016/053745 (published as WO 2017/093719).

A UK application (No. GB1521215.2) was filed on 1 December 2015 and served as priority founding application for the subsequently filed PCT application, filed on 29 November 2016. The UK application has also been maintained.

The GB and PCT applications were filed in the name of the University of Bradford and designating Paul Loadman, Robert Falconer and Jason Gill as inventors. On information from the Group, each inventor was employed by the University of Bradford when their respective substantive contributions to the invention were made. Therefore rights from the inventors transferred to the University of Bradford due to employment. Rights in this family of applications were subsequently assigned to Incanthera Ltd (part of the Group and

which will become Incanthera R&D Ltd on admission to the NEX Exchange) on 10 June 2017. This change in ownership was recorded by the UKIPO and by the IB whilst PCT/GB2016/053745 was in the international phase. After further development, rights in this family of patents and patent applications were licenced in 2017 and subsequently assigned in December 2019 to Ellipses Pharma. The following table indicates the status of patents and patent applications in this family when assigned in late 2019.

The patent applications in this family relate to a conjugate comprising a taxane linked directly or indirectly via a self-immolative linker moiety to a peptide comprising a MT-MMP cleavage sequence. The patent applications embrace a paclitaxel prodrug and related taxane prodrugs.

Country/Region	*Priority Date*	*Filing Date*	*Appl. No*	*Patent/ Reg. No*	*Grant/ Reg. Date*	*Status*
Australia	01/12/2015	29/11/2016	2016361668			Pending
Canada	01/12/2015	29/11/2016	3009296			Pending
European Patent Application	01/12/2015	29/11/2016	16808746.8			Pending
Hong Kong	01/12/2015	14/11/2017	17111764.2			Pending
Hong Kong	01/12/2015	09/04/2019	19122041.7			Pending
United Kingdom		01/12/2015	1521215.2	2545169	09/10/2019	Granted
USA	01/12/2015	29/11/2016	US 16/065,517			Pending

(iii) Project Equin,

(Patent Family 5)

A UK application (No. GB1213486.2) filed 30 July 2012 serves as the priority founding application for the subsequently filed PCT application (PCT/EP2013/065968 – published as WO 2014/020012), filed on 30 July 2013.

The GB and PCT applications were filed in the name of the University of Salford and designating Alan McGown, John Hadfield and John Butler as inventors. On information from the Group, all of the inventors were employed by the University of Salford when the invention described in GB1213486.2 was made. The rights of the inventors therefore transferred to the University of Salford due to employment. Rights in this family of applications were subsequently assigned to OncoNX Ltd (which will become Incanthera Oncology Ltd, part of the Group, on admission to the NEX Exchange) on 10 January 2014.

Regarding Project Equin, these patent applications relate to quinone compounds that are activatable by DT-diaphorase and their uses for the treatment of cancer. These patents and patent applications embrace ICT03-Es5.

While there may be a few exceptions, due to possible specific provisions of national laws which prescribe a patent term other than 20 years counted from the filing date of the application, the majority of these applications, subject to grant in due course, have a potential expiry date in July 2033, subject to continued payment of the periodic renewal fees and subject to any extension to compensate for regulatory delay in obtaining drug approval.

Country/Region	*Status*	*Application no.*	*Publication/grant no.*
Australia	Granted	2013298653	AU 2013298653
Belgium	Granted	2882743	EP(BE)2882743
Brazil	Pending	1120150018378	
Canada	Pending	2880021	
China	Granted	2013800403881	CN2013800403881
Denmark	Granted		EP(DK)2882743
European	Granted – now national patents	13742640.9	EP2882743
Finland	Granted		EP(FI)2882743
France	Granted		EP(FR)2882743
Hong Kong	Granted	15109758.6	HK1209111B

Country/Region	*Status*	*Application no.*	*Publication/grant no.*
Germany	Granted		EP(DE)2882743
Ireland	Granted		EP(IE)2882743
India	Pending	1223/DELNP/2015	
Italy	Granted		EP(IT)2882743
Japan	Granted	2015-524762	JP 2015-524815
Luxembourg	Granted		EP(LU)2882743
Mexico	Granted	MX/a/2015/000969	MX361650
Netherlands	Granted		EP(NL)2882743
Norway	Granted		EP(NO)2882743
Russian Federation	Granted	2015105036	RU2688675
Spain	Granted		EP(ES)2882743
South Africa	Granted	2015/00113	ZA 2015/00113
South Korea	Pending	10-2015-7002128	
Sweden	Granted		EP(SE)2882743
Switzerland & Liechtenstein	Granted		EP(CH/LI)2882743
UK	Granted	1422799.5	GB2519004
USA	Granted	14/418394	US 9,266,829

Patents embracing ICT03-Es5 and related prodrugs have been granted in 9 jurisdictions including by the EPO, the USPTO, the UKIPO as well as by SIPO in China. Therefore, HLK expects that patents will be granted in other jurisdictions.

HLK is not aware of any reason why granted patents in this patent family should be unenforceable in a court of law.

(iv) Project Duo-C

(Patent Families 6, 7 and 9*)

A European patent application (No. EP0130134.0) was filed on 22 February 2001 and serves as priority founding application for the subsequently filed PCT application (PCT/GB02/00801 – published as WO 02/067930) filed on 22 February 2002.

The following patents relate to benzo-indole and benzo-quinone derivatives as prodrugs for tumour treatment.

The patents in the table below stand in the name of Incanthera Ltd (part of the Group and which will become Incanthera R&D Ltd on admission to the NEX Exchange)

Country/Region	*Status*	*Application no.*	*Publication/grant no.*
UK	Granted	02701418.2	EP(UK)1408960
USA	Granted	10/468744	US 7,192,977

As part of the Duo-C programme, the Group also owns patents that relate to pyrrolo-indole and pyrrolo-quinoline derivatives as prodrugs for tumour treatment.

The patents in the table below stand in the name of Incanthera Ltd (part of the Group and which will become Incanthera R&D Ltd on admission to the NEX Exchange)

Country/Region	*Status*	*Application no.*	*Publication/grant no.*
UK	Granted	02712114.4	EP(UK)1409480
USA	Granted	10/468741	US 7,626,026

All of the above patents have a potential expiry date in February 2022. Current research and development programmes are ongoing within the Institute of Cancer Therapeutics, University of Bradford and the Group has access to any forthcoming patentable results. A first new patent filing concerning Project Duo-C is anticipated in Q3 2020, with priority claiming patent applications to be filed in Q3 2021 such that the potential expiry date of any resulting patents would be in Q3 2041.

(v) Trade marks

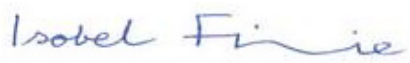
The Group has registered trade marks for the main Incanthera word and logo composite mark in the UK and the USA.

The UK trade mark was registered on 18 March 2016 with registration no. 3140836.

The US trade mark was registered on 16 April 2019 with registration no. 5724523.

The Group is developing a trade mark for Project Sol and plans that new trade mark applications for Project Sol will be filed in Q2/Q3 2020.

Yours faithfully



Isobel Finnie, for
HASELTINE LAKE KEMPNER LLP

PART V

ADDITIONAL INFORMATION

1. RESPONSIBILITY

1.1 The Directors whose names and functions appear on page 8 of this Document and the Company, accept full responsibility, both collectively and individually, for the information contained in this Document including individual and collective responsibility for the Company's compliance with the NEX Exchange Rules. To the best of the knowledge and belief of the Company and of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Document is in accordance with the facts and there is no material information the omission of which is likely to affect the import of such information.

1.2 In connection with this Document, no person is authorised to give any information or make any representations other than as contained in this Document and, if given or made, such information or representation must not be relied upon as having been so authorised.

2. THE COMPANY

2.1 The Company was incorporated and registered in England and Wales on 23 October 2017 under the Act as a public company limited by shares with the name Project Bradford plc and with registration number 11026926. On 26 February 2020, the Company resolved to change its name to Incanthera plc and was issued a certificate of incorporation on change of name by Companies House on 26 February 2020.

2.2 The principal legislation under which the Company operates is the Act and the liability of the Shareholders is limited.

2.3 The Company's registered office and principal place of business is at 76 King Street, Manchester M2 4NH. The telephone number at the Company's principal place of business is +44 (0) 161 817 5005.

2.4 The principal activity of the Company is that of a holding company.

3. THE COMPANY AND ITS SUBSIDIARIES

3.1 The Company is the holding company of the Group.

3.2 As at the date of this Document the Company has the following subsidiaries:

Name	*Country of Incorporation*	*Activity*	*Immediate Parent Company*	*Percentage ultimately owned and proportion of voting power held by the Company*
Incanthera R&D Limited (company number 07174977)	England	Pharmaceutical research and development	the Company	100%
Incanthera Oncology Limited (company number 07596505)	England	Pharmaceutical research and development	Incanthera R&D Limited	100%

Name	*Country of Incorporation*	*Activity*	*Immediate Parent Company*	*Percentage ultimately owned and proportion of voting power held by the Company*
Incanthera Therapeutics Limited (company number 04459626)	England	Pharmaceutical research and development	Incanthera R&D Limited	100%

3.3 Save as set out above, there are no undertakings in which the Company has a proportion of share capital likely to have a significant effect on the assessment of the Group's assets and liabilities, financial position or profits and losses.

4. SHARE CAPITAL

4.1 There have been the following changes to the share capital of the Company between 23 October 2017 and the date of this Document:

4.1.1 on incorporation, the issued share capital of the Company was £2 divided into 2 ordinary shares of £1 which were issued credited as fully paid to the subscribers to the Company's memorandum of association;

4.1.2 pursuant to a resolution of the members of the Company passed on 26 February 2020, each ordinary share of £1 each was sub-divided into 50 Ordinary Shares; and

4.1.3 on 26 February 2020 48,564,280 Ordinary Shares were allotted and issued to the shareholders of Incanthera at that time pursuant to the Share Exchange Agreement referred to (and defined in) in paragraph 10.1 of this Part V.

4.2 On 26 February 2020, by or pursuant to resolutions of the Company passed on that date:

4.2.1 the Directors were generally and unconditionally authorised for the purpose of section 551 of the Act to exercise all or any of the powers of the Company to allot shares in the Company or to grant rights to subscribe for, or to convert any security into, shares in the Company (such shares and rights being together referred to as Relevant Securities) up to:

(a) a maximum aggregate nominal amount of £971,286 in connection with the Share Exchange Agreement;

(b) a maximum aggregate nominal amount of £180,001 in connection with the Placing;

(c) a maximum aggregate nominal amount of £265,375 in connection with the Warrants and Subscription Agreements;

(d) a maximum aggregate nominal amount of £65,911 in connection with the Capitalisation; and

(e) a further nominal amount of £494,191,

in each case such authorities to expire at the conclusion of the next Annual General Meeting of the Company, or if earlier, on the date 15 months from the date the resolution was passed (unless previously renewed, revoked, varied or extended by the Company in general meeting) but the Company may, before such expiry, make an offer or agreement which would or might require Relevant Securities to be allotted after such expiry and the Directors may allot Relevant Securities and/or grant rights in pursuance of that offer or agreement as if the authority had not expired;

4.2.2 the Directors were empowered pursuant to section 570 of the Act to allot equity securities (as defined in section 560 of the Act) pursuant to the authority conferred upon them by the authority referred to in paragraph 4.2.1 above as if section 561 of the Act did not apply to any such allotment. This authority and power is limited to:

(a) the allotment of equity securities up to a maximum aggregate nominal amount of £48,564,280 in connection with the Share Exchange Agreement;

(b) the allotment of equity securities up to a maximum aggregate nominal amount of £9,000,007 in connection with the Placing;

(c) the allotment of equity securities up to a maximum aggregate nominal amount of £13,268,628 in connection with the Warrants and Subscription Agreements;

(d) the allotment of equity securities up to a maximum aggregate nominal amount of £3,295,523 in connection with the Capitalisation; and

(e) a further aggregate nominal amount of £243,440,

in each case such authorities to expire at the conclusion of the next Annual General Meeting of the Company, or if earlier, on the date 15 months from the date the resolution was passed (unless previously renewed, revoked, varied or extended by the Company in general meeting but the Company may, before such expiry, make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities and/or grant rights in pursuance of that offer or agreement as if the authority had not expired.

4.3 The Directors intend to exercise the authorities described in paragraphs 4.2.1 and 4.2.2, *inter alia*, to issue up to 9,000,007 new Ordinary Shares pursuant to the Placing (representing 14.8 per cent. of the Enlarged Share Capital).

4.4 The Placing will result in the issue of 9,000,007 new Ordinary Shares on Admission. The Company's issued share capital, at the date of this Document is and it is expected to be immediately following Admission:

	At the date of this Document		*Following Admission*	
	Amount (£)	*Number of Ordinary Shares*	*Amount (£)*	*Number of Ordinary Shares*
Issued and fully paid	1,037,199	51,859,903	1,217,198	60,859,910

4.5 The Ordinary Shares have been created under the Act.

4.6 The Ordinary Shares are in registered form and may be held either in certificated form or in uncertificated form through CREST. The Articles permit the Company to issue shares in uncertificated form.

4.7 No shares of the Company are currently in issue with a fixed date on which entitlement to a dividend arises and there are no arrangements in force whereby future dividends are waived or agreed to be waived.

4.8 There are no issued but not fully paid Ordinary Shares.

4.9 None of the Ordinary Shares have been marketed or are being made available to the public in whole or in part in conjunction with the application for Admission.

4.10 The Ordinary Shares have not been admitted to dealing on any recognised investment exchange or other trading facility, nor has any application for such admission been made and it is not intended to make any arrangements for dealings in the Ordinary Shares on any such exchange other than the application to be made in connection with Admission.

4.11 The Company has the contractual capacity of a natural person and is empowered to borrow, guarantee and give security.

5. ARTICLES OF ASSOCIATION

The Articles, which were adopted by a resolution of the Company passed on 26 February 2020, which are available for inspection at the Company's registered office and copies of which are available on written request to the Company's Secretary, contain provisions, *inter alia*, in respect of the Ordinary Shares, general

meetings of the Company and the directors, the material provisions of which are set out below. This summary does not purport to be complete and is qualified in its entirely by the full terms of the Articles.

5.1 ***Objects***

The Articles contain no restrictions on the activities of the Company and therefore, by virtue of section 31(1) of the Act, the Company's objects are unlimited.

5.2 ***Voting rights***

Subject to any rights or restrictions attached to any class of shares, from time to time on a show of hands every member who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative and is entitled to have a vote shall upon a show of hands have one vote and on a poll every member who is present in person or by proxy and entitled to vote shall have one vote for every share of which he is the holder. Where, in respect of any shares, any registered holder or any other person appearing to be interested in such shares fails to comply with any notice given by the Company under section 793 of the Act, then not earlier than 14 days after service of such notice the shares in question may be disenfranchised.

5.3 ***Major shareholders***

Nothing in the Articles confers on major shareholders in the Company any voting rights which are different to those conferred on the holders of Ordinary Shares as described in paragraph 5.2 above.

Pursuant to Rule 5.1 of the Disclosure Guidance and Transparency Rules, holders of 3 per cent. or more of the nominal value of the Company's share capital are required to notify their holdings in writing to the Company. To the extent that persons who already hold at least 3 per cent. or more of the nominal value of the Company's share capital increase or decrease their holding, Rule 5.1 of the Disclosure Guidance and Transparency Rules requires that this is also notified to the Company by the shareholder.

5.4 ***General meetings***

An annual general meeting shall be held in every year, within 6 months of the previous accounting period end.

Subject to a member's right to requisition a general meeting pursuant to section 303 of the Act, general meetings of the Company are convened at the discretion of the Board, and with the exception of the annual general meeting, all such general meetings of the Company shall be general meetings.

An annual general meeting at which it is proposed to pass a special resolution or (except as provided by statute) a resolution of which special notice has been given to the Company, shall be called by at least 21 clear days' notice in writing. All general meetings shall be called by at least 14 clear days' notice to the Company regardless of the type of resolution being passed (under section 307(1) of the Act). A notice must be served on a member in accordance with the provisions of the Act, that is, in hard copy form, or where the member has consented or is deemed to have consented under the Act, in electronic form or via a website. If the notice contains an electronic address for the Company, a member may send any document or information relating to the relevant general meeting to that electronic address. Notice shall be given to all members and the directors and the auditors.

A notice sent to a member by electronic communication shall be deemed to be served on the day it was sent. A notice sent by post to an address in the United Kingdom shall be deemed served one day after (or two days after if sent by second class mail) the date of posting.

5.5 ***Alteration of share capital***

The Company may, from time to time, by ordinary resolution, increase its share capital, by the creation of new shares such increase to be of such aggregate amount and to be divided into shares of such respective amounts as the resolution may prescribe. Subject to such privileges, priorities or conditions as are or may be attached thereto, all new shares shall be subject to the same provisions in all respects

as if they had been part of the original capital. The Company may, by ordinary resolution, consolidate and divide its shares, or any of them, into shares of a larger amount. The Company may, by ordinary resolution, divide all or any of its share capital into shares of a larger amount, sub-divide all or any of its shares into shares of a smaller amount and cancel any shares not taken or agreed to be taken by any person.

The Company may, by ordinary resolution, cancel any shares which at the date of the passing of the resolution have not been taken (or are subject to agreement to take) and diminish the amount of its share capital by the nominal amount of the shares so cancelled. The Company may, from time to time, by special resolution reduce its share capital, any capital redemption reserve and any share premium account in any manner authorised, and with and subject to any incident prescribed or allowed by the Act and the rights attached to existing shares. In accordance with the provisions of Act, the Company may purchase its own shares (including redeemable shares).

5.6 ***Variation of rights***

Subject to the Act and every other statute for the time being in force concerning companies and affecting the Company (the "**Statutes**"), if at any time the capital of the Company is divided into different classes of shares, all or any of the rights and privileges attached to any class of share may be varied or abrogated either:

5.6.1 in such a manner (if any) as may be provided by the rights attaching to such class; or

5.6.2 in the absence of any such provision, with the consent in writing of the holders of at least 75 per cent. of the nominal amount of the shares of that class or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class. At any such separate meeting at least two members present in person or by proxy holding or representing at least one third of the issued shares of the class in question shall be a quorum.

The creation or issue of shares ranking *pari passu* with or subsequent to the shares of any class shall not (unless otherwise expressly provided by the Articles or the rights attached to such last-mentioned shares as a class) be deemed to be a variation of the rights of such shares. A reduction of the capital paid up on any shares of any class will not be deemed to constitute a variation or abrogation of the rights attached to those shares. A purchase or redemption by the Company of any of its own shares in accordance with the provisions of the Statutes and of the Articles shall not be deemed to be a variation of the rights attaching to any shares.

5.7 ***Redemption***

The Company may, by special resolution and subject to the Statutes, create shares which are liable to be redeemed. As at the date of this Document, there are no shares in issue which are capable of being redeemed by the Company.

5.8 ***Conversion***

The Company may from time to time, by ordinary resolution and subject to the Statutes, convert all or any of its fully-paid shares into stock of the same class and denomination and may from time to time in like manner reconvert such stock into fully paid up shares of the same class and denomination.

5.9 ***Distribution of assets on a winding up***

In the event of liquidation of the Company the holders of shares are entitled *pari passu* to any surplus dividends. A liquidator may, with the sanction of a special resolution, divide the assets among the members in specie.

5.10 ***Transfer of shares***

The Ordinary Shares are in registered form and may be in certificated or uncertificated form.

Shares in uncertificated form may be transferred otherwise than by written instrument in accordance with the Statutes and relevant subordinate legislation and the Company shall register any such transfer in accordance with the Statutes.

Transfers of shares in certificated form may be effected by instrument in writing in any usual or common form or in any other form approved by the directors. Any instrument of transfer shall be signed by or on behalf of the transferor and (except in the case of fully paid shares) by or on behalf of the transferee. The transferor shall be deemed to remain the holder of the shares until the name of the transferee is entered in the Company's register of members.

The directors may, in their absolute discretion (but subject to any rules or regulations of the NEX Exchange or any rules published by the FCA applicable to the Company from time to time) and without assigning any reason therefore, refuse to register the transfer of a share which is in respect of a share which is not fully paid, or which is in favour of more than four transferees or which is in respect of more than one class of shares or which has not been presented for registration duly stamped accompanied by the share certificates for the shares to which the transfer relates and/or such other evidence as the directors may reasonably require to show the right of the transferor to make the transfer.

5.11 ***Dividends and other distributions***

Subject to the provisions of the Statutes, the Company may by ordinary resolution declare dividends to be paid to the members according to their respective rights and interests in the profits of the Company, but not exceeding the amount recommended by the directors.

No dividends or moneys payable by the Company in respect of a share shall bear interest as against the Company unless otherwise provided by the rights attached to the share.

The directors may (subject to the Statutes) pay interim dividends if it appears to them that they are justified by the profits of the Company available for distribution.

Except as otherwise provided by the Articles or the rights attached to any shares issued by the Company, the holders of shares are entitled *pari passu* amongst themselves to share in the whole of the profits of the Company paid out as dividends and the whole of any surplus in the event of liquidation of the Company.

A liquidator may, with the sanction of an ordinary resolution, divide the assets among the members in specie. The directors shall give effect to any such resolution provided that no such distribution shall be made unless recommended by the directors.

The directors may, with the sanction of an ordinary resolution, offer the shareholders or any class of them (other than those not entitled to the relevant dividend or dividends) the right to elect to receive new Ordinary Shares, credited as fully paid, instead of cash in respect of the whole or part of any dividend or dividends which are the subject of the ordinary resolution.

All unclaimed dividends, interest or other sums payable on or in respect of a share may, be invested or otherwise made use of by the directors for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof. Any dividend which is unclaimed for a period of 12 years from the date on which the dividend became due for payment shall be forfeited and cease to remain owing by the Company.

5.12 ***Borrowing powers***

Subject to the provisions of the Act, the directors may exercise all the powers of the Company to borrow or raise money, to mortgage or charge all or any part of its undertaking, property and assets (both present and future) and uncalled capital and to issue bonds, debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or its parent undertaking (if any) or any subsidiary undertaking of the Company or of any third party, in each case on such terms as they may in their absolute discretion think proper.

5.13 ***Constitution of board of directors***

The minimum number of directors shall not be less than two and unless and until otherwise determined by the Company in general meeting shall not be subject to any maximum. No shareholding qualification is required of any director.

5.14 ***Retirement of directors by rotation***

At every annual general meeting, any director appointed by the directors since the last annual general meeting and any director who was not appointed or reappointed at one of the previous two annual general meetings shall retire and offer themselves for reappointment by the members.

5.15 ***Remuneration of directors***

The fees to be paid to the directors shall be determined by the Remuneration Committee of the Company from time to time. Such fees shall be divided among such directors in such proportion or manner as may be determined by the directors and, in default of determination, equally. A fee payable to a director pursuant to the Articles is distinct from any salary, remuneration or other amount payable to him pursuant to other provisions of the Articles and accrues from day to day.

Each director may also be paid all reasonable travelling, hotel and other expenses properly incurred by him in respect of or about the performance of his duties as director including any expenses incurred in connection with his attendance at meetings of the directors or committees of the directors of the Company or otherwise in the discharge of his duties as a director.

Any director who holds any executive office or who serves on any committee or who devotes special attention to the business of the Company or who otherwise performs services which, in the opinion of the directors, are outside the scope of the ordinary duties of a director, may be paid such extra remuneration by way of salary, lump sum, participation in profits or otherwise as the directors determine.

5.16 ***Permitted interests of directors***

Subject to the provisions of the Statutes, a director is not disqualified from his office by entering into any contract, arrangement, transaction or proposal with the Company in any manner, nor is any contract, arrangement, transaction or proposal in which he is interested or in which he has entered into by or on behalf of the Company in which any director or person connected with him is in any way interested, whether directly or indirectly, liable to be avoided, and any director who enters into any such contract, arrangement, transaction or proposal or is so interested is not liable to account to the Company for any profit realised by any such contract, arrangement, transaction or proposal by reason of the director holding that office or of the fiduciary relationship thereby established but the nature and extent of his interest shall be disclosed by him in accordance with the provisions of the Statutes.

A director may hold any other office or place of profit with the Company (except that of auditor) in conjunction with his office of director and may act by himself or through his firm in a professional capacity for the Company (other than as auditor) on such terms as to tenure of office, remuneration or otherwise as the directors may determine. A director may also hold office as a director or other officer or be otherwise interested in any other company of which the Company is a member or in which the Company is otherwise interested and shall not be liable to account to the Company for any remuneration or other benefits received by him from that company.

5.17 ***Restrictions on voting by directors***

Save as provided below, a director shall not vote on or in respect of any contract, arrangement, transaction or any other proposal in which he (together with any person connected with him) has a material interest otherwise than by virtue of his interest in shares or debentures or other securities of or otherwise in or through the Company. A director shall not be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting.

A director shall not vote or be counted in the quorum on any resolution concerning his own appointment as the holder of any office or place of profit with the Company or any company in which the Company is interested (including, without limitation, fixing or varying the terms of his appointment or the termination or extension thereof).

A director shall (in the absence of some other material interest than is indicated below) be entitled to vote and be counted in the quorum in respect of any resolution concerning any of the following matters:

5.17.1 the giving of any security, guarantee or indemnity in respect of money lent or obligations incurred by him or any other person at the request of or for the benefit of the Company or any of its subsidiary undertakings;

5.17.2 the giving of any security, guarantee or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiary undertakings for which he has assumed responsibility in whole or in part either alone or jointly with others, under a guarantee or indemnity or by the giving of security;

5.17.3 any proposal, contract, arrangement or transaction concerning a placing of shares or debentures or other securities of or by the Company or any of its subsidiary undertakings for subscription or purchase in which placing he is or is to be interested as a holder of securities or as a participant in the undertaking or sub-underwriting thereof;

5.17.4 any contract, arrangement, transaction or other proposal concerning any other company in which he is interested, directly or indirectly and where as an officer or member or otherwise howsoever provided that he (together with any person connected (within the meaning of section 252 of the Act) with him) is not the holder of or interested in shares representing one per cent. or more of any class of the equity share capital or voting rights;

5.17.5 any contract, arrangement, transaction or other proposal concerning the adoption, modification or operation of a pension, superannuation or similar fund or scheme, a retirement, death or disability benefits fund or scheme or an employees' share scheme which has been approved by or is subject to and conditional upon approval by HMRC for taxation purposes or does not accord to any director as such any privilege or benefit not generally awarded to the employees to whom such arrangement relates; and

5.17.6 any proposal concerning for the grant, purchase and/or maintenance of insurance against any liability of any directors.

5.18 ***Communication with Members***

Anything sent or supplied by or to the Company under the Articles may be sent or supplied in any way in which the Act provides for documents or information to be sent by or to the Company for the purposes of the Act. The Company may send or supply documents or information to members, for the purposes of the Act or under the Articles by making them available on a website in accordance with the Act.

6. CITY CODE, MANDATORY BIDS, SQUEEZE-OUT AND SELL-OUT RULES, AND CONCERT PARTIES

6.1 ***Mandatory takeover bids***

The Takeover Code applies to the Company. Under the Takeover Code, if an acquisition of Ordinary Shares were to increase the aggregate interest in Ordinary Shares of the acquirer and any parties acting in concert with it to shares carrying 30 per cent. or more of the voting rights in the Company, the acquirer and, depending on the circumstances, its concert parties would be required (except with the consent of the Takeover Panel) to make a cash offer for the Ordinary Shares not already owned by the acquirer and its concert parties at a price not less than the highest price paid for Ordinary Shares by the acquirer or its concert parties during the previous 12 months. A similar obligation to make such a mandatory cash offer would also arise on the acquisition of Ordinary Shares by a person already holding together with its concert parties Ordinary Shares carrying at least 30 per cent., but not more than 50 per cent., of the voting rights in the Company if the effect of such acquisition were to increase the percentage of the aggregate voting rights held by the acquirer and its concert parties.

The Takeover Code defines persons "acting in concert" as comprising persons who, pursuant to an agreement or understanding (whether formal or informal), co-operate to obtain or consolidate control of a company or to frustrate the successful outcome of an offer for a company. "Control" means an interest, or interests, in shares carrying in aggregate 30 per cent. or more of the voting rights of a company, irrespective of whether such interest or interests give de facto control. A person and each of its affiliated persons will be deemed to be acting in concert with each other. There is a non-exhaustive list of persons who will be presumed to be acting in concert with other persons in the same category unless the contrary is established.

6.2 ***Incanthera Concert Party***

Following Admission, the following Shareholders are deemed to be acting in concert for the purposes of the Takeover Code in relation to their shareholdings in the Company: (1) University of Bradford; (2) Simon Ward; (3) Laurence Patterson; (4) Jason Gill; (5) Jennifer Atkinson; (6) Paul Loadman; (7) Dr Robert Falconer; and (8) Michael Bibby (together the "**Incanthera Concert Party**").

The members of the Incanthera Concert Party are deemed to be acting in concert as founders of Incanthera.

On Admission, the Incanthera Concert Party will between them be interested in 10,903,144 Ordinary Shares representing 17.9 per cent. of the Enlarged Ordinary Share Capital.

The table below shows the holdings of the members of the Incanthera Concert Party:

	As at the date of this Document		*On Admission*	
Shareholder	*No. of Ordinary Shares*	*Existing Ordinary Share Capital (%)*	*No. of Ordinary Shares*	*Enlarged Ordinary Share Capital (%)*
University of Bradford	7,492,040	15.4	7,492,040	12.3
Simon Ward	1,979,800	4.1	2,085,064	3.4
Laurence Patterson	208,600	0.4	208,600	0.3
Jason Gill	289,940	0.6	289,940	0.5
Jennifer Atkinson	134,620	0.3	134,620	0.2
Paul Loadman	289,940	0.6	289,940	0.5
Dr Robert Falconer	354,620	0.7	354,620	0.6
Michael Bibby	48,320	0.1	48,320	0.1
Total	**10,797,880**	**22.2**	**10,903,144**	**17.9**

6.3 ***Compulsory acquisition – squeeze-out***

Under the Act, if an offeror were to acquire 90 per cent. or more of the Ordinary Shares within the period specified by the Act, it could then compulsorily acquire the remaining Ordinary Shares. It would do so by sending a notice to the relevant Shareholders telling them that it will compulsorily acquire their shares and then, six weeks later, it would execute a transfer of the outstanding shares in its favour and pay the consideration to the Company, which would hold such consideration on trust for such Shareholders.

The consideration offered to Shareholders whose Ordinary Shares are compulsorily acquired under the Act must, in general, be the same as the consideration that was available under the relevant takeover offer, unless such Shareholders can show that the offer value is unfair.

6.4 ***Compulsory acquisition – sell-out***

The Act also gives minority Shareholders a right to be bought out in certain circumstances by an offeror who has made a takeover offer. If a takeover offer relates to all of the Ordinary Shares and at any time before the end of the period within which the offer could be accepted the offeror holds or has agreed

to acquire not less than 90 per cent. of the Ordinary Shares, any holder of Ordinary Shares to which such offer relates who has not accepted the offer can by written communication to the offeror require it to acquire those Ordinary Shares. The offeror would be required to give any Shareholder notice of his right to be bought out within one month of that right arising. If a Shareholder exercises its right to be bought out, the offeror is bound to acquire the relevant Ordinary Shares on the terms of the offer or on such other terms as may be agreed.

7. DISCLOSURE OF INTERESTS

7.1 *Directors and other Interests*

7.1.1 As at the date of this Document and immediately following Admission, the interest of the Directors (including persons connected with the Directors within the meaning of section 252 of the Act) in the issued share capital of the Company (all of which are beneficial) which have been or will be required to be notified to the Company pursuant to chapter 5 of the Disclosure Guidance and Transparency Rules or which will be required to be entered into the register maintained under the provisions of section 808 of the Act, which interests would be required to be disclosed pursuant to the Disclosure Guidance and Transparency Rules, will be, as follows:

	At the date of this Document		*Immediately Following Admission*	
Directors	*Number of Ordinary Shares*	*Percentage of Existing Share Capital (%)*	*Number of Ordinary Shares*	*Percentage of Enlarged Ordinary Share Capital (%)*
Timothy McCarthy	1,377,000	2.8%	3,566,474	5.9%
Simon Ward	1,979,800	4.1%	2,085,064	3.4%
Alan Warrander	72,740	0.1%	83,267	0.1%

* As detailed in paragraph 10.21 of this Part V, Tim McCarthy on 26 February 2020 entered into a subscription agreement over 1,052,632 Ordinary Shares at the Placing Price.

7.1.2 There are no outstanding loans granted by any member of the Group to the Directors or any guarantees provided by any member of the Group for the benefit of the Directors.

7.1.3 Save as disclosed in this paragraph 7, none of the Directors nor any member of their families, nor any person connected with them within the meaning of section 252 of the Act, has any interest, whether direct or indirect, in the issued share capital of the Company or its subsidiaries.

7.1.4 No Director has any option over or warrant to subscribe for any Ordinary Shares.

7.1.5 Save as disclosed in this Document (including the Placing Agreement referred to in paragraph 10.7 of this Part V, the service agreements and letters of appointment referred to in paragraph 8 of this Part V and the Lock-In Agreements referred to in paragraph 10.11 of this Part V) there are no agreements or arrangements or undertakings (including compensation agreements) between any of the Directors, recent directors, Shareholders or recent shareholders of the Company connected with or dependent upon Admission or the Placing.

7.1.6 No Director or any member of their family holds or has held any financial product whose value in whole or in part is determined directly or indirectly by reference to the price of Ordinary Shares.

7.1.7 The Directors intend to comply with Rule 67 of the NEX Exchange Rules relating to dealings by persons discharging managerial responsibilities and persons associated with them to ensure compliance by such persons with MAR.

7.2 *Significant Shareholders*

7.2.1 Insofar as known to the Directors, as at 26 February 2020 (being the latest practicable date before publication of this Document) and following Admission, the following have interests

(directly or indirectly) in voting rights over 3 per cent. or more of the issued share capital of the Company or could exercise control over the Company (being the threshold at or above which, in accordance with the provisions of section 5 of the Disclosure Guidance and Transparency Rules, any interest must be disclosed by the Company):

	As at the date of this Document		*Immediately following Admission*	
Shareholder	*Number of Ordinary Shares*	*Percentage of Existing Share Capital (%)*	*Number of Ordinary Shares*	*Percentage of Enlarged Ordinary Share Capital (%)*
NWFB	16,164,540	33.3%	16,164,540	26.6%
ImmuPharma	7,272,740	15.0%	7,272,740	11.9%
University of Bradford	7,492,040	15.4%	7,492,040	12.3%

7.2.2 None of the Company's major holders of Ordinary Shares listed above has voting rights that differ from the other holders of Ordinary Shares.

7.2.3 Save as disclosed in this paragraph 7 above and insofar as is known to the Company and the Directors there are no person or persons who either alone or, if connected jointly following the implementation of the Placing and Admission, will (directly or indirectly) exercise or could exercise control over the Company.

7.2.4 Save as far as disclosed in this Document, and insofar as is known to the Company, no arrangements are in place, the operation of which may at a later date result in a change of control of the Company.

8. DIRECTORS' AND KEY SENIOR MANAGEMENTS' TERMS OF APPOINTMENT

8.1 Summarised below are details of the service agreements entered into between the Company, the Executive Directors and Key Senior Management, in each case conditional upon Admission:

8.1.1 **Timothy McCarthy**
an executive service agreement dated 26 February 2020 between (1) the Company and (2) Timothy McCarthy pursuant to which Mr McCarthy is employed as Chairman of the Company. The agreement may be terminated by either party on 12 calendar months' notice. The salary payable to Mr McCarthy is £40,000 per annum in addition to which the Company pays a pension contribution of 10 per cent. of salary. The agreement contains a provision for a discretionary, performance related bonus (against pre-agreed targets), which would be subject to the approval of the Remuneration Committee. Mr McCarthy's service agreement contains a non-compete restriction which applies for 6 months following termination of employment and other restrictions regarding non-solicitation of employees and non-interference with suppliers for 6 months following termination. It also contains protection in terms of confidential information and intellectual property;

8.1.2 **Dr Simon Ward**
an executive service agreement dated 26 February 2020 between (1) the Company and (2) Dr Simon Ward pursuant to which Dr Ward is employed as Chief Executive Officer of the Company. The agreement may be terminated by either party on 12 calendar months' notice. The salary payable to Dr Ward is £40,000 per annum in addition to which the Company pays a pension contribution of 10 per cent. of salary. The agreement contains a provision for a discretionary, performance related bonus (against pre-agreed targets), which would be subject to the approval of the Remuneration Committee. Dr Ward's service agreement contains a non-compete restriction which applies for 6 months following termination of employment and other restrictions regarding non-solicitation of employees and non-interference with suppliers for 6 months following termination. It also contains protection in terms of confidential information and intellectual property;

8.1.3 **Pawel Zolnierczyk**

an executive service agreement date 26 February 2020 between (1) the Company and (2) Pawel Zolnierczyk pursuant to which Mr Zolnierczyk is employed as Chief Operating Officer of the Company. The agreement may be terminated by either party on 12 calendar months' notice. The salary payable to Mr Zolnierczyk is £30,000 per annum in addition to which the Company pays a pension contribution of 10 per cent. of salary. The agreement contains a provision for a discretionary, performance related bonus (against pre-agreed targets), which would be subject to the approval of the Remuneration Committee. Mr Zolnierczyk's service agreement contains a non-compete restriction which applies for 6 months following termination of employment and other restrictions regarding non-solicitation of employees and non-interference with suppliers for 6 months following termination. It also contains protection in terms of confidential information and intellectual property;

8.1.4 **Laura Brogden**

an executive service agreement dated 26 February 2020 between (1) the Company and (2) Laura Brogden pursuant to which Mrs Brogden is employed part-time as Chief Financial Officer of the Company. The agreement may be terminated by either party on 12 calendar months' notice. The salary payable to Mrs Brogden is £15,000 per annum. The agreement contains a provision for a discretionary, performance related bonus (against pre-agreed targets), which would be subject to the approval of the Remuneration Committee. Mrs Brogden's service agreement contains a non-compete restriction which applies for 6 months following termination of employment and other restrictions regarding non-solicitation of employees and non-interference with suppliers for 6 months following termination. It also contains protection in terms of confidential information and intellectual property.

8.1.5 **Suzanne Brocks**

an executive service agreement dated 26 February 2020 between (1) the Company and (2) Suzanne Brocks pursuant to which Mrs Brocks is employed as Head of Communications. The agreement may be terminated by either party on 12 calendar months' notice. The salary payable to Mrs Brocks is £30,000 per annum in addition to which the Company pays a pension contribution of 10 per cent. of salary. The agreement contains a provision for a discretionary, performance related bonus (against pre-agreed targets), which would be subject to the approval of the Remuneration Committee. Mrs Brocks' service agreement contains a non-compete restriction which applies for 6 months following termination of employment and other restrictions regarding non-solicitation of employees and non-interference with suppliers for 6 months following termination. It also contains protection in terms of confidential information and intellectual property.

8.2 Summarised below are details of the letter of appointment entered into between the Company and Alan Warrander, the Non-Executive Director:

8.2.1 **Dr Alan Warrander**

a letter of appointment dated 26 February 2020, conditional on Admission, between (1) the Company and (2) Dr Alan Warrander pursuant to which Dr Warrander is appointed as a Non-Executive Director. The agreement may be terminated upon 6 months' notice by either party at any time. Dr Warrander is entitled to receive a fee of £8,000 per annum which is subject to annual review.

8.3 Save as set out above there are no service contracts between any of the Directors, Key Senior Management and the Company or any of its subsidiaries and no such contract has been entered into or amended or replaced within the six months preceding the date of this Document and no such contracts are proposed.

8.4 The Directors and Key Senior Management receive no Ordinary Shares or options over Ordinary Shares in lieu of remuneration or as any form of compensation.

8.5 Other than as disclosed in this paragraph 8, no member of the Company is party to any service contract with any of the Company's directors which provides for benefits on the termination of any such contract.

8.6 There is no arrangement under which any Director and Key Senior Management has waived or agreed to waive future emoluments.

8.7 In the six months ended 30 September 2019, the total aggregate remuneration paid, and benefits-in-kind granted, to the Directors was £36,000. The amounts payable to the Directors by the Company under the arrangements in force at the date of this Document in respect of the year ending 31 March 2020 are estimated to be £60,000 (excluding any discretionary payments which may be made under these arrangements).

9. ADDITIONAL INFORMATION ON THE DIRECTORS AND KEY SENIOR MANAGEMENT

9.1 Other than in respect of the Company, the names of all companies and partnerships of which the Directors and Key Senior Management (as the case may be) have been a director or partner at any time in the five years preceding the date of this Document (and indicating whether they are current or former) are set out below:

Director	*Current Directorships/Partnerships*	*Past Directorships/Partnerships*
T McCarthy	4basebio AG Dropped Limited Frangipani Dreams Limited ImmuPharma plc Incanthera R&D Limited Incanthera Therapeutics Limited Unnamed Limited	Ark Analytics Solutions Limited Expedeon Holdings Limited BBN International Limited Harvard Healthcare Limited Wise Old Owl Limited
S Ward	Incanthera R&D Limited Incanthera Oncology Limited Incanthera Therapeutics Limited The Hood Studios CIC	Biomart Limited
P Zolnierczyk	I-Tech Innovations Ltd Incanthera Oncology Limited Incanthera R&D Limited iQure Pharma Inc Vistula Bioventures UK Ltd	None
L Brogden	Incanthera R&D Limited	None
S Brocks	Montgomery Communications Ltd	None
A Warrander	Incanthera R&D Limited Warrander Consulting Limited Cark House Management Company Ltd	Oncolytics Biotech (U.K.) Ltd Oncolytics Biotech (Barbados) Inc

9.2 Tim McCarthy was a Director of Alizyme plc and its subsidiary Alizyme Therapeutics Limited, both of which entered into administration in July 2009. The voluntary liquidation of the companies is in its' final stages, with the agreed creditors paid in full and a distribution to shareholders having been completed.

9.3 Tim McCarthy was a director of Retail Service Team Limited, which entered into a creditors' voluntary liquidation in December 2013, 8 months following his resignation. The deficiency to creditors was circa £800,000 and the Company was dissolved in 2015.

9.4 Tim McCarthy was director of Harvard Healthcare Limited, which entered into a creditors' voluntary liquidation in March 2018. The deficiency to creditors is estimated to be circa £200,000 and the liquidation is, at the time of this Document, ongoing.

9.5 Simon Ward was a director of York Pharma (R&D) Limited (formally Molecular Skincare Limited) which was acquired by York Pharma plc in 2008. Simon Ward resigned as a director of York Pharma (R&D) Limited in February 2009 and York Pharma plc and York Pharma (R&D) Limited went into administration in December 2009 before being dissolved in 2010.

9.6 Save as set out in this paragraph 9, none of the Directors or Key Senior Management has:

9.6.1 any unspent convictions in relation to indictable offences;

9.6.2 been subject to any bankruptcies or individual voluntary arrangements;

9.6.3 been a director of a company which has been placed in receivership, compulsory liquidation, creditors' voluntary liquidation, administration, been subject to a company voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors, whilst he was a director of that company or within the 12 months after he had ceased to be a director of that company;

9.6.4 been a partner in any partnership which has been placed in compulsory liquidation, administration or been the subject of a partnership voluntary arrangement, whilst he was a partner in that partnership or within the 12 months after he ceased to be a partner in that partnership;

9.6.5 been the owner of any asset which has been placed in receivership or a partner in any partnership which has been placed in receivership whilst he was a partner in that partnership or within the 12 months preceding such events;

9.6.6 been publicly criticised by any statutory or regulatory authorities (including designated professional bodies); or

9.6.7 been disqualified by a court from acting as a director of any company or from acting in the management or conduct of the affairs of a company.

9.7 Save as disclosed in this Document, no Director or Key Senior Management has or has had any interest in any transaction which is or was significant in relation to the business of the Company and which was effected during the current or immediately preceding financial period or which was effected during an earlier financial period and remains outstanding or unperformed.

9.8 No loans have been made or guarantees granted or provided by any members of the Company to or for the benefit of any Director or Key Senior Management and there are no loans or guarantees provided by any of the Directors or member of Key Senior Management for the Company or its wholly-owned subsidiaries.

10. MATERIAL CONTRACTS

The following contracts (a) have been entered into by the Company within the two years immediately preceding the date of this Document, not being contracts entered into in the ordinary course of business; or (b) are, or may be, contracts entered into by the Company which are material or contain, or may contain, provisions under which any member of the Company has an obligation or entitlement which is material to the Company:

10.1 ***Share Exchange Agreement***

On 26 February 2020 an agreement was entered into between the Company and the shareholders of Incanthera at that time (the **Share Exchange Agreement**) whereby each such member in Incanthera agreed to exchange their shares in Incanthera for shares in the Company, resulting in the allotment of 48,564,280 Ordinary Shares;

10.2 ***Turner Pope***

On 13 February 2018 Incanthera entered into a subscription agreement (the **Turner Pope Subscription Agreement**) with Turner Pope Investments (TPI) Limited (**Turner Pope**) under the terms of which Turner Pope were appointed as agent to Incanthera to procure subscribers for shares in the Company. In consideration of their services Turner Pope received (i) a commission of six (6) per cent. of the gross aggregate value of the shares subscribed by subscribers procured by Turner Pope at the subscription price of £5.50 and (ii) a corporate finance fee of £25,000 (exclusive of value added tax). This agreement was terminated on 19 June 2019 and there is no ongoing obligation to pay Turner Pope any fees or commission.

10.3 ***ImmuPharma Subscriptions***

On 13 November 2018, ImmuPharma subscribed for 363,637 ordinary shares of £0.01 each of Incanthera at a subscription price of £5.50 per share. The ordinary shares subscribed for by

ImmuPharma were exchanged for Ordinary Shares pursuant to the Share Exchange Agreement described at paragraph 10.1 of this Part V.

On 26 February 2020, ImmuPharma entered into a further subscription agreement with the Company whereby ImmuPharma agreed to subscribe £250,000 for 2,631,579 Ordinary Shares at the Placing Price at any time prior to 31 October 2020 (the "Subscription Rights"). If ImmuPharma fails to serve a notice exercising its Subscription Rights, the Company may itself serve notice within 10 Business Days and ImmuPharma shall then be obliged to subscribe for such Ordinary Shares. The Ordinary Shares arising on exercise of the subscription rights are not subject to any lock in.

10.4 ***ImmuPharma Warrants***

On 19 September 2018, Incanthera entered into a warrant agreement with ImmuPharma pursuant to which Incanthera has constituted warrants entitling ImmuPharma to subscribe for 363,637 ordinary shares in Incanthera.

On 26 February 2020, Immupharma and Incanthera entered into a deed of termination of the warrant agreement and the Company entered into the Immupharma Warrants pursuant to which the Company have constituted warrants entitling Immupharma to subscribe for 7,272,740 Ordinary Shares at a price of 9.5p per Ordinary Shares at any time from the date of issue of the warrants to 6 September 2023. The Ordinary Shares arising on an exercise of the ImmuPharma Warrants are not subject to any lock in.

10.5 ***NPIF Fundraise***

On 13 November 2018, the Company entered into an investment agreement with NPIF pursuant to which NPIF subscribed for 45,454 ordinary shares of £0.01 each of Incanthera for, in aggregate, £249,997. The ordinary shares subscribed for by NPIF were exchanged for Ordinary Shares pursuant to the Share Exchange Agreement described at paragraph 10.1 of this Part V. In consideration of such investment, NPIF was granted certain rights to enable them to comply with the investment objectives and policies which are applicable to the investor including criteria of the European Investment Bank, the European Regional Development Fund and the British Business Bank. In the event that the Company is deemed to be or becomes ineligible under the investment objective and policies or there has been a breach of those objectives and policies, the Company may be obliged, on demand from NPIF, to repay any monies invested by NPIF.

10.6 ***Capitalisation***

On 26 February 2020, the Company entered into agreements with certain creditors of the Company whereby each creditor agreed, conditional on Admission, to capitalise indebtedness into Ordinary Shares of the Company at a price per share equal to the Placing Price. The aggregate amount of indebtedness agreed to be capitalised was £313,075, resulting in 3,295,523 Ordinary Shares being issued on Admission at the Placing Price.

10.7 ***Placing Agreement***

On 26 February 2020, the Company, each of the Directors, Cairn and Stanford Capital entered into the Placing Agreement pursuant to which, subject to certain conditions, Stanford Capital has agreed to use its reasonable endeavours to procure subscribers for the New Ordinary Shares at the Placing Price. The Placing Agreement contains customary indemnities and warranties from the Company and warranties from the Directors and Key Senior Management in favour of Cairn and Stanford Capital, together with provisions which enable each of Cairn and Stanford Capital to terminate the Placing Agreement in certain circumstances, including circumstances where any of the warranties are found to be untrue or inaccurate or misleading in any material respect. For its services in connection with the Placing and Admission, the Company has agreed to pay to Cairn a corporate finance fee of £52,000 and to grant the Cairn Warrant and to Stanford Capital a commission of six per cent. of the first £2,000,000 aggregate value at the Placing Price of the Placing Shares placed to placees introduced by Stanford Capital (and 8 per cent. of monies raised in excess of £2,000,000), a commission of one per cent. of the aggregate value at the Placing Price of the Placing Shares placed to placees not introduced by Stanford Capital, grant the Broker Warrant and a fee of £50,000 on Admission.

10.8 ***Cairn Warrant***

The Company has granted Cairn the Cairn Warrant, being a right to subscribe for 968,162 Ordinary Shares at an exercise price of 9.5p per share, pursuant to the terms of an agreement dated 26 February 2020. Under the terms of the agreement the Cairn Warrant will be exercisable at any time from Admission for a period of ten years from Admission at the Placing Price. The Ordinary Shares to be allotted and issued on the exercise of any or all of the Cairn Warrants will rank for all dividends and other distributions declared after the date of the allotment of such shares but not before such date and otherwise *pari passu* in all respects with the Ordinary Shares in issue on the date of such exercise allotment. The Cairn Warrant contains provisions for appropriate adjustment of the number of Ordinary Shares and the subscription price upon a capitalisation of reserves, on sub-division or consolidation or reduction of the share capital of the Company.

10.9 ***Broker Warrant***

The Company has granted Stanford Capital the Broker Warrant, being a right to subscribe in aggregate for 1,290,883 Ordinary Shares at an exercise price of 9.5p per share, pursuant to the terms of an agreement dated 26 February 2020. Under the terms of the agreement the Broker Warrant will be exercisable at any time from Admission for a period of ten years from Admission at the Placing Price. The Ordinary Shares to be allotted and issued on the exercise of any or all of the Broker Warrants will rank for all dividends and other distributions declared after the date of the allotment of such shares but not before such date and otherwise *pari passu* in all respects with the Ordinary Shares in issue on the date of such exercise allotment. The Broker Warrant contains provisions for appropriate adjustment of the number of Ordinary Shares and the subscription price upon a capitalisation of reserves, on sub-division or consolidation or reduction of the share capital of the Company.

10.10 ***Pharmhall Warrant***

The Company has granted Pharmhall Limited the Pharmhall Warrant, being a right to subscribe in aggregate for 52,632 Ordinary Shares at the Placing Price, pursuant to the terms of an agreement dated 26 February 2020. Under the terms of the agreement the Pharmhall Warrant will be exercisable at any time from Admission for a period of ten years from Admission at the Placing Price. The Ordinary Shares to be allotted and issued on the exercise of any or all of the Pharmhall Warrants will rank for all dividends and other distributions declared after the date of the allotment of such shares but not before such date and otherwise *pari passu* in all respects with the Ordinary Shares in issue on the date of such exercise allotment. The Pharmhall Warrant contains provisions for appropriate adjustment of the number of Ordinary Shares and the subscription price upon a capitalisation of reserves, on sub-division or consolidation or reduction of the share capital of the Company.

10.11 ***Lock-In and Orderly Market Agreements***

Pursuant to the Lock-in and Orderly Market Agreements:

10.11.1 certain Shareholders, including the Directors, the Key Senior Management, NWFB, Immupharma and University of Bradford have agreed with the Company, Cairn and Stanford Capital, subject to certain limited exceptions, not to dispose of, in aggregate, 38,722,943 Ordinary Shares owned by them for a period of 12 months from Admission; and

10.11.2 the Shareholders who are a party to the Lock-in and Orderly Marketing Agreements as referred to in paragraph 10.11.1 of this Part V have also agreed with the Company, Cairn and Stanford Capital, subject to certain limited exceptions, to dispose of Ordinary Shares owned by them, for a period of 12 months from the end of the period referred to in paragraph 10.11.1 of this Part V, only through Stanford Capital (or such other reputable broker appointed by the Company from time to time) or in the event that Stanford Capital (or such other reputable broker appointed by the Company) cannot place the relevant number of Ordinary Shares at the requested price, through a third party broker at a higher price and on terms no less favourable than those offered by Stanford Capital (or such other reputable broker appointed by the Company).

in each case, in order to ensure an orderly market for the issued share capital of the Company.

10.12 ***NEX Exchange Corporate Adviser Agreement***

On 26 February 2020, the Company and Cairn entered into an agreement pursuant to which the Company has, conditional on Admission, appointed Cairn to act as NEX Exchange Corporate Adviser to the Company in connection with the Placing, Admission and for the purposes of the NEX Exchange Rules. The Company has agreed to pay Cairn a fee of £25,000 for its services as NEX Exchange Corporate Adviser under the agreement, together with all reasonable out of pocket expenses and VAT. Such fees will be payable quarterly in advance.

The agreement contains certain indemnities and undertakings given by the Company and compliance with all laws and applicable regulations. The agreement continues for an initial period of twelve months from Admission and thereafter may be terminated by either party giving the other three months' written notice.

10.13 ***Stanford Capital Broker Agreement***

On 1 October 2019 the Company entered into an agreement with Stanford Capital pursuant to which Stanford Capital agreed to act as the Company's sole broker in connection with the Placing and Admission. The Company has agreed to pay Stanford Capital:

10.13.1 an annual retainer fee of £12,000 per annum plus VAT together with all reasonable out of pocket expenses;

10.13.2 a commission of 6 per cent. of the first £2,000,000 of monies raised in the Placing from investors introduced by Stanford Capital and commission of 8 per cent. of any monies raised in the Placing in excess of £2,000,000 from investors introduced by Stanford Capital and a fee of £50,000 on Admission; and

10.13.3 a commission of 1 per cent. of monies raised in the Placing from persons other than those introduced by Stanford Capital, the Directors or corporate investors where Stanford Capital's services have been used to facilitate the Placing.

In addition, the Company has granted Stanford Capital the Broker Warrant described at paragraph 10.9 in this Part V.

The agreement with Stanford Capital is for an initial fixed term of 24 months from 14 October 2019, but may be terminated earlier with either party in the event of, *inter alia*, a material breach or fraudulent act of the other party or in the event of the insolvency of a party.

10.14 ***Registrars Agreement (Neville Registrars Ltd)***

On 31 October 2019, the Company and the Registrar entered into a register agreement under which the Registrar has agreed to provide services connected with the maintenance of the Company's register, including where shares are issued or transferred, and dividends declared. The agreement will continue until terminated by either party giving not less than 3 months' notice.

10.15 ***NWFB Relationship Agreement***

On 26 February 2020, and with effect from Admission, the Company and NWFB entered into a relationship agreement (the **NWFB Relationship Agreement**) pursuant to which the Company gave certain acknowledgements, undertakings and confirmations to NWFB regarding, amongst other things, the maintenance of its records, the provision of information, its compliance with applicable laws, regulation and guidance, its approach to capital purchases, and its co-operation in ensuring that NWFB complies with its obligations to the European Investment Bank and the European Regional Development Fund. The NWFB Relationship Agreement provides that if:

10.15.1 the investment in the Company by NWFB is deemed to be or becomes ineligible under the investment objectives and policies of NWFB (as the same may be varied from time to time at the discretion of, in particular, the European Investment Bank, the European Regional Development Fund and NWFB);

10.15.2 there has been a breach of those objectives and policies; or

10.15.3 the European Investment Bank, the European Regional Development Fund, NWFB or other body connected with NWFB are obliged to pay back monies which they made available to NWFB,

and NWFB so demands, then the Company must repay NWFB in such a manner and at such time as NWFB may determine, all ineligible monies which have been made available to the Company by NWFB.

The total amount which may be repayable to NWFB in such circumstances is £1.475 million.

10.16 ***NPIF Relationship Agreement***

On 26 February 2020, and with effect from Admission, the Company and NPIF entered into a relationship agreement (the **NPIF Relationship Agreement**) pursuant to which the Company gave certain acknowledgements, undertakings and confirmations to NPIF regarding, amongst other things, the maintenance of its records, the provision of information, its compliance with applicable laws, regulation and guidance, its approach to capital purchases, and its co-operation in ensuring that NPIF complies with its own investment guidelines. The NPIF Relationship Agreement provides that if:

10.16.1 the investment in the Company by NPIF is deemed to be or becomes ineligible under the investment objectives and policies of NPIF (as the same may be varied from time to time);

10.16.2 there has been a breach of those objectives and policies; or

10.16.3 the Company fails to comply with the terms of the agreement and such non-compliance is not remedied or capable of being remedied,

and NPIF so demands, then the Company must repay NPIF in such a manner and at such time as NPIF may determine, all ineligible monies which have been made available to the Company by NPIF.

The total amount which may be repayable to NPIF in such circumstances is £250,000.

10.17 ***Acquisition Agreements***

10.17.1 **Incanthera Oncology Limited (formerly Onco-NX Limited) (10 January 2014)**

(a) On 10 January 2014, Incanthera acquired the entire issued share capital of Onco-NX pursuant to a share purchase agreement of the same date between (1) John Hadfield and others (the **Onco-NX Sellers**), (2) NWF, and (3) Incanthera.

(b) Under the terms of the agreement Incanthera paid consideration of £150,000 which was satisfied by the issue and allotment of 35,294 ordinary shares of £0.01 each in the capital of Incanthera to the Onco-NX Sellers and NWF pro rata to their holdings in Incanthera Oncology. The Onco-NX Sellers gave various warranties for the benefit of Incanthera and restrictive covenants for a period of three years from completion. There are no outstanding liabilities or obligations on the Company in favour of the Onco-NX Sellers.

10.17.2 **Incanthera Therapeutics Limited (formerly Spear Therapeutics Limited) (12 December 2014)**

(a) On 12 December 2014, Incanthera acquired the entire issued share capital of Spear Therapeutics pursuant to a share purchase agreement of the same date between (1) De Montfort University and others (the **Spear Sellers**) and (3) Incanthera.

(b) Under the terms of the agreement Incanthera paid consideration of £337,943 which was satisfied by the issue of 79,516 ordinary shares of £0.01 each in the capital of Incanthera to the Spear Sellers pro rata to their shareholdings in Spear Therapeutics. The Spear Sellers and certain other parties gave various warranties for the benefit of Incanthera and restrictive covenants for a period of three years from completion. There are no outstanding liabilities or obligations on the Company in favour of other parties to the agreement.

10.18 ***Intellectual Property Agreements***

10.18.1 **University of Bradford (UoB) Assignment**

(a) Incanthera entered into the 2011 Pipeline Agreement, being an exclusive intellectual property licence of certain intellectual property and option to assign, with UoB on 19 December 2011. Under the terms of the 2011 Pipeline Agreement, in the event of an assignment event occurring (being the investment by a third party of £1,000,000 or more in Incanthera), UoB would automatically assign all rights, title and interest in the relevant intellectual property to Incanthera. An assignment event occurred on 18 December 2012. Accordingly, the relevant intellectual property was automatically assigned to Incanthera in accordance with the terms of the 2011 Pipeline Agreement.

(b) Incanthera and UoB entered into an intellectual property agreement on 18 December 2012 to formally acknowledge the assignment event and the automatic transfer of the assigned intellectual property.

(c) All of the intellectual property rights in the patents which means the subject of the original agreement (including international patents) have now been fully assigned by UoB to Incanthera.

(d) The 2011 Pipeline Agreement was extended in September 2018, when Incanthera and the University of Bradford entered into the 2018 Pipeline Agreement. Incanthera agreed to pay £2,000,000 to the UoB over 10 years to fund the ICT. UoB agreed to provide access to any intellectual property which arises at the Institute in the field of targeted pro drug therapeutics for the treatment of cancer. Incanthera is given prior access to such technology and the opportunity to negotiate its acquisition or a license to use it. There is a pipeline committee, of which Incanthera is a member to monitor the agreement and further opportunities for collaboration. UoB can reclaim technology if not exploited by Incanthera

10.18.2 **Quinone compounds and their uses in the treatment of cancer Assignment (10 January 2014)**

On 10 January 2014 Onco-NX entered into an assignment agreement with the University of Salford in respect of Quinone compounds and their uses in the treatment of cancer protecting Es5 compound (PCT/EP2013/065968). Assignment had been triggered by the circumstances described in the Exclusive License Agreement signed on 14 July 2011 between Onco-NX and the University of Salford in respect of Quinone compounds and their uses in the treatment of cancer protecting Es5 compound and the ICT03 programme.

10.18.3 **Duocarmycin Assignment (12 December 2014)**

On 12 December 2014 Incanthera entered into an assignment agreement with UoB in respect of the intellectual property in the Duocarmycin ICT04 programme. In return, UoB received 39,758 A ordinary and 39,758 ordinary shares in the capital of Incanthera.

10.18.4 **Theranostics Assignment (27 January 2015)**

On 27 January 2015, UoB and the Trustees of the Leland Stanford Junior University (as co-applicants for this patent family covering ICT02 programme) and Incanthera entered into an assignment agreement which transferred the rights of co-applicant UoB in this patent family to Incanthera in return for £1.00 consideration.

10.18.5 **Prodrug Assignment (10 June 2017)**

On 10 June 2017, UoB assigned all rights in the patents relating to ICT05-Taxol programme to Incanthera. In return, UoB received 54,546 ordinary shares in the capital of Incanthera.

10.18.6 **Limeway Pharma Design Ltd (19 September 2018)**

On 19 September 2018, Incanthera entered into a product development and licensing agreement in relation to Sol. The two companies have agreed to formulate and develop the product. Incanthera will own all developments and have a license for the background

intellectual property. Under the terms of the agreement, Incanthera will pay a royalty of 10 per cent. of net sales.

10.19 ***Primary Development Agreement: Ellipses Pharma Limited***

On 16 June 2017, Incanthera entered into the following agreements with Ellipses (together the **Ellipses Agreements**):

10.19.1 **Patent Assignment and Development Agreement**

(a) Under the agreement, specified intellectual property of Incanthera (as defined in the agreement and relating to EP0015) passes to Ellipses Pharma for commercial exploitation in consideration for Incanthera obtaining a share of the rewards of its exploitation;

(b) Ellipses Pharma is committed to develop certain developed products (as defined in the agreement) through human clinical trials and the parties are obliged to enter into the framework services agreement described at 10.19.3 below to facilitate Incanthera carrying out any agreed development tasks.

10.19.2 **Patent Licence**

Under this agreement Ellipses Pharma is permitted to use the specified intellectual property pending the patent assignment referred to at 10.19.1 above becoming effective.

10.19.3 **Clinical Services Framework Agreement**

Under this agreement Incanthera agreed to supply project management services to Ellipses Pharma in relation to clinical trials and entered into a first arrangement in relation to pre-clinical development work for EP0015.

10.20 ***Variation of Primary Development Agreement: Ellipses Pharma Limited***

On 17 December 2019 the terms of the Patent Assignment and Development Agreement and the Clinical Services Framework Agreement were both terminated and new agreements were entered into to remove Incanthera's commitment to carry out any development work for Ellipses Pharma, leaving the development of EP0015 under the control of Ellipses Pharma with Incanthera continuing to be entitled to a share of the rewards of exploitation of the assigned rights.

10.21 ***Tim McCarthy Subscription***

On 26 February 2020, Tim McCarthy entered into a subscription agreement with the Company whereby Tim McCarthy or such other person as Tim McCarthy should procure, agreed to subscribe £100,000 for 1,052,632 Ordinary Shares at the Placing Price at any time prior to 31 October 2020. If Tim McCarthy fails to serve a notice exercising these subscription rights, the Company may itself serve notice within 10 Business Days and Tim McCarthy shall then be obliged to subscribe for such Ordinary Shares.

11. UNITED KINGDOM TAXATION

The following paragraphs are intended as a general guide only to certain UK tax considerations for Shareholders who are resident (and in the case of individual Shareholders, domiciled) in (and only in) the UK for tax purposes, holding Ordinary Shares as investments (other than under an individual savings account) and not as securities to be realised in the course of a trade and who are the absolute beneficial owners of both their Ordinary Shares and the dividends paid on them.

The tax position of certain categories of Shareholders who are subject to special rules, such as persons who acquire (or are deemed to acquire) their Ordinary Shares in connection with their (or another person's) office or employment, traders, brokers, dealers in securities, insurance companies, banks, financial institutions, investment companies, tax-exempt organisations, persons connected with the Company, persons holding Ordinary Shares as part of hedging or conversion transactions, Shareholders who are not domiciled or not resident in the UK, collective investment schemes, trusts and those who hold 5 per cent.

or more of the Ordinary Shares, is not considered. Nor do the following statements consider the tax position of any person holding investments in any HMRC approved arrangements or schemes, including the enterprise investment scheme, venture capital scheme or business expansion scheme.

The following paragraphs do not constitute advice and do not purport to be a complete analysis of all potential UK tax consequences of acquiring, holding or disposing of Ordinary Shares. The following paragraphs are based on current UK tax legislation and what is considered to be the current practice of HMRC as at the date of this Document, both of which may change, possibly with retroactive effect. Any person who is in any doubt about their tax position, or who may be subject to taxation in a jurisdiction other than the UK, should consult their own professional adviser immediately on the potential tax consequences of subscribing for, purchasing, holding or selling Ordinary Shares under the laws of their country and/or state of citizenship, domicile or residence.

11.1.1 **Company**

Under current UK tax legislation, no tax is withheld from dividend payments by the Company.

11.1.2 **UK resident and domiciled or deemed domiciled individual shareholders**

Individual Shareholders have the benefit of an annual dividend allowance of £2,000 from 6 April 2019. Dividends falling within this allowance will effectively be taxed at the rate of 0 per cent.

Dividend income in excess of this allowance (taking account of any other dividend income received by the Shareholder in the same tax year) will be taxed at the following rates for 2019/2020: 7.5 per cent. to the extent that it falls below the threshold for higher rate income tax; 32.5 per cent. to the extent that it falls above the threshold for higher rate income tax and below the additional rate band; and 38.1 per cent. to the extent that it falls above the threshold for the additional rate band).

For the purposes of determining which of the taxable bands dividend income falls into, dividend income is treated as the highest part of a Shareholder's income.

Corporate shareholders within the charge to UK corporation tax

A UK resident corporate Shareholder will be liable to UK corporation tax unless the dividend falls within one of the exempt classes set out in Part 9A of the Corporation Tax Act 2009 (subject to anti-avoidance rules and provided all conditions are met).

If the conditions for exemption are not met, or cease to be satisfied, or such a corporate Shareholder elects for an otherwise exempt dividend to be taxable, the Shareholder will be subject to UK corporation tax on dividends received from the Company at 19 per cent.

11.2 ***Capital gains***

For the purpose of UK tax on chargeable gains, the purchase of Ordinary Shares on a placing is regarded as an acquisition of a new holding in the share capital of the Company. To the extent that a Shareholder acquires Ordinary Shares allotted to them, the Ordinary Shares so acquired will, for the purpose of tax on chargeable gains, be treated as acquired on the date of the purchase becoming unconditional.

The amount paid for the Ordinary Shares will constitute the base cost of a Shareholder's holding.

A disposal of all or any of the Ordinary Shares by UK resident Shareholders or Shareholders who carry on a trade in the UK through a permanent establishment with which their investment in the Company is connected may, depending on the circumstances of the relevant shareholder, give rise to a liability to UK taxation on chargeable gains.

11.2.1 **UK resident individual Shareholders**

Where an individual Shareholder disposes of Ordinary Shares at a gain, capital gains tax will be levied to the extent that the gain exceeds the annual exemption and after taking account of any other available reliefs, such as capital losses.

For such individuals, capital gains tax will be charged at 10 per cent. where the individual's taxable income and gains are less than the upper limit of the income tax basic rate band. To the extent that any chargeable gains, or part of any chargeable gain, aggregated with income arising in a tax year exceed the upper limit of the income tax basic rate band, capital gains tax will be charged at 20 per cent.

For trustees and personal representatives of deceased persons, capital gains tax on gains in excess of the current annual exempt amount will be charged at a flat rate of 20 per cent.

Shareholders who are individuals and who are temporarily non-resident in the UK may, under anti-avoidance legislation, still be liable to UK tax on any capital gain realised (subject to any available exemption or relief).

11.2.2 **UK resident Corporate Shareholders**

Where a Shareholder is within the charge to UK corporation tax, a disposal of Ordinary Shares may give rise to a chargeable gain (or allowable loss), depending on the circumstances and subject to any available exemption or relief.

Corporation tax is charged on chargeable gains currently at the rate of 19 per cent.

11.3 ***Stamp Duty and Stamp Duty Reserve Tax***

An exemption from stamp duty and SDRT came into effect on 28 April 2014 in respect of securities admitted to trading on certain recognised growth markets (presently including NEX) and which are not listed on a Recognised Stock Exchange. The Company anticipates that this exemption will apply to dealings in the Ordinary Shares such that from Admission, no liability to stamp duty or SDRT should arise in respect of any transfer on sale of the Ordinary Shares.

Absent an exemption from stamp duty and SDRT, any dealings in Ordinary Shares will normally be subject to stamp duty or SDRT. In such circumstances, stamp duty or SDRT could be payable at the rate of 0.5 per cent. (rounded up to the next multiple of £5, if necessary) of the amount or value of the consideration given by the purchaser, subject to a de minimis limit and relevant anti-avoidance provisions.

The above statements are intended to be a general guide to the current stamp duty and SDRT position. Certain categories of person are not liable to stamp duty or SDRT and others may be liable at a higher rate or may, although not primarily liable for the tax, be required to notify and account for it. Special rules apply to agreements made by market intermediaries and to certain sale and repurchase and stock borrowing arrangements.

11.4 ***EIS relief***

The Company considers that the Placing Shares will rank as a qualifying investment for the purposes of the Enterprise Investment Scheme.

EIS provides the following tax reliefs for individual investors provided investments are held for three years and that the investor qualifies as an individual entitled to relief under the EIS rules:

- Initial income tax relief of up to 30 per cent. of the amount subscribed (subject to annual limits).
- Exemption from capital gains tax CGT on a disposal of the eligible shares where the disposal takes place more than three years after they are acquired (or commencement of trading if later)and where EIS income tax relief has been claimed on those shares and not withdrawn.

- Liability of individuals and certain trustees to CGT arising from the disposal of any assets may be deferred by investing the gain (or part of the gain) in the shares of a qualifying company. The investment must be made within a time period beginning one year before and ending three years after the original disposal.
- Where a loss is incurred by an investor on the first disposal of his EIS shares, the loss calculated after deducting EIS tax relief from the cost of the investment may be set against either chargeable gains or taxable income at the election of the investor.

A claim for CGT deferral relief or income tax relief under EIS is made by the individual investors and/or trustees claiming the relief.

Investors considering taking advantage of any of the reliefs under EIS should seek their own professional advice in order that they may fully understand how the rules apply in their individual circumstances. As the rules governing EIS reliefs are complex and interrelated with other legislation, if any potential investors are in any doubt as to their tax position, require more detailed information than the general outline above, or are subject to tax in a jurisdiction other than the UK, they should consult their professional adviser.

The continuing availability of EIS relief and the status of the First Tranche Placing Shares as a qualifying holding for VCT purposes will be conditional on the Company and trade continuing to satisfy the requirements of EIS and VCT throughout the relevant period (three years from the date of share issue or commencement of trading if later for EIS).

The Directors intend to manage the Company so as to maintain the status of the Company as a qualifying company for EIS purposes. However, neither the Directors nor the Company give any warranty or undertaking that EIS relief, if granted, will not be withdrawn, nor do they warrant or undertake that the Company will conduct its activities in a way that qualifies for or preserves its status.

12. CREST

12.1 CREST is a paperless settlement procedure enabling securities to be evidenced otherwise by a certificate and transferred otherwise than by a written instrument in accordance with the CREST Regulations.

12.2 The Ordinary Shares have been made eligible for settlement in CREST as contemplated by the CREST Regulations. The Company has applied for the Ordinary Shares to be admitted to CREST and it is expected that the Ordinary Shares will be so admitted, and accordingly enabled for settlement in CREST, as soon as practicable after Admission has occurred.

12.3 For more information concerning CREST, shareholders should contact their brokers or Euroclear UK & Ireland Limited at 33 Cannon Street, London EC3M 5SB or by telephone on +44 (0) 20 7849 0000.

13. SHARE OPTION SCHEMES

Following Admission, the Company intends to establish a new share option scheme for all eligible employees, which, if approved, will be an Enterprise Management Incentive Scheme under the provisions of article 5 of the Income Tax (Earning and Pensions) Act 2003. No more than 10 per cent. of the Company's issued share capital issued from time to time will be awarded in options. The company intends to comply with the recommendations of the Investment Association as set out in the publication Principles of Remuneration published in November 2017 and updated from time to time.

14. EMPLOYEES

14.1 The Company currently employs 5 employees, all of whom are based at the Company's office in Manchester.

15. RELATED PARTY TRANSACTIONS

15.1 Save as set out in the historical financial information in Part III of this Document, there are no related party transactions that the Company or any member of the Group has entered into during the period covered by the Historical Financial Information set out in Part III of this Document and up to the date of this Document.

16. WORKING CAPITAL

In the opinion of the Directors, having made due and careful enquiry, the working capital available to the Company and the Group is sufficient for its present requirements, that is for at least 12 months from the date of Admission.

17. PROPERTY, PLANT AND EQUIPMENT

17.1 The Company utilises a virtual office service at 76 King Street, Manchester M2 4NH pursuant to an agreement dated 1 November 2019 between (1) Incanthera and (2) Orega (Management) Limited. The agreement provides for a monthly contract fee of £89 (plus VAT) and may be terminated by either party on 3 months' notice. Orega may terminate the agreement without notice in certain circumstances including, *inter alia*, the insolvency of the Company.

17.2 The Directors are not aware of any environmental issues that may affect the Company's utilisation of its tangible fixed assets.

18. LITIGATION

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) which may have or have had in the 12 months preceding the date of this Document a significant effect on the Company's financial position or profitability and so far as the Directors are aware, there are no such proceedings pending or threatened against the Company or its subsidiaries.

19. SIGNIFICANT CHANGE

19.1 There has been no significant change in the financial or trading position of the Company since 30 September 2019, being the date to which the historical financial information on the Company as set out in Section A of Part III of this Document was prepared.

19.2 There has been no significant change in the financial or trading position of the Incanthera Group since 30 September 2019, being the date to which the historical financial information on the Incanthera Group as set out in Section A of Part III of this Document was prepared.

20. GENERAL

20.1 The gross proceeds of the Placing and Subscription Agreements receivable by the Company are expected to be £1,205,000, with the total net proceeds of the Placing after settling fees (excluding VAT) expected to be approximately £939,000. The Placing Shares are not being offered generally and no applications have or will be accepted other than under the terms of the Placing Agreement and the Placing Letters. All the Placing Shares have been placed with Placees.

20.2 Monies received from Placees pursuant to the Placing will be held in accordance with the terms and conditions of the Placing until such time as the Placing Agreement becomes unconditional in all respects. If the Placing Agreement does not become unconditional in all respects by 2 March 2020, application monies will be returned to the Placees at their risk without interest.

20.3 It is estimated that the total expenses payable by the Company in connection with the transaction, the Placing and Admission will amount to approximately £307,473 (including VAT).

20.4 Save as set out in this Document, there are no patents or licences, industrial, commercial or financial contracts or new manufacturing processes which are material to the Company's business or profitability.

20.5 There have been no interruptions in the business of the Company, which may have or have had in the 12 months preceding the publication of this Document, a significant effect on the financial position of the Company or which are likely to have a material effect on the prospects of the Company for the next 12 months.

20.6 Save as set out in this Document, the Directors are not aware of any trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Company's prospects for at least the current financial year.

20.7 Save as disclosed in this Document, the Company is not aware of any arrangements which may at a subsequent date result in a change of control of the Company.

20.8 Save as disclosed in this Document, there are no provisions in the Articles which would have the effect of delaying, deferring or preventing a change of control of the Company.

20.9 Save as disclosed in this Document, no public takeover bids have been made by third parties in respect of the Company's issued share capital since its incorporation up to the date of this Document.

20.10 The Placing Price represents a premium of 7.5p over the nominal value of 2p per Ordinary Share. The premium arising on the Placing amounts to £675,001 in aggregate.

20.11 The percentage dilution as a result of the Placing and Subscription Agreements is 24.1 per cent.

20.12 The Ordinary Shares are in registered form and may be held in certificated or uncertificated form. No temporary documents of title will be issued. In respect of uncertificated shares, it is expected that Shareholders' CREST stock accounts will be credited at 8.00 a.m. on 28 February 2020. The ISIN number of the Ordinary Shares is 00BGL7YW15.

20.13 Save as disclosed in this Document, there have been no payments by the Company to promoters in the two years prior to the date of this Document and no fees have been paid in the 12 months preceding the date of this Document (other than to trade suppliers) in the sum of £10,000 or more in cash or in kind.

20.14 Save as disclosed in this Document, no person (excluding professional advisers otherwise disclosed in this Document and trade suppliers) has:

20.14.1 received, directly or indirectly from the Company within the 12 months preceding the date of the application for Admission; or

20.14.2 entered into contractual arrangements (not otherwise disclosed in this Document) to receive, directly or indirectly, from the Company, on or after Admission, any of the following:

(a) fees totalling £10,000 or more;

(b) securities in the Company where these have a value of £10,000 or more calculated by reference to the Placing Price; or

(c) any other benefit with the value of £10,000 or more at the date of Admission.

20.15 Save as disclosed in this Document, there are no investments in progress which are significant to the Company.

20.16 There are no conflicts of interest between any of the Directors' and Key Senior Management's duties to the Company and their private interests and other duties.

20.17 Cairn, the NEX Exchange Corporate Adviser to the Company, is a member of the NEX Exchange and is authorised and regulated in the UK by the FCA. Cairn has given and not withdrawn its written consent to the inclusion in this Document of its name and reference to it in the form and context in which they appear.

20.18 Stanford Capital, the broker to the Company, is a member of the NEX Exchange and is authorised and regulated in the UK by the FCA. Stanford Capital has given and not withdrawn its written consent to the inclusion in this Document of its name and reference to it in the form and context in which they appear.

20.19 Jeffreys Henry LLP has given and not withdrawn its consent to the inclusion of its reports in Part III of this Document in the form and context in which they appear.

20.20 Haseltine Lake Kempner whose registered office is set out in Part IV of this Document, as patent and trade mark attorneys, have given and not withdrawn their consent to the inclusion of their report in Part IV of this Document in the form and context in which it is included and has authorised the content of their report for the purposes of the NEX Exchange Rules. Haseltine Lake Kempner confirm that, having taken all reasonable care to ensure that such is the case, the information contained in Part IV of this Document is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import.

20.21 The accounting reference date of the Company is 31 March.

21. THIRD PARTY INFORMATION

Where information has been sourced from a third party, the information has been accurately reproduced and, so far as the Company and the Directors are aware and are able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. Reference materials include various historical and recent publications. A comprehensive list of reports and information used in the preparation of documents is available if required.

22. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of this Document is available free of charge from the offices of the Company's solicitors, Gateley plc, 1 Paternoster House, London EC4M 7DX during normal business hours on any weekday (Saturdays and public holidays excepted) from the date of this Document until at least one month after the date of Admission.

A copy of this Document is also available on the Company's website www.incanthera.com.

Dated 26 February 2020