

30 September 2021

Cizzle Biotechnology Holdings Plc

("Cizzle", the "Company" or the "Group")

Interim results for the six months ended 30 June 2021

Cizzle Biotechnology Holdings PLC (LSE: CIZ), the UK based diagnostics developer, is pleased to announce its results for the six months ended 30 June 2021.

Highlights

- Completed the acquisition of Cizzle Biotechnology Limited ("CBL") on 14 May 2021 and admission to trading on the London Stock Exchange by way of a Standard Listing, raising gross proceeds of £2,200,000 before expenses from the issue of new shares.
- Change of the company name from Bould Opportunities plc to Cizzle Biotechnology Holdings plc.

Post Period Highlights

- Significant progress has been made to establish the foundations of the Group in its ambition to commercialise and realise the potential of its proprietary CIZ1B biomarker technology that has been developed by Professor Dawn Coverley and her team at the University of York for the early detection of lung cancer.
- A collaboration agreement was signed with FairJourney Biologics to develop proprietary antibodies for early lung cancer detection tests. This important step will not only enable the Company to develop its early ELISA hospital laboratory test, but also provide reagents that can be produced and licensed to commercial partners and facilitate adoption with key clinical opinion leaders worldwide.
- A Memorandum of Understanding ("MOU") was completed with St George Street Capital ("SGSC"), to collaborate together to develop a companion diagnostic platform for certain therapeutic assets licensed to SGSC from one of the world's largest pharmaceutical companies, Astra Zeneca. This seeks to address unmet clinical needs in a wide variety of autoimmune diseases which will significantly broaden the Company's product pipeline and for which SGSC will pay up to £1 million in development fees.
- A full commercial royalty sharing agreement announced with SGSC grants the Company potential future royalty payments of up to £5 million from the commercialisation of SGSC's therapeutic asset, AZD1656 for the treatment of COVID 19 in vulnerable diabetic patients. Under the terms of the agreement the Company will pay to SGSC £135,000 in addition to £65,000 it paid on signing the MOU.
- A new research agreement was signed with the University of York, a member of the Russell Group of research-intensive universities and one of the world's premier institutions for inspirational and life-changing research, for the development and validation of molecular tests with potential applications in cancer diagnosis and therapy.

Commenting Allan Syms, Chairman of Cizzle Biotechnology, said:

"The Group's focus on providing pivotal and diagnostic products for the early detection of cancer and other life-threatening illnesses took a major step forward following the acquisition of CBL, which is developing a product for the

early detection of lung cancer that has the potential to decisively help front line physicians detect lung cancer in the clinic. For too long, their diagnostic choices have had to rely on increasing invasive procedures that in many cases are unnecessary. Given the rapid advances in biologics and endoscopy, there is an urgent need now for earlier stages of lung cancer to be reliably found where survival is meaningfully improved for the patient. The Group believes that is has the potential to be part of that step wise change through the development of a product for the early detection of lung cancer. This is proceeding well and in accordance with our business plan.

“The collaboration with FairJourney Biologics represents a significant step and in addition to providing the key antibodies for our hospital test, provides the opportunity to licence these proprietary key reagents to other global manufacturers to ensure that we help facilitate early cancer detection everywhere and help improve patient prognosis as widely as we can.

“Our next steps will be to consider how we can broaden the use of our technology for widescale screening in doctor’s office testing. We also are keen to broaden the scope of our tests beyond lung cancer so we can address the challenge of early diagnosis in other cancers with unmet needs. Our continuing commitment to research at the University of York will play an important part in that potential being realised.

“Clearly early diagnosis is a vital tool in enabling early clinical intervention and improving patient outcomes for a wide range of diseases, notably lung cancer. In addition, diagnostic products can be used to identify which patients may prove most likely to respond to new drugs with the least side effect burden to patients. Such companion diagnostics are a key part of treatments for cancer, and other serious illnesses. Our new partnership with SGSC opens doors for the Group to apply its expertise and products in this regard, initially focussed on tests involved in autoimmune disease. That the Group can now benefit from attractive potential royalty streams from new therapeutics, as well as associated companion diagnostics, and is expected to benefit from near term revenues from development fees, is important to the Group’s long-term ambitions.”

Executive Chairman’s statement

Operational and strategic overview

The major event during the period was the completion of the acquisition of CBL on 14 May 2021 and admission to trading on the London Stock Exchange by way of a Standard Listing. As part of the listing process the Company raised gross proceeds of £2,200,000, before expenses, from the issue of new shares. Following the acquisition, the Group’s principal activity is now focussed on realising and commercialising, through systematic development, CBL’s technology for the early detection of cancer.

CBL, a spin-out from the University of York, founded in 2006 by Professor Coverley, is developing a blood test for the early detection of lung cancer. CBL’s technology is based on the ability to detect the CIZ1B variant of the C1Z1 protein, which is a naturally occurring cell nuclear protein involved in DNA replication. The targeted C1Z1B variant is a stable plasma biomarker that is highly correlated with early-stage lung cancer. CBL’s proof-of-concept prototype test is based on the ability to detect CIZ1B in patient’s blood. Peer-reviewed published research led by Professor Coverley has demonstrated that CIZ1B can be measured via a simple ELISA test, which should allow for its incorporation into established hospital high-throughput testing platforms. We believe that this development overcomes an important barrier to further clinical development of this blood test, and should allow for the detection of lung cancer at a stage when the disease still bears a good prognosis.

Cizzle Biotechnology’s goal is to help front line clinicians in their diagnostic decision making by providing a test that can quickly and accurately give another perspective on whether a patient should be sent forward for more invasive testing. For the majority of patients fortunate enough to have presented with benign radiological findings, such a test would avoid the need for intrusive follow up testing, which can include repeated CT scanning and/or tissue biopsies, which are both costly to the NHS, health providers and medical insurers and stressful to patients.

The Board intends for the Company’s initial product to be a diagnostic immunoassay that can be readily performed by hospitals and reference laboratories, but a potential follow-on product could be a point of care test provided by a

primary health care provider e.g. for doctor's office testing. The Board is currently focussed on the development of the C1Z1B biomarker test through to CE marking and/or FDA 510(k) clearance and will additionally consider broadening its product range into screening tests and tests for other forms of cancer. Significant progress has been made since the acquisition to establish the foundations of the Group in its ambitions as a developer and supplier of innovative clinical diagnostic tests, and to commercialise the C1Z1B biomarker technology.

The collaboration agreement with FairJourney Biologics to develop proprietary antibodies is a key milestone in achieving our goals and will provide important tools that can be used to build not only our own range of hospital and doctor's office tests, but also provide proprietary licensing opportunities with commercial and clinical partners worldwide. Our new research agreement with the University of York for the development and validation of these molecular tests will strengthen those ambitions.

Post period end, in June 2021, a Memorandum of Understanding ("MOU") was completed with SGSC, to collaborate on the development of a companion diagnostic, which is a clinical test used to support the safe and effective use of a corresponding drug in appropriate patient populations. This relates to certain therapeutic assets (AZD16560) licensed to SGSC by Astra Zeneca which has been shown to affect the immune system at sites of damaging inflammation which can be typical in autoimmune disease and hence seeks to address unmet clinical needs in autoimmune disease.

SGSC is a biomedical research charity founded to fast-track clinical trials to get new treatments as quickly as possible to the people who need them. The charity brings together a powerful mix of expertise, from investors and business managers to academics and clinicians, and has formed a long-term strategic relationship with Cizzle where we can each benefit from strategically aligned skill sets, building a complimentary portfolio of diagnostic and therapeutic products.

In September this year, SGSC reported encouraging results from its ARCADIA clinical trial. The trial was initiated from an existing collaboration between SGSC and AstraZeneca and funded by international investment through Excalibur Medicines Ltd and an HM Government grant through the UKRI/Innovate UK programme. Cizzle has secured royalty sharing rights for AZD1656 for treating COVID 19 and additional disease indications,.

During September 2021 a royalty sharing agreement was announced with SGSC to grant the Company potential future royalty payments from the commercialisation of AZD1656, of up to £5 million. Under the terms of the agreement the Company has paid £135,000 to SGSC in addition to the £65,000 it paid on signing the MOU. The Company intends, in due course to execute our collaboration agreement, whereby SGSC will, in addition, pay the Group fees of up to £1m for the development of a companion diagnostic.

Financial overview

During the six months ended 30 June 2021, the Company transformed itself from a cash shell into an operating group that is a focussed healthcare diagnostics developer. The Group consists of Cizzle Biotechnology Holdings PLC as the parent company with wholly owned subsidiaries, Cizzle Biotechnology Ltd ("CBL") and Cizzle Biotech Ltd (formerly Enfis Ltd).

The financial results for the six months to 30 June 2021 are summarised as follows:

- Corporate expenses, before exceptional items, H1: £119,000 (H1 2020, CBL: £8,000).
- Exceptional corporate expenses relating to the acquisition of CBL, H1: £3,219,000 (H1 2020, CBL: £Nil) which include transaction costs of £304,000 and a non-cash share-based expense of £2,815,000. The share-based expense of £2,815,000 arises as these interim financial statements have been prepared using the reverse acquisition methodology of consolidation. Rather than recognising goodwill this expense represents the equity value given up by CBL's shareholders and the share of the fair value of net liabilities gained by CBL's shareholders. This is recognised as a share-based payment on reverse acquisition and represents in substance the cost of acquiring a London Stock Exchange listing.
- Total comprehensive loss in H1 2021: £3,238,000 (H1 2020, CBL loss of £8k).
- Loss per share in H1 2021: (3.79)p, (H1 2020, CBL: loss of (0.004)p).
- Cash balances as at 30 June 2021: £1,425,000 (30 June 2020 CBL: £10,000).

Responsibility Statement

We confirm that to the best of our knowledge:

- the interim financial statements have been prepared in accordance with International Accounting Standards 34, Interim Financial Reporting;
- give a true and fair view of the assets, liabilities, financial position and loss of the Company;
- the Interim report includes a fair review of the information required by DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the set of interim financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and
- The Interim report includes a fair review of the information required by DTR 4.2.8R of the Disclosure and Transparency Rules, being the information required on related party transactions.

The interim report was approved by the Board of Directors and the above responsibility statement was signed on its behalf by Allan Syms on 29 September 2021.

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About Cizzle Biotechnology

Cizzle Biotechnology is developing a blood test for the early detection of lung cancer. Cizzle Biotechnology is a spin-out from the University of York, founded in 2006 around the work of Professor Coverley and colleagues. Its proof-of-concept prototype test is based on the ability to detect a stable plasma biomarker, a variant of CIZ1 known as CIZ1B. CIZ1 is a naturally occurring cell nuclear protein involved in DNA replication, and the targeted CIZ1B variant is highly correlated with early-stage lung cancer.

For more information please see <https://cizzlebiotechnology.com>

You can also follow the Company through its twitter account @CizzlePlc and on LinkedIn.

Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2021

	Notes	Group Six months ended 2021 Unaudited £'000	CBL Six months ended 30 June 2020 Unaudited £'000	CBL Year ended 31 December 2020 Unaudited £'000
Revenue		-	-	-
Cost of Sales		-	-	-
Gross Profit		-	-	-
Administrative Expenses				
- On-going administrative costs		(119)	(8)	(14)
- Transaction costs		(304)	-	-
- Reverse acquisition expenses	3	(2,815)	-	-
Total administrative expenses including exceptional items		(3,238)	(8)	(14)
Operating (Loss) and (loss) before income tax		(3,238)	(8)	(14)
Taxation	4	-	-	-
(Loss) and total comprehensive income for the period attributable to the equity shareholders of the parent		(3,238)	(8)	(14)
Earnings per share (Loss)- basic and diluted - pence	5	(3.79)p	(0.004)p	(0.007)p

**Consolidated Statement of Financial Position
as at 30 June 2021**

	Group	CBL	CBL
	30 June	30 June	31 December
	2021	2020	2020
Notes	Unaudited	Unaudited	Unaudited
	£'000	£'000	£'000
Non-Current Assets			
Property, Plant & Equipment	-	-	-
Intangible Assets	-	-	-
Total Non-Current Assets	-	-	-
Current Assets			
Trade & Other Receivables	99	1	3
Cash & Cash Equivalents	1,425	10	7
Total Current Assets	1,524	11	10
Total Assets	1,524	11	10
Equity			
Ordinary Share Capital	3,493	3	3
Share premium	31,521	1,585	1,585
Share capital reduction reserve	10,081	-	-
Share option reserve	13	-	-
Reverse acquisition reserve	3	-	-
Retained losses	(38,953)	-	-
	(4,833)	(1,589)	(1,596)
Equity	1,322	(1)	(8)
Liabilities			
Current Liabilities			
Trade & Other Payables	202	12	8
Borrowings	-	-	10
Total Current Liabilities	202	12	18
Non-Current Liabilities			
Deferred Tax Liabilities	-	-	-
Total Liabilities	-	-	-
Total Equity and Liabilities	1,524	11	10

Consolidated Statement of Cash Flows
For the six months ended 30 June 2021

	Group 6 Months Ended 30 June 2021 Unaudited £'000	CBL 6 Months Ended 30 June 2020 Unaudited £'000	CBL Year Ended 31 December 2020 Unaudited £'000
Cash flow from operating activities			
	Notes		
Operating (loss) before tax	(3,238)	(8)	(14)
Adjustment for:			
Reverse acquisition share based expense	3 2,815	-	-
Operating cash flow before working capital movements	(423)	(8)	(14)
(Increase) / decrease in trade and other receivable	(49)	3	1
(Decrease) / increase in trade and other payables	(116)	2	(3)
Net cash (outflow) from operating activities	(588)	(3)	(16)
Cash flow from investing activities			
Cash acquired in acquisition of subsidiary	46	-	-
Proceeds from the issue of capital net of issue costs	1,970	-	-
Net cash inflow from investing activities	2,016	-	-
Cash flow from financing activities			
Borrowings received	-	-	10
Borrowings repaid	(10)	-	-
Net cash (outflow) / inflow from financing activities	(10)	-	10
Net increase/ (decrease) in cash and cash equivalents	1,418	(3)	(6)
Cash and cash equivalents at the start of the period	7	13	13
Cash and cash equivalents at the end of the period	1,425	10	7

Consolidated Statement of Changes in Equity
For the six months ended 30 June 2021 (unaudited)

Group	Ordinary Share Capital £'000	Share Premium £'000	Capital Redemption Reserve £'000	Share Option Reserve £'000	Reverse Acquisition Reserve £'000	Retained Losses £'000	Total £'000
At 1 January 2021	-	-	-	-	-	(1,595)	(1,595)
Recognition of plc equity at acquisition date	3,470	8,852	10,081	-	(38,953)	-	(16,550)
Issue of shares for acquisition of subsidiary	21	20,610	-	-	-	-	20,631
Issue of shares for cash	2	2,198	-	-	-	-	2,200
Issue of shares in settlement of fees	-	32	-	-	-	-	32
Issue of warrants	-	(13)	-	13	-	-	-
Cost of share issue	-	(158)	-	-	-	-	(158)
Comprehensive Loss for the Period	-	-	-	-	-	(3,238)	(3,238)
At 30 June 2021	3,493	31,521	10,081	13	(38,953)	(4,833)	1,322

For the six months ended 30 June 2020 (unaudited)

CBL	Ordinary Share Capital £'000	Share Premium £'000	Retained Losses £'000	Total £'000
At 1 January 2020	3	1,585	(1,582)	6
Comprehensive loss for the period	-	-	(7)	(7)
At 30 June 2020	3	1,585	(1,589)	(1)

For the year ended 31 December 2020 (unaudited)

CBL	Ordinary Share Capital £'000	Share Premium £'000	Retained Losses £'000	Total £'000
At 1 January 2020	3	1,585	(1,582)	6
Comprehensive loss for the period	-	-	(14)	(14)
At 31 December 2020	3	1,585	(1,596)	(8)

Notes to the financial statements
For the six months ended 30 June 2021 (unaudited)

1. Basis of preparation

These interim financial statements have been prepared in accordance with IAS 34 – Interim Financial Reporting using the recognition and measurement principles of International Accounting Standards, International Financial Reporting Standards and Interpretations adopted for use in the European Union (collectively "Adopted IFRS").

The principal accounting policies used in preparing these interim financial statements are those expected to apply to the Group's Consolidated Financial Statements for the year ending 31 December 2021.

The results for the six-months ended 30 June 2021 are the Group results following the acquisition of Cizzle Biotechnology Limited ("CBL") on 14 May 2021. The results for the period to 30 June 2020 and 31 December 2020 are the results of CBL prior to the creation of the new Group.

The financial information for the six months ended 30 June 2021, 30 June 2020 and 31 December 2020 is unaudited and does not constitute statutory financial statements for those periods.

2. Continuing and discontinued operations

The Group is considered to have one class of business which is focused on the early detection of lung cancer via the development of an immunoassay test for the CIZ1B biomarker.

3. Reverse acquisition

On 14 May 2021 the Company acquired through a share for share exchange the entire share capital of CBL whose principal activity is the early detection of lung cancer through the development of tests to detect CIZ1 variant protein.

Although the transaction resulted in CBL becoming a wholly owned subsidiary of the Company, the transaction constitutes a reverse acquisition as the previous shareholders of CBL own a substantial majority of the shares of the Company.

In substance the shareholders of CBL acquired a controlling interest in the Company and the transaction has therefore been accounted for as a reverse acquisition. As the Company's activities prior to the acquisition were purely the maintenance of the AIM listing, acquiring CBL and raising equity finance to provide the required funding for the operations of the acquisition it did not meet the definition of a business combination in accordance with IFRS 3.

Accordingly, this reverse acquisition does not constitute a business combination and was accounted for in accordance with IFRS 2 "Share-based Payments" and associated IFRIC guidance. Although the reverse acquisition is not a business combination, the Company has become a legal parent and is required to apply IFRS 10 and prepare consolidated financial statements. The directors have prepared these financial statements using the reverse acquisition methodology, but rather than recognise goodwill, the difference between the equity value given up by the CBL shareholders is charged to the statement of comprehensive income as a share-based payment on reverse acquisition, and represents in substance the cost of acquiring a quoted company.

In accordance with the reverse acquisition principles, these consolidated financial statements represent a continuation of the consolidated statements of Cizzle Biotechnology Holdings Plc and its subsidiaries and include:

- The assets and liabilities of CBL at their pre-acquisition carrying value amounts and the results for all periods reported; and
- The assets and liabilities of the Company as at 14 May 2021 and its results from the date of reverse acquisition (14 May 2021) to 30 June 2021.

On 14 January 2021 the Company issued 206,310,903 ordinary shares to acquire the 313,932 ordinary shares of CBL Limited. At 14 January 2021 the valuation of the investment in CBL was £21,600,000.

Because the legal subsidiary, CBL, was treated on consolidation as the accounting acquirer and the legal parent company, Cizzle Biotechnology Holdings Plc, was treated as an accounting subsidiary, the fair value of the shares deemed to be issued by CBL was calculated at £2,598,000 based on an assessment of the purchase consideration for a 100% holding of Cizzle Biotechnology Holdings plc.

The fair value of the net liabilities of Cizzle Biotechnology Holdings Plc at acquisition was as follows:

	£'000
Cash and cash equivalents	46
Other assets	47
Liabilities	(310)
Net (Liabilities)	<u>(217)</u>

The difference between the deemed cost of £2,598,000 and the fair value of the net liabilities noted above of £(217,000) resulted in £2,815,000 being expensed as “reverse acquisition expenses” in accordance with IFRS2, Share-based Payments, reflecting the economic cost to CBL shareholders of acquiring a quoted entity.

The reverse acquisition reserve which arose from the reverse takeover is made up as follows:

	£'000
Pre-acquisition equity ¹	(21,563)
CBL share capital at acquisition ²	1,588
Investment in CBL ³	(21,703)
Reverse acquisition expense ⁴	2,815
	<u>(38,993)</u>

1. Recognition of pre-acquisition equity of Cizzle Biotechnology Holdings PLC at 14 May 2021.
2. CBL had issued share capital and share premium of £1,588,000. As these financial statements represent the capital structure of the legal parent entity, the equity of CBL is eliminated.
3. The value of the shares issued by the Company in exchange for the entire share capital of CBL plus stamp duty expenses. The above entry is required to eliminate the balance sheet impact of this transaction.
4. The reverse acquisition expense represents the difference between the value of the equity issued by the Company, and the deemed consideration given by CBL to the Group.

4. Income Tax

There was no income tax for the new Group for the six months ended 30 June 2021. CBL also has no income tax for the six months ended 30 June 2020 and year ended 31 December 2020.

5. Earnings per share

	Group 6 months ended 30 June 2021	CBL 6 months ended 30 June 2020	CBL Year ended 31 December 2020
Basic loss per share:			
Total comprehensive (loss) - £'000	£(3,238)	£(8)	£(14)
Weighted number of Ordinary Shares – '000	85,448	206,625	206,625
(Loss) per share - operations - pence	(3.79p)	(0.004p)	(0.007p)

The weighted number of shares of CBL for the six months ended 30 June 2020 and year ended 31 December 2020 include 314,000 ordinary shares of CBL plus 206,311,000 consideration shares issued by the Company to acquire CBL.

Diluted earnings per share is calculated by dividing the profit attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding after adjusting these amounts for the effects of dilutive potential ordinary shares.

As the Group result for the six months ended 30 June 2020 is a loss, any exercise of share options or warrants would have an anti-dilutive effect on earnings per share. Consequently earnings per share and diluted earnings per share are the same, as potentially dilutive share options have been excluded from the calculation.

6. Copies of Interim Report

Copies of this interim report are available upon request to members of the public from the Company Secretary, SGH Company Secretaries Limited, 6th Floor, 60 Gracechurch Street, London, EC3V 0HR. This interim report can also be viewed on the Group's website: <https://cizzlebiotechnology.com>.