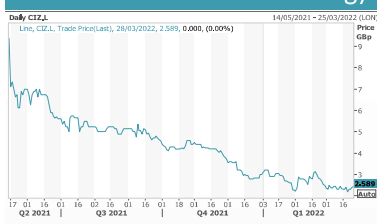


Pharmaceuticals & Biotechnology



Source: Refinitiv

Market data

EPIC/TKR	CIZ
Price (p)	2.4
12m high (p)	10.0
12m low (p)	2.2
Shares (m)	278.4
Mkt cap (£m)	6.7
EV (£m)	5.8
Free float	73%
Country of listing	UK
Market	LSE Main

Description

Cizzle Biotechnology (Cizzle) is a medical device company developing diagnostic tests for the early detection of cancer and companion diagnostics for autoimmune disease. Its first test will be used alongside a positive chest scan to confirm presence of lung cancer and reduce the high rate of false positives.

Company information

Executive Chair	Allan Syms
NED/Founder	Dawn Coverley
CFO	Nigel Lee
NED	John Treacy

www.cizzlebiotechnology.com

Key shareholders

Directors	4.8%
Yorkshire Cancer Research	11.6%
Conduit Pharma	9.0%
University of Leeds	4.0%
University of Sheffield	4.0%
University of York	2.9%

Diary

Apr'22	Final results
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Analyst

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CIZZLE BIOTECHNOLOGY

Final results due end-April

Cizzle, focused on cancer diagnostics, was spun out of the University of York to exploit the biomarker, variant CIZ1b, for early detection of lung cancer. There is high medical need for a simple blood test that allows early detection of lung cancer and potentially improve patient outcomes. In 2021, Cizzle began how to develop a broader screening test, with the possibility of testing for other cancers and, in addition, developing a companion diagnostic for autoimmune disease. During 2022, Cizzle is expected to continue to make progress in its core diagnostics and to make more partnership deals to expand the number of potential income streams.

- **Strategy:** Cizzle is progressing a biomarker diagnostic assay for early detection of lung cancer, via a simple blood test, to improve the chances of survival, and to greatly reduce the need for unnecessary follow-up tests and tissue biopsies. Also, it is extending into related autoimmune disease with companion diagnostics.
- **2021 expectations:** The results release is likely to reiterate the significant progress that Cizzle has made since listing, on limited cash resources. Cizzle is forecast to have ended 2021 with £0.84m cash, excluding the £0.2m initial payment due from strategic partner, St. George Street Capital (SGSC).
- **SGSC:** Since listing, Cizzle has initiated and extended a commercial partnership with SGSC, a UK-based medical charity. Cizzle will develop a companion diagnostic for a late-stage clinical asset, AZD1656, on which it has a long-term economic interest, which could generate relatively sizeable royalties.
- **China:** In February 2022, Cizzle converted an MoU with influential strategic partners in China into a full commercial deal. iCCAMT and Intelliphecy will be responsible for all development, manufacturing, regulatory and commercial activities in China. Cizzle will be paid for the supply of antibodies and reagents used in the test, and will receive a royalty of 10% on net sales.
- **Investment summary:** During 2021, Cizzle delivered a regular flow of development and partnership news, and this is continuing into 2022. Much depends on the delivery of antibodies by FairJourney, which will allow the company to move forward with its own and collaborative projects. An EV of just £5.8m suggests that there is considerable upside potential when investors become more aware of Cizzle, and as further deals are announced.

Financial summary and valuation

Year-end Dec (£000)	2018	2019	2020	2021E	2022E	2023E
Sales	0	0	0	0	0	0
SG&A	(54)	(22)	(15)	(400)	(500)	(550)
R&D	0	0	0	(150)	(600)	(750)
Other income	51	0	0	0	1,000	0
Underlying EBIT	(3)	(22)	(15)	(570)	(150)	(1,550)
Reported EBIT	(3)	(22)	(15)	(3,700)	(150)	(1,550)
Underlying PBT	(3)	(22)	(15)	(570)	(150)	(1,550)
Statutory PBT	(3)	(22)	(15)	(3,700)	(150)	(1,550)
Underlying EPS (p)	(0.9)	(6.9)	(4.8)	(0.3)	0.0	(0.5)
Statutory EPS (p)	(0.9)	(6.9)	(4.8)	(2.3)	0.0	(0.5)
Net (debt)/cash	20	13	(3)	840	677	(581)
Equity issues	0	0	0	3,200	880	0

Source: Hardman & Co Life Sciences Research