FOR IMMEDIATE RELEASE **08 December 2020**

Incanthera plc

("Incanthera" the "Company")

Interim results for the six months ended 30 September 2020

Solid Progression in year of Successful Admission to AQSE Growth Market

Incanthera plc (AQSE:INC), the specialist oncology company focused on transforming cancer treatment, is pleased to present its interim results following the successful flotation of the Company to the Aquis Stock Exchange Growth Market (AQSE Growth Market) in February this year.

Incanthera is 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.

Highlights:

- Successful Sol study results exceeded management's expectations

- Permeation study of Sol demonstrates:
  - statistically significant greater dermal delivery compared with four known comparator products.
  - confirmation of exceeding bioequivalence compared with oral delivery.

- Sensitisation study of Sol demonstrates:
  - formulation found to be "non-irritant" using ex-vivo human skin.
  - level of irritancy found to be comparable to baby sun protection products.

Financial Highlights:

- Strong financial control through period, ensuring financial position on budget.
- Completion of the IPO subscription agreements realising £350k investment from an existing shareholder, the Board of directors and the management team.
- Cash balance at 30 September 2020 of £433k (2019: £51k).
- Operating losses for the period reduced to £471k (2019: £485k).

Tim McCarthy, Chairman, commented:

"I am delighted to present Incanthera's interim results.

We have seen significant value addition during these six months, with the solid progression of our lead asset Sol, together with strong financial control, and investment from subscription agreements entered into at the time of the Company's IPO.

As we look to the opportunities ahead of us, I would like to thank our existing shareholders for their support and our team for these successes, against a difficult backdrop. We look forward to sharing further progress in the near future."

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

The Directors of Incanthera accept responsibility for this announcement.

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Notes to Editors

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 the Company is now focussed upon delivering Sol to a commercial partner.

The Company originated from the Institute of Cancer Therapeutics (ICT) at the University of Bradford and 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.

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 ICT, provides a strong working relationship with a world-recognised oncology research institute and access to future pipeline opportunities.

For more information on the Company please visit: www.incanthera.com

Incanthera plc

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2020

Chairman's Statement

I am delighted to present our first set of interim results, following the successful admission of our Company onto the AQSE Growth Market (formerly NEX Exchange Growth Market) in February this year.

It has certainly been an interesting six months. With the world going into lockdown in March, due to COVID-19, global attention turned to healthcare for personal protection, finding a solution to the pandemic and more broadly to highlighting the importance of continued medical research.

We are proud to be in the business of improving health outcomes through innovative solutions, development of technologies and delivery systems and to enhance patients' treatment options and lives. Incanthera has a pipeline of products aimed at targeted delivery of therapeutic actives.

When we came to market in February this year, we raised funds specifically to focus on our skin cancer asset, Sol. We are pleased that, despite the challenging backdrop, we have progressed well in developing Sol, on the path towards our commercialisation goal.

The results achieved within the two Sol studies undertaken over the six-month period surpassed our expectations and proved the permeation capabilities and safety of our formulation. This means that not only do we know that Sol works to achieve something nothing else currently available can, but also that it is as safe as a baby sun protection cream in terms of 'non-irritancy'.

These announcements have been well received by investors and the market, and we have seen a positive share price performance as a result.

Our financial position is precisely on budget due to strong financial control and management, with reduced operating losses for the period of £471k, down from £485k in 2019. Our cash balance at 30 September was significantly strengthened at £433k, up from £51k in 2019.

In September, we announced the completion of the IPO subscription agreements, participated in by ImmuPharma plc and our Board and management team, realising a £350k of investment. I would like to thank the board of ImmuPharma for their ongoing involvement and support of Incanthera and I would like to applaud the team for their further investment, a public endorsement of all of our belief in the future of our Company.

We are confident of delivering further positive milestones in the near future and are consistently reviewing new opportunities and the evolution of our technologies to address the concern and demands across healthcare. Significantly, we continue to work closely with the Institute of Cancer Therapeutics ("ICT") at the University of Bradford.

I wish all my colleagues, fellow shareholders and collaborators a safe and healthy end to the year.

Tim McCarthy

Chairman

08 December 2020

Incanthera plc

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2020

Chief Executive's Review

I am very pleased to present Incanthera's first interim results since becoming a public listed company on the AQSE Growth Market.

From the backdrop of the IPO in February this year, the past six months have marked an extraordinary period in many ways. The spotlight on healthcare has never been more prominent and to work at the forefront of innovation is exhilarating.

Strategic Progress

We have marked several milestones in our progression since the IPO this year and we are grateful for the support and interest in our Company, from our shareholder base, advisers and team.

Most notably in the period under review, we have delivered successful data on the formulation work undertaken on Sol, via studies conducted on our skin cancer asset.

Sol is our proprietary topical formulation designed to deliver into the skin an active known to treat solar (actinic) keratoses and prevent the formation of related skin cancers.

Since IPO, our formulators have worked to refine and deliver a concentration of Sol that now demonstrates statistically significant greater dermal delivery compared with four known comparator products.

In September, we published results of a study, run by the University College of London, School of Pharmacy, which demonstrated that Sol affords greater permeation (delivery of the active into the skin) than four known comparator products. The data confirms that this new refined formulation of Sol also exceeds bioequivalence when compared with oral dosing of the same active.

These results have exceeded the Company's expectations, demonstrating the efficacy of Sol's formulation in penetrating the skin barrier and reaching the deeper layers where an effective prevention of skin cancer could be achieved.

The Company is delighted with not only the confirmation of Sol's superior formulation technology capabilities against non-proprietary creams, but also the strength of the data received, which further enhances our data package to potential commercial partners.

This study closely followed the announcement of positive sensitisation study results.

The sensitisation study, conducted by XCellR8 Ltd, demonstrated that our Sol formulation was found to be "non-irritant" using ex-vivo human skin.

Formerly, studies carried out in collaboration between XCellR8 Ltd and Cutest Ltd (a clinical research organisation with particular expertise in clinical trials using topical applications) have demonstrated very good correlation between results using the methodology of this study and those obtained in clinical mildness studies.

Sol's "non-irritancy" was found to be comparable to baby sun protection products tested previously, with Sol scoring better than those products which they would define as "very mild".

The comfort and safety of human skin's reaction to the topical application of Sol is a further valuable marker of the asset and this technology, greatly enhancing the product's overall profile.

These results followed the filing in July 2020 of a new patent, protecting Sol for the prevention and treatment of solar keratoses and related cancers of the skin, which if granted, will further extend the life of the patent family protecting Sol to 2041. This new patent filing demonstrates the robust foundations of our Sol programme and strengthens the commercial protection for the product.

We are delighted with the results of the studies, which provide great evidence, equating to great commercial potential as we look to the next steps of bringing Sol forward to market-facing partners.

Publicity and awareness surrounding the increasing rates of skin cancer continue and the demographics of the rising trend, specifically amongst the younger population, is a huge oncology focus and an enormous commercial market, where currently no active topical solution exists. We are very excited to have strengthened our position with these results and patent protection and we look forward to providing further updates as we progress.

Investment

We are pleased that the positive news flow we have been able to deliver has raised public awareness of the Company. We have also seen a positive uplift in our share price since the IPO.

We acknowledge the support of our investors, which has been invaluable to us in the nine months so far since listing. We aim to deliver much more as we progress.

Further investment, in September, through subscriptions entered into at the time of the IPO have further strengthened our financial position.

We have seen fantastic support from our advisers and the Aquis Stock Exchange, who have highlighted us a success story on their website.

Pipeline

Incanthera has evolved to be a vibrant public company, intent on accelerating the provision of innovative new medicines through commercial partnerships.

Our existing pipeline consists of assets obtained through our heritage with the ICT at the University of Bradford and from our commercialisation history of acquisition and licensing.

Our Company mantra of 'Acquire, Prepare, Commercialise' aims to seek out innovative and differentiating targeted therapeutics, utilising the expertise and experience of the Incanthera team, strategically prepare these and secure the earliest tangible value and their commercialisation.

Our first commercial deal was for the vascular disrupting technology known as EP0015, licensed to Ellipses Pharma in 2017.

Our oncology programmes of Equin and Duo-C remain protected by our patent filings and, whilst our concentration has been on Sol for this period, our existing portfolio is consistently assessed and reviewed for opportunities.

Incanthera's establishment as a spin out from ICT at the University of Bradford ten years ago began our commercialisation journey, and the working relationship has remained strong in the decade since. Incanthera sponsors a Doctorate Programme for PhD students at the ICT, and through a unique Pipeline agreement, receives first right to access of all future intellectual property from the ICT.

Future Opportunities

Of the many benefits being a public company can offer our Company and shareholders, the greater profile and awareness it brings for our portfolio of existing assets, combined with the opportunities for discussion towards new potential technologies is something we are thrilled to be experiencing and evaluating.

The evolution of our Company from the established heritage of a vehicle formed from the ICT to develop and commercialise oncology assets then adding our near-term asset Sol, all of which has led to our public listing, has been a journey of enormous pride and achievement.

We have the platform from which to deliver on our promise to shareholders; to evaluate and introduce future technologies and to progress this Company through the hard efforts of our dedicated team.

I would like to thank the team, our advisers and our shareholders for providing the opportunity to progress and deliver enhanced technologies and outcomes to patients, and to wish everyone well through the remainder of 2020 and beyond.

Simon Ward
Chief Executive Officer

8 December 2020

Consolidated Statement of Comprehensive Income
for the six months ended 30 September 2020 - unaudited

	Notes	**Six months ended 30 September 2020 £'000 unaudited**	Six months ended 30 September 2019 £'000 unaudited	Year ended 31 March 2020 £'000 audited
Operating expenses		**(452)**	(338)	(933)
Share-based compensation	**4**	**(19)**	(147)	(293)
Total operating expenses		**(471)**	(485)	(1,226)
Operating loss		**(471)**	(485)	(1,226)
Loss on ordinary activities before taxation		**(471)**	(485)	(1,226)
Taxation		**-**	-	98
Loss and total comprehensive expense attributable to equity holders for the period		**(471)**	(485)	(1,128)
Loss earnings per share (pence)				
Basic loss per share	**3**	**(0.77)**	(1.00)	(2.27)
Diluted loss per share	**3**	**(0.77)**	(1.00)	(2.27)

Consolidated Statement of Financial Position
as at 30 September 2020 - unaudited

	Notes	**As at 30 September 2020 £'000 unaudited**	As at 30 September 2019 £'000 unaudited	As at 31 March 2020 £'000 audited
ASSETS				
Non-current assets				
Property, plant and equipment		**2**	4	3
Intangible assets		**685**	856	787
Total non-current assets		**687**	860	790
Current assets				
Trade and other receivables		**248**	18	114
Current tax receivable		**95**	(3)	95
Cash and cash equivalents		**433**	51	392
Total current assets		**776**	66	601
Total assets		**1,463**	926	1,391
LIABILITIES AND EQUITY				
Current liabilities				
Trade and other payables		**351**	260	177
Total current liabilities		**351**	260	177
Equity				
Ordinary shares	**5**	**1,291**	25	1,217
Share premium		**4,719**	7,305	4,443
Reorganisation reserve		**2,715**	-	2,715
Share based compensation		**605**	548	586
Retained deficit		**(8,218)**	(7,212)	(7,747)
Total equity		**1,112**	666	1,214
Total liabilities and equity		**1,463**	926	1,391

Consolidated Statement of Changes in Equity
for the six months ended 30 September 2020 – unaudited

	Share capital £'000	Share premium £'000	Merger reserve £'000	Share based compensation £'000	Accumulated losses £'000	Total £'000
Balance at 1 April 2020	**1,217**	**4,443**	**2,715**	**586**	**(7,747)**	**1,214**
Total comprehensive expense for the period	-	-	-	-	(471)	(471)
Transactions with owners						
Share issue	74	276	-	-	-	350
Share-based compensation – share options	-	-	-	19	-	19
Total transactions with owners	**74**	**276**	**-**	**19**	**-**	**369**
Balance at 30 September 2020	**1,291**	**4,719**	**2,715**	**605**	**(8,218)**	**1,112**

	Share capital £'000	Share premium £'000	Merger reserve £'000	Share based compensation £'000	Accumulated losses £'000	Total £'000
Balance at 1 April 2019	**25**	**7,305**	**-**	**401**	**(6,727)**	**1,004**
Total comprehensive expense for the period	-	-	-	-	(485)	(485)
Transactions with owners						
Share-based compensation – share options	-	-	-	147	-	147
Total transactions with owners	**-**	**-**	**-**	**147**	**-**	**147**
Balance at 30 September 2019	**25**	**7,305**	**-**	**548**	**(7,212)**	**666**

	Share Capital £'000	Share premium £'000	Merger reserve £'000	Share based compensation £'000	Accumulated losses £'000	Total £'000
Balance at 1 April 2019	**25**	**7,305**	**-**	**401**	**(6,727)**	**1,004**
Total comprehensive expense for the period	-	-	-	-	(1,128)	(1,128)
Transactions with owners						
Share issue – acquisition of Incanthera R&D Limited	946	(3,663)	2,715	-	-	(2)
Share issue - cash	180	554	-	-	-	734
Share issue – creditor swap	66	247	-	-	-	313
Share-based compensation – share options	-	-	-	293	-	293
Share-based compensation – lapsed options	-	-	-	(108)	108	-
Total transactions with owners	**1,192**	**(2,862)**	**2,715**	**185**	**108**	**1,338**
Balance at 31 March 2020	**1,217**	**4,443**	**2,715**	**586**	**(7,747)**	**1,214**

The registered number of Incanthera plc is 11026926.

Consolidated Statement of Cash Flows
for the six months ended 30 September 2020 - unaudited

	Six months ended 30 September 2020 £'000 unaudited	Six months ended 30 September 2019 £'000 unaudited	Year ended 31 March 2020 £'000 audited
Cash flows from operating activities			
Loss before taxation for the period	**(471)**	(485)	(1,226)
Depreciation and amortisation	**103**	65	135
Share-based compensation	**19**	147	293
	(349)	(273)	(798)
Changes in working capital			
(Increase)/decrease in trade and other receivables	**(134)**	82	(14)
Increase/decrease in trade and other payables	**174**	38	(46)
Creditor swap			313
Cash used in operations	**40**	120	253
Taxation received	**-**	28	27
Net cash used in operating activities	**(309)**	(126)	(518)
Cash flows from investing activities			
Purchase of property, plant and equipment	**-**	-	-
Net cash used in investing activities	**-**	-	-
Cash flows from financing activities			
Proceeds from issue of shares	**350**	-	855
Issue costs	**-**	-	(121)
Net cash generated from financing activities	**350**	-	734
Movements in cash and cash equivalents in the period	**41**	(126)	216
Cash and cash equivalents at start of period	**392**	176	176
Cash and cash equivalents at end of period	**433**	51	392

1. GENERAL INFORMATION

Incanthera plc ('the Company') is a public limited company incorporated in England and Wales and was admitted to trading on the AQSE Growth Market (formerly NEX Exchange), under the symbol INC on 28 February 2020.

The address of its registered office is 76 King Street, Manchester, England, M2 4NH and the registered company number is 11026926. The principal activity of the Company is clinical stage drug development.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

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

The consolidated financial statements have been prepared under the historical cost convention modified by the revaluation of certain financial instruments.

The consolidated financial statements are presented in Sterling (£) and rounded to the nearest £000. This is the predominant functional currency of the Group and is the currency of the primary economic environment in which it operates.

The financial statements have been reviewed by the Company's auditors.

Basis of consolidation

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

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

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

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

Going concern

At 30 September 2020, the Group had cash and cash equivalents, including short-term investments and cash on deposit, of £433k.

The Directors have prepared detailed financial forecasts and cash flows looking beyond 12 months from the date of the approval of these financial statements. In developing these forecasts, the Directors have made assumptions based upon their view of the current and future economic conditions that will prevail over the forecast period.

The Directors estimate that the cash held by the Group together with anticipated future income with respect to ongoing commercial discussions, will be sufficient to support the current level of activities beyond the end of December 2021. The Directors have confidence that they will be able to secure sufficient cash inflows for the Group to continue its activities for not less than 12 months from the date of approval of these financial statements and they have therefore prepared the financial statements on a going concern basis. Because the anticipated commercial agreements are not concluded at the date of approval of these financial statements, these circumstances represent an uncertainty as to the Group's ability to continue as a going concern. Should the Group be unable to conclude these agreements such that the going concern basis of preparation were no longer appropriate, adjustments would be required including to reduce balance sheet values of assets to their recoverable amounts, to provide for further liabilities that might arise and to reclassify fixed assets as current assets.

Significant management judgement in applying accounting policies and estimation uncertainty

When preparing the condensed consolidated interim financial information, the Directors make a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

The following are significant management judgements and estimates in applying the accounting policies of the Group that have the most significant effect on the condensed consolidated interim financial information. Actual results may be substantially different.

Share-based payments

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value of the options granted is determined using the Black-Scholes model, taking into consideration the best estimate of the expected life of the option and the estimated number of shares that will eventually vest.

Research and development expenditure

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

3. LOSS PER SHARE

Basic loss per share is calculated by dividing the loss for the period attributable to equity holders by the weighted average number of ordinary shares outstanding during the period.

For diluted loss per share, the loss for the period attributable to equity holders and the weighted average number of ordinary shares outstanding during the period is adjusted to assume conversion of all dilutive potential ordinary shares. As the effect of the share options would be to reduce the loss per share, the diluted loss per share is the same as the basic loss per share.

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

	Six months ended 30 September 2020 £'000 unaudited	Six months ended 30 September 2019 £'000 unaudited	Year ended 31 March 2020 £'000 audited
Loss for the period attributable to equity holders	**(471)**	(485)	(1,128)

	As at 30 September 2020 Number unaudited	As at 30 September 2019 Number unaudited	As at 31 March 2020 Number audited
Weighted average number of ordinary shares	**60,859,910**	48,564,380	49,642,344
Weighted average number of ordinary shares adjusted for the effects of dilution	**60,859,910**	48,564,380	49,642,344

	Pence	Pence	Pence
Loss per share – basic and diluted	**(0.77)**	(1.00)	(2.27)

4. SHARE-BASED PAYMENTS

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

	As at 30 September 2020	
	Number	**WAEP pence**
Outstanding at 1 April 2020	7,272,740	9.50
Granted during the period	8,086,677	9.50
Exercised during the period		-
Lapsed/cancelled during the period	-	-
Outstanding at 30 September 2020	**15,359,417**	**9.50**

During the six month period ended 30 September 2020, a share-based payment charge of £19,096 (£147,000) was expensed to the consolidated Statement of Comprehensive Income.

The fair values of the options granted have been calculated using a Black-Scholes model.

5. ISSUED CAPITAL AND RESERVES

Ordinary shares

	Company	
	Number of Shares	**Share Capital (£'000)**
At 31 March 2020	60,859,910	1,217
Issued under IPO subscription agreements*	3,684,211	74
At 30 September 2020	64,544,121	1,291

*On 30 September 2020, 3,684,211 ordinary shares were issued under subscription agreements entered into at the time of the Company's IPO.