

**Cizzle Biotechnology Holdings PLC  
(formerly Bould Opportunities PLC)**

**Annual Report for the year ended 31 December 2021**

**Company registered number: 06133765**

# Cizzle Biotechnology Holdings PLC (formerly Bould Opportunities PLC)

## Annual Report for the year ended 31 December 2021

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**Company Information**

**Directors**

Allan Syms	Executive Chair
Nigel Lee	Finance Director (appointed 14 May 2021)
Prof. Dawn Coverley	Non-Executive (appointed 14 May 2021)
John Treacy	Non- Executive
Martin Lampshire	Non-Executive (resigned 14 May 2021)

**Company Secretary**

SGH Company Secretaries Limited	Appointed 14 May 2021
CFO Solutions Limited	Resigned 14 May 2021

**Registered Number**

06133765

**Registered Office**

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London  
EC3V 0HR

**Financial Public Relations**

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**Financial Adviser**

Allenby Capital Limited  
5 St. Helen's Place  
London,  
EC3A 6AB

**Broker**

Novum Securities Limited  
2<sup>nd</sup> floor, Lansdowne House  
57 Berkeley Square  
London  
W1J 6ER

**Solicitors**

Cooley (UK) LLP	Shakespeare Martineau
22 Bishopsgate	No 1 Colmore Square
London	Birmingham
EC2N 4BQ	B4 6AA

**Auditor**

PKF Littlejohn LLP  
Statutory Auditor  
15 Westferry Circus  
London  
E14 4HD

**Registrar**

Neville Registrars  
Neville House  
Steelpark Road  
Halesowen  
B62 8HD

## Cizzle Biotechnology Holdings PLC (formerly Bould Opportunities PLC)

### Chair's Statement

I am pleased to report on the Group's activities and results for 2021 during which we announced 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 proceeds of £2,200,000 before expenses from the issue of new shares. We changed the company name from Bould Opportunities plc to Cizzle Biotechnology Holdings plc to better reflect the Group's ambitions to become a leading biotechnology business focussed on early-stage cancer detection through the commercialisation of its proprietary CIZ1B biomarker technology developed by Professor Dawn Coverley and her team at the University of York for the early detection of lung cancer.

The Group has made significant progress during 2021 and so far in 2022. In addition to implementing our strategy to develop a regulatory approved commercial, diagnostic laboratory immunoassay for early-stage lung cancer, we have broadened our interests in the detection of a range of other early-stage cancers, expanded our potential customer base to include the pharmaceutical industry through diagnostic tests that can help in the development of personalised medicines, so called "companion diagnostics" and secured royalty bearing rights to the sale of such drugs in the longer term.

To achieve this we have entered into a number of strategic supply agreements, extended our research and development programme with the University of York, secured an important companion diagnostic development project for autoimmune diseases worth up to £1m with St George Street Capital ("SGSC") and invested in royalty arrangements for their therapeutic asset (AZD1656) for the potential treatment of inflammatory diseases, including those linked with COVID 19.

The Group has also begun the process of selecting appropriate industrial development and distribution partners that will facilitate access to major markets globally and we are pleased to announce a royalty bearing strategic partnership in China to help address the country's challenge of reducing nearly 715,000 deaths caused by lung cancer in 2020.

(Source: <https://www.statista.com/statistics/1053667/china-cancer-death-number-by-type/> ).

### Research and Development

The Group is developing a blood test for the early detection of lung cancer. 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. Currently the laboratory test developed by Professor Dawn Coverley at The University of York, has been used to validate the use of CIZ1B to detect lung cancer, and a proof of concept prototype test developed, which is compatible with potential use within a hospital laboratory setting.

In June 2021 we entered into a Collaboration Agreement with FairJourney Biologics to develop proprietary antibodies. Along with other key suppliers the Group expects to create a range of monoclonal antibodies and reagents that are the foundation for developing immunoassays, and in the future point of care tests not only for early-stage lung cancer but potentially also for other cancers with unmet clinical need.

In September 2021 we announced a new research agreement with The University of York for developing our blood test for the early detection of lung cancer, and potentially other forms of cancer. A further new agreement was announced in April 2022 that extended this work until June 2022.

A research and development agreement was finalised in October 2021 with "SGSC", the UK based biomedical charity to develop a companion diagnostic test for autoimmune disease. Its aim is to develop tests that will operate alongside SGSC's programme for the development of 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 variety of autoimmune diseases which will significantly broaden the Company's product pipeline for which SGSC will pay the Group £200,000 upfront on commencement of the project and then further milestone payments totalling £1m.

**Chair's Statement (continued)****China**

One of the target markets identified for the Group is in China where we are aware there are serious challenges in being able to detect cancer early, and there is a great need for screening and diagnosing cancers among the Chinese population. Targeted testing can improve timely access to cancer care and save lives. The Group entered into a Memorandum of Understanding ("MOU") with the International Co-innovation Centre for Advanced Medical Technology ("iCCAMT") and Shenzhen Intelliphecy Life.

Technologies Co. Ltd ("Intelliphecy") to develop and market the Group's proprietary early lung cancer diagnostic tests based on the CIZ1B biomarker in China.

In February 2022 a full commercial agreement was executed to develop and market early lung cancer diagnostic tests in China. This agreement will generate future revenues for the Group via a 10% royalty on the sales of all products and services using its proprietary CIZ1B technology and from payment for monoclonal antibodies and reagents.

iCCAMT, founded with German Medical Valley, Robert Bosch GmbH and Sinopharm Group, aims to accelerate global med-tech innovation in the Chinese market, by bringing together world leading expertise. Intelliphecy is aiming to innovate technologies in the hope to win the war against cancer.

**USA**

On 6 May 2022 the Group announced that it had signed a heads of terms to partner with CorePath Laboratories (CorePath), a full service cancer reference laboratory, to develop and offer its proprietary early-stage lung cancer test throughout the USA. The proposal is that the Group would receive a 15% royalty and royalty sharing arrangements overall offering of products and services using CIZ1B via CorePath in the USA.

Lung cancer is the leading cause of cancer death in the USA, making up almost 25% of all cancer deaths. The American Cancer Society's estimates for lung cancer in the USA for 2022 are:

- About 236,740 new cases of lung cancer annually and about 130,180 deaths from lung cancer each year ( Source: <https://www.cancer.org/cancer/lung-cancer/about/key-statistics.html>) ; and
- Currently, there are no simple specific blood tests to detect lung cancer early when targeted interventions can improve timely access to cancer care and save lives. Yet it is estimated that about 8 million Americans qualify as high risk of lung cancer and are recommended to receive annual screening with low-dose CT scans and if half of these high risk individuals were screened, over 12,000 lung cancer deaths could be prevented (Source: Cheung LC, Katki HA, Charurvedi AK, Jemal A, Berg CD. Preventing Lung Cancer Mortality by Computed Tomography Screening: The Effect of Risk-Based Versus U.S. Preventative Services Task Force Eligibility Criteria, 2005-2015. *Anal of Internal Medicine*. 2018; 168(3):229-32. Doi: 10.7326/M17-2067).

**Royalty Investment in AZD1656**

In September 2021 the Group entered into a royalty sharing agreement with SGSC to grant the Group potential royalty payments from the commercialisation of SGSC's therapeutic asset AZD1656 of up to £5m, plus potentially further payments from the use of a companion diagnostic. During the year the Group paid a total of £0.2m for this investment.

This supports the strategy of building a portfolio of early cancer detection tests, companion diagnostics and royalty bearing stakes in significant drug assets. SGSC has reported positive results from its ARCADIA clinical trial for diabetes patients with COVID19 and have indicated this may be through the regulation of the patients' immune system (via controlling Regulatory T Cells or "Tregs"). Tregs act to suppress immune response and combat damaging cells potentially reducing serious cardiovascular disease, and also lung diseases that are linked with the development of lung cancer.

**Chair's Statement (continued)**

In February 2022 the Group announced a further royalty deal in Inflammatory Pulmonary and Cardiovascular diseases with Conduit Pharmaceuticals Ltd ("Conduit") and SGSC to acquire an additional 5% economic interest in the commercialisation of the AZD 1656 asset or such other assets being developed by Conduit or SGSC to treat inflammatory pulmonary and cardiovascular disease. Under the agreement the Group will receive 5% of all sums received by SGSC pursuant to any AstraZeneca ("AZ") commercialisation or sub-licence commercialisation of the AZD 1656 asset in inflammatory pulmonary and cardiovascular diseases, after the deduction of certain sums. The consideration due to SGSC is £1.88m with the initial consideration of £1m being settled through the issue of 25,000,000 new ordinary shares at a price of 4.0p per share, which was a premium of 56.9% to the Company's closing mid-market price of 2.55p on 11 February 2022. The remaining consideration of £0.88m will be payable in new ordinary shares at 4.0p per share, on the earlier of receiving shareholder approval to issue the shares or the first anniversary of completion.

**Financial overview**

Due to reverse acquisition accounting principles, which are explained in more detail in Note 3 to the financial statements, these consolidated financial statements represent a continuation of the consolidated statements of Cizzle Biotechnology Holdings PLC ("the Company") and its subsidiaries (together referred to as "the Group") 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 on 14 May 2021 to 31 December 2021.

As the new Group was not in existence in 2020 the comparative results under reverse acquisition rules are those of the existing company, CBL, that effectively completed the acquisition. The financial results for the period to 31 December 2021 are summarized below:

- Corporate expenses, before share option charge and exceptional items: £552,000 (2020 CBL: £14,000);
- Share option charge: £299,000 (2020 CBL: £Nil)
- Exceptional corporate expenses relating to the acquisition: £3,117,000 (2020 CBL: £Nil) which include transaction costs of £303,000 and a non-cash share-based expense of £2,804,000 (explained in Notes 3 and 5);
- Total comprehensive loss: £ 3,921,000 (2020 CBL Loss £ 14,000); and
- Loss per share 2.4 p (2020 CBL Loss 2.8 p).

**Allan Syms**  
**Executive Chair**  
**30 May 2022**

**Board of directors****Dr Allan Syms (Executive Chair), appointed 21 May 2019**

Allan is an experienced international life sciences and technology senior executive, with over 30 years of experience at Board level often as founder or chief executive officer in creating, funding and building emerging technology businesses through to trade sale and IPO. After gaining a PhD in cancer biology at the Tenovus Institute of Cancer Research and postdoctoral fellowships at Baylor College of Medicine in Houston and Oxford University, he began his corporate career at GE Healthcare (formerly Amersham International PLC) to develop novel diagnostic detection systems. He then worked with a number of UK leading universities to spin out and develop technology businesses. Allan has extensive experience in M&A, licensing and managing strategic change becoming corporate marketing director at Integra Biosciences AG a leading Swiss laboratory and diagnostics supplies company. He was previously a specialist adviser on China to the Department of International Trade.

Allan was appointed Non-Executive Chair on 21 May 2019 and was appointed Executive Chair with effect from Admission on 14 May 2021.

**John Treacy (Non-Executive Director), appointed 29 January 2019**

John is a London-based experienced financier who specialises in working with growing companies. He qualified as a solicitor in the London office of a major international law firm where he specialised in Capital Markets and Mergers & Acquisitions. From there he moved to practice corporate finance in the advisory teams of several prominent UK brokerages where he acted as an adviser to a number of AIM companies and advised on numerous IPOs, acquisitions, debt restructurings and placings.

John is also the Chair of the Audit and Risk Committee and the Chair of the Remuneration Committee.

**Professor Dawn Coverley (Non-Executive Director), appointed 14 May 2021**

Dawn is a cell biologist with over 20 years' experience in cancer-related research. After a first degree in Genetics (Leicester), and a PhD in biochemistry (Cancer Research UK), she completed postdoctoral training at the University of Cambridge, then moved to the University of York to establish an independent research group in 2002, supported by the Lister Institute of Preventive Medicine. Her research exploits experimental systems that reconstitute fundamental process associated with genome and epigenome stability, and their contribution to the earliest stages of human cancers. She founded Cizzle Biotechnology Limited and raised early stage funding in 2006 to begin development of her research findings into clinically useful products, focused on CIZ1B and the early detection of lung cancer. She is currently principal investigator of an academic research laboratory at the University of York and Scientific Director of Cizzle Biotechnology.

Dawn is also a member of the Audit and Risk Committee and Remuneration Committee.

**Nigel Lee (Finance Director), appointed 14 May 2021**

Nigel has been a director of CFO Solutions Limited since 2003 which has provided financial advisory services to the Group since 2010, as well as company secretarial services since 2012. CFO Solutions Limited ceased providing these services to the Group on 14 May 2021. He is also a part-time Finance Director of Kent Surrey Sussex AHSN Limited. He was financial director/controller in two IT services and software companies between 1999 to 2003 and prior to that had 11 years of audit and business advisory experience at PricewaterhouseCoopers, including six years as a senior manager. Nigel qualified as a Chartered Accountant in 1988.

**Strategic Report for the year ended 31 December 2021 (continued)**

The directors present their strategic report for the year ended 31 December 2021.

**Business review**

The review of the Company is detailed in the Chair's Statement on pages 2 to 4.

**Principal risks and uncertainties**

The principal risks and uncertainties of the Group are as follows:

Pre-revenue business

The Group is still at an early stage of its development and there is no guarantee that the Group will generate significant revenues. For the foreseeable future, the Group will have significant reliance upon the success of the CIZ1B biomarker in the detection of lung cancer and there is no guarantee that CBL's intellectual property will result in a commercially viable test. It is also possible that technical and/or regulatory hurdles could lengthen the time required for the delivery of such a testing product. The Enlarged Group's future growth and prospects will also depend on its ability to secure commercialisation partnerships.

Regulatory environment and the process for obtaining a CE marking or a 510(k) clearance

The Group's future products will be subject to various laws, regulations and standards in each of the jurisdictions in which products are to be manufactured and distributed. There can be no guarantee that the Group's future products will ultimately obtain CE marking or FDA 510(k) clearance or that clearance can be obtained within the timescales or the budgets anticipated. The UK's exit from the EU may yet lead to a more complicated and uncertain process for obtaining regulatory clearance to market the Enlarged Group's future products in the UK and the EU.

Competition and the pace of development in the healthcare industry

Certain competitors already have CE marking for lung cancer detection products. Existing or new competitors may have larger resources, greater market presence, economies of scale or a lower cost base than the Enlarged Group. Rapid scientific and technological change within the biotechnology sector could lead to other market participants creating approaches, products and services equivalent or superior to the diagnostic testing products and services than those to be offered by the Group, which could adversely affect the Group's performance and success.

Attraction and retention of key management and employees

The successful operation of the Group will depend partly upon the performance and expertise of its current and future management and employees. The loss of the services of certain of these members of the Group's key management, or the inability to attract and retain a sufficient number of suitably qualified employees may have a material adverse effect on the Group.

Complex research and development processes

Certain elements of the reagents and other components which are planned to be used in CBL's test for lung cancer are bespoke in their nature and may be difficult to reproduce in an optimised manner. Any unexpected delays or issues with this process may have an impact on the Group's anticipated development and commercialisation strategy and its timeline.

Ownership and protection of intellectual property rights

The Group's ability to compete will depend in part upon the protection of its intellectual property ("IP"). Filing, prosecuting and defending patents in all countries throughout the world would be prohibitively expensive so it is possible that competitors will use the technologies in jurisdictions where the Group has not yet obtained patent protection in order to develop a competing product. In the event that litigation is necessary to defend the Group's IP, it could require the Group to commit significant resources. There is no guarantee that the result of such litigation would result in a favourable outcome to the Group. Any of these events may have a material adverse effect on the Group's business, financial condition, capital resources, results and/or future operations.



**Strategic Report for the year ended 31 December 2021 (continued)**Future funding requirements

In the longer term, the Group will need to raise additional funding should it wish to undertake development of additional future products. If the Group is unable to obtain financing on terms acceptable to it then it may be forced to curtail its activities. If additional funds are raised through the issue of new equity or equity-linked securities of the Group other than on a pro-rata basis to existing Shareholders, the percentage ownership in the Group of such Shareholders may be substantially diluted. There is no guarantee that the then prevailing market conditions will allow for such a fundraising or that new investors will be prepared to subscribe for New Ordinary Shares at the same price as the Issue Price or higher.

Covid-19 Pandemic risk

Apart from managing the corporate affairs of the business the main area of activity is in research and development which usually needs to be undertaken in a laboratory environment. During the Covid-19 pandemic there have been occasions where access to laboratories has been restricted which has led to some timing delays in research and development activity.

**Key performance indicators (KPI's)**

The directors have identified the following KPIs that they feel are the most vital measurements for the Group to monitor given its current stage of development. These KPI's are considered at each board and monthly operational meeting.

Cash management

The directors consider the cash flows for the previous month and the updated rolling cash flow forecast for the Group. At 31 December 2021 the Group had cash balances amounting to £875,000 and no borrowings.

Intellectual Property

Each month the directors review the Group's Intellectual Property Portfolio and the applications and renewals required to maintain this portfolio.

The Group's patent portfolio currently includes:

- CIZ1 Replication Protein
- Methods and Compounds for diagnosis and treatment of cancer; and
- Use of a Fibrinogen Capture Agent to detect a CIZ1B variant.

**Diversity**

The Group is committed to workplace diversity which includes but is not limited to gender, age, ethnicity and cultural background. The Group's only employees are the directors, which consists of three men and one woman.

**Corporate Responsibility**

The Group consists of four directors who all work from their homes and one director also works at the University of York. As we undertake our research and development activities and manage the affairs of the business and develop our plans for the future our business practices focus on the following areas:

- Health and Safety, and ensuring that all of our employees operate in a safe environment;
- Environment, managing our environmental impact in areas of waste, energy and water;
- Employee support, to ensure that all employees flourish;
- Ethical Standards, operating at the highest level in all business dealings.

Whilst our current levels of engagement do not enable much engagement with the local community, we wish, as our business grows, to have positive interaction with the communities in which we operate.

**Greenhouse Gas Emissions**

There is limited scope for the Group to have a major impact on environmental matters but we do attempt to minimise the amount of travel that we undertake and take actions to undertake recycling and energy conservation in our daily activities.

**Strategic Report for the year ended 31 December 2021 (continued)****Promotion of the Company for the benefit of the Members as a whole**

S172 of the Companies Act 2006 requires the Board to promote the Company for the benefit of the members as a whole. In particular, the requirements of s172 are for the Directors to:

- Consider the likely consequences of any decision in the long term;
- Act fairly between the members of the Company;
- Maintain a reputation for high standards of business conduct;
- Consider the interests of the Company's employees;
- Foster the Company's relationships with suppliers, customers and others; and
- Consider the impact of the Company's operations on the community and the environment.

The directors have strived to ensure that these considerations are embedded within its decision-making process.

**Decision-making**

The day to day operation decisions of the Group have been made by the executive directors. All key decisions of the Group have been made at board meetings involving all directors.

The Directors believe that during the year they have acted in the way most likely to promote the success of the Company for the benefit of its members as a whole and have adhered to the requirements set out above that are applicable to the Company given its scope of operations. For example, the Company, does not have any employees other than the directors, so considering employee interests is not currently relevant.

The principal decisions taken by the Group during the year ended 31 December 2021 and since the year end have been summarised in the Chair's Statement on pages 2 to 4 and are summarised as follows:

**Decision: change the strategic direction of the Group and establish a sound financial base.**Context

Following the Group's decision in January 2019 to close down its remaining lighting business activity it became, in April 2019, a cash-shell listed on the Alternative Investment Market (AIM). Since then the Company has been searching for a new business activity and on 14 May 2021 the Company announced the decision to:

- Complete the proposed acquisition of CBL;
- Raise £2.2m (Gross before expenses) through the Placing of new ordinary shares; and
- Admission of the Company's shares to the Standard List of the London Stock Exchange.

Stakeholder considerations (Shareholders)

The acquisition of CBL means that the Group is engaged in a very exciting area of development that seeks to address an urgent clinical lead and could potentially provide significant benefits to patients and the health care system, as well as potentially significant competitive and commercial advantages for the Group. The raising of new finance and listing the Company's shares on the Standard-Listing of the London Stock Exchange also establish a sound financial platform from which to develop the Group's activities.

## Strategic Report for the year ended 31 December 2021 (continued)

## Promotion of the Company for the benefit of the Members as a whole (continued)

**Decision: to build a portfolio of early cancer detection tests, companion diagnostics and royalty bearing stakes in significant drug assets.**Context

The Group currently does not have any trading revenues and wishes to build a portfolio of income streams from a variety of early cancer detection tests.

- In September 2021 the Group entered into a royalty sharing agreement with SGSC to grant the Group potential royalty payments from the commercialisation of SGSC's therapeutic asset AZD1656 of up to £5m, plus potentially further payments from the use of a companion diagnostic. During the year the Group paid a total of £0.2m for this investment.
- In February 2022 the Group announced a further royalty deal in Inflammatory Pulmonary and Cardiovascular diseases with Conduit Pharmaceuticals Ltd ("Conduit") and SGSC to acquire an additional 5% economic interest in the commercialisation of the AZD 1656 asset or such other assets being developed by Conduit or SGSC to treat inflammatory pulmonary and cardiovascular disease.

Stakeholder considerations (Shareholders)

The investment in SGSC's therapeutic asset AZD 1656 provides an opportunity for the Group to earn additional revenues, from an additional source of income, other than its proposed test for the early detection of lung cancer.

**Decision: to enhance its research and development capabilities**Context

The Group is developing a blood test for the early detection of lung cancer. 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. Currently the laboratory test developed by Professor Dawn Coverley at The University of York, has been used to validate the use of CIZ1B to detect lung cancer, and a proof of concept prototype test developed, which is compatible with potential use within a hospital laboratory setting.

- In June 2021 we entered into a Collaboration Agreement with FairJourney Biologics to develop proprietary antibodies. Along with other key suppliers the Group expects to create a range of monoclonal antibodies and reagents that are the foundation for developing immunoassays, and in the future point of care tests not only for early-stage lung cancer but other cancers with unmet clinical need.
- In September 2021 we announced a new research agreement with The University of York for developing our blood test for the early detection of lung cancer, and potentially other forms of cancer. A further new agreement was announced in April 2022 that extended this work until June 2022.
- A research and development agreement was finalised in October 2021 with "SGSC", the UK based biomedical charity to develop a companion diagnostic test for autoimmune disease. Its aim is to develop tests that will operate alongside SGSC's programme for the development of 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 variety of autoimmune diseases which will significantly broaden the Company's product pipeline for which SGSC will pay the Group up to £1m in development fees.

Stakeholder considerations (Shareholders)

The decisions taken have enhanced the Group's research and development capabilities as well as providing a source of additional revenues for research and development activity to be carried out for SGSC.

## Strategic Report for the year ended 31 December 2021 (continued)

## Promotion of the Company for the benefit of the Members as a whole (continued)

**Decision: to spread the global reach of the Group's technology to Global markets where there is much need for the use of the early detection of lung cancer tests.**

Context

One of the target markets identified for the Group is in China where we are aware there are serious challenges in being able to detect cancer early, and there is a great need for screening and diagnosing cancers among the Chinese population. Targeted testing can improve timely access to cancer care and save lives.

Lung cancer is the leading cause of cancer death in the USA, making up almost 25% of all cancer deaths.

- **China.** The Group entered into a Memorandum of Understanding ("MOU") with the International Co-innovation Centre for Advanced Medical Technology ("iCCAMT") and Shenzhen Intelliphecy Life Technologies Co. Ltd ("Intelliphecy") to develop and market the Group's proprietary early lung cancer diagnostic tests based on the CIZ1B biomarker in China. In February 2022 a full commercial agreement was executed to develop and market early lung cancer diagnostic tests in China. This agreement will generate future revenues for the Group via a 10% royalty on the sales of all products and services using its proprietary CIZ1B technology and from payment for monoclonal antibodies and reagents.
- **USA.** On 6 May 2022 the Group announced that it had signed a heads of terms to partner with CorePath Laboratories (CorePath), a full service cancer reference laboratory, to develop and offer its proprietary early-stage lung cancer test throughout the USA. The proposal is that the Group would receive a 15% royalty and royalty sharing arrangements over products and services using CIZ1B via CorePath in the USA.

Stakeholder considerations (Shareholders)

The decisions taken so far enhance the Group's Global future revenue streams whilst minimising the amount of investment required to reach these potential markets.

This report was approved by the board on 30 May 2022 and was signed on its behalf by:

**Allan Syms**  
Director

**Directors' Report for the year ended 31 December 2021**

The directors present the annual report and audited financial statements for the year ended 31 December 2021.

**Principal activity, business review and future developments**

On 14 May 2021, the Company's ordinary shares were admitted to the Standard-Listing of the London Stock Exchange. Also on that date, the Company completed the reverse acquisition of CBL.

The Group's principal activity since 14 May 2021 has been the early detection of lung cancer via the development of an immunoassay test for the CIZ1B biomarker. For the period to 14 May 2021 the Company was a holding company that was an AIM Rule 15 cash shell seeking a new investment.

The Statement of Group Comprehensive Income is set out on page 32. A review of the Group's trading during the year, its position at the year-end, post balance sheet events, and its prospects for the future are set out in the Chair's Statement and the Strategic Report.

**Dividends**

No dividend is proposed in respect of the year (CBL 2020: £Nil).

**Financial risk management**

Information in respect of financial risk management objectives and policies, exposure to price, credit, liquidity and cash flow risks, and current trading and trading outlook for the Company are outlined in Note 4.

**Directors**

The directors of the Company who served during the year are listed below:

<b>Directors</b>	<b>Function</b>
Allan Syms	Executive Chair (appointed Executive Chair on 14 May 2021)
Nigel Lee	Finance Director (appointed 14 May 2021)
Dawn Coverley	Non- Executive Director (appointed 14 May 2021)
John Treacy	Non-Executive Director
Martin Lampshire	Non-Executive Director (resigned 14 May 2021)

**Board Responsibility and Corporate Governance Statement**

The Board is responsible for approving the interim and annual financial statements, formulating and monitoring the Group's strategy, approving financial plans and reviewing performance, as well as complying with legal, regulatory and corporate governance matters. The Board is committed to maintaining appropriate standards of corporate governance and, as detailed below, has concluded that it will adopt the Quoted Companies Alliance's Corporate Governance Code.

**Employees**

At 31 December 2021 the total number of employees in the Company comprised 4 employees (CBL 2020: 3), who were all directors.

The Group's employment policies are designed to attract, retain and motivate the very best staff for each role in the Group, recognising that this can only be achieved through equal opportunities regardless of gender, race, religion or disability. Regular meetings were held by the directors to discuss the performance of the Group as a whole. Financial and economic factors were dealt with in this context. Information concerning employees and their remuneration is given in Note 8.

**Directors' Report for the year ended 31 December 2021 (continued)****Capital structure**

Details of the issued share capital are set out in Note 14. On recognition of the reverse takeover of CBL on 14 May 2021 the Group had 3 classes of share:

- New Ordinary Shares of 0.01p each.
- Deferred 'A' shares of 0.01p each.
- Deferred 'A' Shares of 0.99p each.

None of these shares have any rights to fixed income and only new ordinary shares carry the right to one vote per share at general meetings of the Company.

There are no specific restrictions on the size of a holding or on the transfer of New Ordinary Shares, which are both governed by the general provisions of the Articles of Association and prevailing legislation. The directors are not aware of any agreements between holders of the Company's shares that may result in restrictions on the transfer of securities or on voting rights.

Details of employee share option schemes are set out in Note 14. During the year ended 31 December 2021 19,741,345 share options were issued to the directors and 3,690,696 options were generated on the completion of the acquisition of CBL.

No person has any special right of control over the Company's share capital and all issued shares are fully paid.

The appointment and replacement of directors of the Company is governed by its Articles of Association, the Companies Act 2006 and related legislation. The Articles themselves may be amended by special resolution of the shareholders. The current Articles have been in place for some years and are in the process of being reviewed and updated. It is anticipated that updated articles will be proposed for approval at the forthcoming Annual General Meeting.

**Donations**

No charitable or political donations were made during the year (2020: £Nil).

**Share issues**

Details of shares issued during the year are set out in Note 14.

**Going concern**

The Directors have adopted the going concern basis in preparing the financial statements for the year to 31 December 2021. In reaching this conclusion, the Directors have considered for the Company, current trading and the current and projected funding position for the period of just over 12 months from the date of approval of the financial statements through to 30 June 2023. The Company, as anticipated in the Company's Prospectus announced on 23 April 2022, will need to generate finance through equity or debt in order to meet its committed liabilities as they fall due for the foreseeable future and progress its planned product research and development activities.

**Post balance sheet events**

Sine the year end, the Company has issued further equity to increase its share of royalty arrangements in a therapeutic asset of SGSC, AZD1656. In February 2022 the Group announced a royalty deal in Inflammatory Pulmonary and Cardiovascular diseases with Conduit Pharmaceuticals Ltd ("Conduit") and SGSC to acquire a 5% economic interest in the commercialisation of the AZD1656 asset or such other assets being developed by Conduit or SGSC to treat inflammatory pulmonary and cardiovascular disease. The consideration due is £1.88m with the initial consideration of £1m being settled through the issue of 25,000,000 new ordinary shares at a price of 4.0p per share, which was a premium of 56.9% to the Company's closing mid-market price of 2.55p on 11 February 2022. The remaining consideration of £0.88m will be payable in new ordinary shares at 4.0p per share, on the sooner of receiving shareholder approval to issue the shares or the first anniversary of completion.

**Directors' Report for the year ended 31 December 2021 (continued)**

**Disclosure of information to auditor**

The directors who held office at the date of approval of this Directors' report confirm that, so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware; and each Director has taken all steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

**Auditor**

The existing auditors of the Company are PKF Littlejohn LLP and a resolution for their re-appointment will be put to the Annual General Meeting.

**Annual General Meeting**

The Annual Report is made available to shareholders at least 21 clear days' notice before the Annual General Meeting ("AGM") along with the notice of the AGM. Shareholders are given the opportunity to vote on each separate resolution proposed at the AGM. The Company counts all proxy votes and will indicate the level of proxies lodged for each resolution, after it has first been dealt with by a show of hands.

**Website publication**

The Directors are responsible for ensuring the annual report and the financial statements are made available on a website. Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Approved by the Board of Directors and signed by order of the Board

**Allan Syms**  
**Director**  
**30 May 2022**

**Statement of Directors' Responsibilities**

The directors are responsible for preparing the strategic report, the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the Group and Company financial statements in accordance with UK-adopted international accounting standards. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group and Company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with UK-adopted international accounting standards, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

They are also responsible to make a statement that they consider that the Annual Report and Financial Statements, taken as a whole is fair, balanced and understandable and provides the information necessary for the shareholders to assess the Group and Company's position and performance, business model and strategy.

**Directors' Responsibility Statement Pursuant to Disclosure and Transparency Rules**

Each of the Directors, whose names and functions are listed on page 1, confirm that, to the best of their knowledge and belief:

- the financial statements prepared in accordance with UK-adopted international accounting standards, give a true and fair view of the assets, liabilities, financial position and loss of the Group and Company; and
- The Annual Report and financial statements, including the Business review, includes a fair review of the development and performance of the business and the position of the Group and Parent Company, together with a description of the principal risks and uncertainties that they face.



**Corporate Governance Statement**

The Directors recognise the importance of sound corporate governance. The directors continue to adopt the Quoted Companies Alliance's Corporate Governance Code ("the QCA Code"). In addition, the Directors have adopted a code of conduct for dealings in the shares of the Company by directors and employees and are committed to maintaining the highest standards of corporate governance. During 2021 Allan Symms has continued as Chair of the Company. On 14 May 2021, when the Company completed the acquisition of CBL and was admitted to the Standard-List of the London Stock Exchange, his role changed to being an executive director.

The corporate governance arrangements that the Board has adopted are designed to ensure that the Company delivers long term value to its shareholders and that shareholders have the opportunity to express their views and expectations for the Company in a manner that encourages open dialogue with the Board. The Board recognises that their decisions regarding strategy and risk will impact the corporate culture of the Company as a whole and that this will impact the performance of the Company. The Board is very aware that the tone and culture set by the Board will greatly impact all aspects of the Company as a whole and the way that employees behave.

Much of the Company's activities since 14 May 2021 have been focussed on taking forward the research and development activities of the Group that have been developed over many years by Professor Dawn Coverley and her team at The University of York. The Company is committed to respectful dialogue with its suppliers, partners and potential customers. It is a crucial part of the Company to have sound ethical values and behaviours in its undertakings to successfully achieve its corporate objectives.

The Board places great importance on this aspect of corporate life and seeks to ensure that this flows through all that the Company does.

The Board currently consists of two executive and two non-executive directors and does not have a CEO. The Board continues to consider whether it would be appropriate to seek to appoint additional non-executive and/or executive directors but at this time believes that appropriate oversight of the Company is provided by the currently constituted Board. This view will continue to be reviewed by the Board.

**John Treacy**  
**Non-Executive Director**

## Corporate Governance Statement (continued)

The QCA Code sets out 10 principles which should be applied. These are listed below together with a short explanation of how the Company applies each of the principles. Where the Company does not fully apply each principle an explanation as to why has also been provided:

### **Principle One - Business Model and Strategy**

The Board's strategy during 2021 has been in two distinct parts. Prior to 14 May 2021 it was focussed on finalising the acquisition of CBL, seeking admission to the Standard Listing of the London Stock Exchange, and raising funds to ensure that the Group could continue with the research and development activity into the early detection of lung cancer that has been undertaken by CBL. Since the Group raised £2.2m of new funds, before expenses, the Group has been able to continue with its research and development activity and in particular had adopted a strategy of developing CBL's prototype test into a commercial, CE marked and/or FDA 510(k) cleared diagnostic immunoassay that can be readily performed as a sufficiently reliable test in a hospital setting.

### **Principle Two - Understanding Shareholder Needs and Expectations**

The Board is committed to maintaining good communication and having constructive dialogue with its shareholders. Institutional shareholders and analysts have the opportunity to discuss issues and provide feedback at meetings with the Company. In addition, all shareholders are encouraged to attend the Company's Annual General Meeting. Investors also have access to current information on the Company through its website, <https://cizzlebiotechnology.com> and via Allan Syms, Non-Executive Chair who is available to answer investor relations enquiries through IFC Advisory Limited ([cizzle@investor-focus.co.uk](mailto:cizzle@investor-focus.co.uk)).

### **Principle Three - Stakeholder Responsibilities**

The Board recognises that the long-term success of the Company is reliant upon the efforts of the employees of the Company and its contractors, suppliers and regulators. The Board has put in place a range of processes and systems to ensure that there is close Board oversight and contact with its key resources and relationships. Currently the directors of the Company are the Group's only employees but it has systems in place whereby the effectiveness of the board is reviewed and discussed.

### **Principle Four - Risk Management**

In addition to its other roles and responsibilities the Audit and Compliance Committee is responsible to the Board for ensuring that procedures are in place, and are being effectively implemented to identify, evaluate and manage the significant risks faced by the Company. The risk assessment matrix below sets out those risks, and identifies their ownership and the controls that are in place. This matrix is updated as changes arise in the nature of risks or the controls that are implemented to mitigate them. The Audit Committee reviews the risk matrix and the effectiveness of scenario testing on a regular basis. The following principal risks, and controls to mitigate them, have been identified during 2021:

<b>Activity</b>	<b>Risk</b>	<b>Impact</b>	<b>Control(s)</b>
Financial	Pre-revenue business	Revenues are not generated to support the development and commercialisation of the Group's technology.	Regular appraisal of project milestones.
Healthcare Industry	Pace of development in the healthcare industry	The Group's technology may be superseded by other competitor technologies.	Continual monitoring of competitor products and alternative solutions.
Management and employees	Retention of key staff	The loss of key members of staff could have an adverse impact on the pace of development.	Ensuring that key employees have incentives to ensure that they do not wish to leave.
Research and Development	Complex processes	Additional costs if development takes longer than anticipated.	Regular appraisal of project milestones and consideration of a variety of strategies.
Patents and other intellectual property rights (IPR)	Infringement of other patents, IPR	Additional costs of defending any IPR claims and/or delays/ additional costs in current programme of research and development.	Regular monitoring of third party patents/ IPR with patent advisers.

**Corporate Governance Statement (continued)*****Principle Four - Risk Management (continued)***

The Company has already established procedures, as represented by this and previous years' statements, for the purpose of providing a system of internal control. In addition, there were a range of Company policies that were reviewed at least annually by the Board and a programme of training and then confirmation of understanding that all employees of the Company were required to undertake each year. These Company policies covered matters such as share dealing, insider legislation and expenses. The directors consider that an internal audit function is not considered necessary or practical due to the size of the Company and the close day to day control exercised by the directors. The directors will continue to monitor the need for new systems of internal control and an internal audit function.

The annual review of internal control and financial reporting procedures did not highlight any issues warranting the introduction of an internal audit function.

***Principle Five - A Well-Functioning Board of Directors***

On 14 May 2021 the composition of the board changed to two executive directors and two non-executive directors. Allan Syms remains as Chair but in an executive capacity and Nigel Lee was appointed Finance Director. John Treacy continues as non-executive director and Professor Dawn Coverley was appointed a new non-executive director. Also on this date Martin Lampshire retired as a non-executive director and we thank him for his valuable guidance in helping the Company transition into a new business activity. The time commitment formally required by the Company is an overriding principal that each director will devote as much time as is required to carry out the roles and responsibilities that the director has agreed to take on. All directors of the Company are part-time. Biographical details of the current directors are set out on page 5.

Executive and non-executive directors are subject to re-election intervals as prescribed in the Company's Articles of Association. At each Annual General Meeting one-third of the Directors, who are subject to retirement by rotation shall retire from office. They can then offer themselves for re-election. The letters of appointment of all directors are available for inspection at the Company's registered office during normal business hours.

The Executive Chair and Finance Director both receive a salary for their services as a director which is approved by the Board, being mindful of the time commitment and responsibilities of their roles and of current market rates for comparable organisations and appointments. They are also reimbursed for travelling and other incidental expenses incurred on Group business.

The Non-Executive Directors receive payments under appointment letters which are terminable by three months' notice by either party.

The Board encourages the ownership of shares in the Company by Executive and Non-Executive Directors alike and in normal circumstances does not expect Directors to undertake dealings of a short-term nature. The Board considers ownership of Company shares by Non-Executive Directors as a positive alignment of their interest with shareholders. The Board will periodically review the shareholdings of the Non-Executive Directors and will seek guidance from its advisors if, at any time, it is concerned that the shareholding of any Non-Executive Director may, or could appear to, conflict with their duties as an independent Non-Executive Director of the Company or their independence itself. Directors' emoluments, including Directors' interest in share options over the Company's share capital, are set out in Note 14.

The Board has established that it will meet on at least 6 times throughout the year. It has established an Audit Committee and a Remuneration Committee, particulars of which appear hereafter. The Board agreed that appointments to the Board are made by the Board as a whole and so has not created a Nominations Committee.

**Corporate Governance Statement (continued)*****Principle Five - A Well-Functioning Board of Directors (continued)*****Attendance at Board and Committee Meetings**

The Board retains full control of the Company with day-to-day operational control delegated to Executive Directors. The full Board meets at least every other month and on any other occasions it considers necessary. During 2021 there were sixteen Board meetings, one Remuneration Committee meeting and one Audit Committee meeting.

***Principle Six - Appropriate Skills and Experience of the Directors******Directors who served during 2021:***

Prior to 14 May 2021 the Board consisted of three Non-Executive Directors. In addition, the Company used the services of CFO Solutions Limited for ad hoc financial advisory services and also to act as the Company Secretary. Since 14 May 2021 the executive directors have been Allan Syms (Executive Chair) and Nigel Lee (Finance Director). The Non-Executive directors have been John Treacy (specialising in corporate governance, capital markets, legal matters) and Professor Dawn Coverley (cell biologist and expert in cancer related research).

The current directors of the Company are as follows are detailed on page 5.

***Principle Seven - Evaluation of Board Performance***

Internal evaluation of the Board, the Committee and individual directors is seen as an important next step in the development of the Board and one that will be addressed during 2022. The aim is that this will be undertaken on an annual basis in the form of peer appraisal, questionnaires and discussions to determine the effectiveness and performance in various areas as well as the directors' continued independence.

***Principle Eight - Corporate Culture***

During 2021, the Board recognised that their decisions regarding strategy and risk will impact the corporate culture of the Company as a whole and that this will impact the performance of the Company. The Board is very aware that the tone and culture set by the Board will greatly impact all aspects of the Company as a whole and the way that employees behave. A large part of the Company's activities was centred upon addressing customer and market needs. Therefore, the importance of sound ethical values and behaviours is crucial to the ability of the Company to successfully achieve its corporate objectives. The Board places great importance on this aspect of corporate life and seeks to ensure that this flows through all that the Company does. The Board assessment of the culture within the Company at the present time is one where there is respect for all individuals and there is open dialogue within the Company.

***Principle Nine - Maintenance of Governance Structures and Processes***

Ultimate authority for all aspects of the Company's activities rests with the Board. The Board has adopted a Financial Position and Prospects Board Memorandum which summarises financial reporting procedures and establishes procedures to ensure that it meets all regulatory requirements for accounting, financial reporting and related obligations. This includes matters which are reserved to the Board and the division of responsibilities between the executive and non-executive directors. The Chair is responsible for the effectiveness of the Board.

**Corporate Governance Statement (continued)*****Audit Committee***

Until 14 May 2021 the Audit Committee comprised Allan Syms (Chair) and meetings were also attended by a representative of CFO Solutions Limited. Since 14 May 2021 the Audit Committee consists of John Treacy (Chair) and Professor Dawn Coverley. It meets as required and specifically to review the Interim Report and Annual Report, and to consider the suitability and monitor the effectiveness of internal control processes. There was one meeting of the Audit Committee during 2021. The Audit Committee also reviews the findings of the external auditor and reviews accounting policies and material accounting judgements.

The independence and effectiveness of the external auditor is reviewed annually. The possibility of undertaking an audit tender process is considered on a regular basis. The Audit Committee meets at least once a year with the auditor to discuss their independence and objectivity, the Annual Report, any audit issues arising, internal control processes, appointment and fee levels and any other appropriate matters. Since 14 May 2021 the auditor no longer provides tax and other advisory services. The fees in respect of audit services are set out in Note 7.

***Remuneration Committee***

Until 14 May 2021 the Remuneration Committee comprised Allan Syms (Chair) and other non-executive directors. Since 14 May 2021 the Audit Committee consists of John Treacy (Chair) and Professor Dawn Coverley. The purpose of the Remuneration Committee is to ensure that the Executive Directors and other employees are fairly rewarded for their individual contribution to the overall performance of the Company. The Committee considers and recommends to the Board the remuneration of the Executive Directors and is kept informed of the remuneration packages of senior staff and invited to comment on these. There was one Remuneration Committee meeting during 2021. The Board retains responsibility for overall remuneration policy. The Remuneration Committee recommends to the Board the remuneration packages by reference to individual performance and uses the knowledge and experience of the Committee members, published surveys relating to similar companies and market changes generally. The Remuneration Committee has responsibility for recommending any long-term incentive schemes.

The Board determines whether or not Executive Directors are permitted to serve in roles with other companies. Such permission would only be granted on a strictly limited basis, where there are no conflicts of interest or competing activities and providing there is not an adverse impact on the commitments required to the Company. Earnings from such roles would be required to be disclosed to the Chair.

During 2021 there were two main elements of the remuneration package for Executive and Non-Executive Directors and former employees:

1. **Basic salaries:** Basic salaries are recommended to the Board by the Remuneration Committee, taking into account the performance of the individual and the rates for similar positions in comparable companies. No benefits in kind are currently available to Executive Directors.
2. **Share options:** The Company operates unapproved share option schemes for Executive Directors and some non-executive directors to motivate those individuals through equity participation. Exercise of share options under the schemes is subject to specified exercise periods and compliance with the Scheme Rules and the rules of the London Stock Exchange. The schemes are overseen by the Remuneration Committee which recommends to the Board all grants of share options based on the Remuneration Committee's assessment of personal performance and specifying the terms under which eligible individuals may be invited to participate. It is intended that the performance related elements of remuneration form a significant proportion of the total remuneration package of Executive Directors and be designed to align their interests with those of shareholders. In this development phase of the Company the Remuneration Committee currently considers that the best alignment of these interests is through the continued use of incentives for performance through the award of share options.

**Corporate Governance Statement (continued)*****Non-executive Directors***

The Board has adopted guidelines for the appointment of non-executive directors which have been in place and which have been observed throughout the year. These provide for the orderly and constructive succession and rotation of the non-executive directors insofar as they will be appointed for an initial term of three years and may, at the Board's discretion believing it to be in the best interests of the Company, be appointed for subsequent terms. In accordance with the Companies Act 2006, the Board complies with: a duty to act within their powers; a duty to promote the success of the Company; a duty to exercise independent judgement; a duty to exercise reasonable care, skill and diligence; a duty to avoid conflicts of interest; a duty not to accept benefits from third parties and a duty to declare any interest in a proposed transaction or arrangement.

***Principle Ten - Shareholder Communication***

The Board is committed to maintaining good communication and having constructive dialogue with its shareholders. Institutional shareholders and analysts have the opportunity to discuss issues and provide feedback at meetings with the Company. In addition, all shareholders are encouraged to attend the Company's Annual General Meeting. Investors also have access to current information on the Company through its website, <https://cizzlebiotechnology.com> and via Allan Syms, non-executive Chair who is available to answer investor relations enquiries through IFC Advisory Limited ([cizzle@investor-focus.co.uk](mailto:cizzle@investor-focus.co.uk)).

**Directors Remuneration Report for the year ended 31 December 2021**

The Company has established a remuneration committee. The Committee reviews the scale and structure of the Directors' fees, taking into account the interests of shareholders and the performance of the Group and directors.

The items included in this report are unaudited unless otherwise stated.

**Statement of Cizzle Biotechnology Holdings PLC Policy on Directors' Remuneration by the Chair of the Remuneration Committee**

As Chair of the Remuneration Committee, I have pleasure in introducing our Directors' Remuneration Report. One of the Remuneration Committee's aims is to provide clear, transparent remuneration reporting for our shareholders which adheres to the best practice corporate governance principles that are required for listed companies.

A key focus of the Directors' Remuneration Policy is to align the interests of the Directors to the long-term interests of the shareholders and aims to support a high-performance culture with appropriate rewards for meeting the Group's objectives without unnecessary risk-taking. This is underpinned through the operation of incentive plans.

Key activities of the Remuneration Committee

The key activities of the Remuneration Committee are to:

- determine and agree with the board the framework or broad policy for the remuneration of the Company's Chair and the executive directors including pension rights and compensation payments. The remuneration of non-executive directors shall be a matter for the board or the shareholders (within the limits set in the articles of association). No director or senior manager shall be involved in any decisions as to their own remuneration;
- recommend and monitor the level and structure of remuneration for senior management taking into account all factors which it deems necessary including relevant legal and regulatory requirements and the provisions and recommendations of the UK Corporate Governance Code (insofar as it applies to the Company) and other relevant guidance. These will be subject to annual review. The objective of such policy shall be to attract, retain and motivate the executive management of the Company without paying more than necessary. The remuneration policy bears in mind the Company's appetite for risk and be aligned to the Company's long term strategic goals. A significant proportion of remuneration should be structured so as to link rewards to corporate and individual performance and be designed to promote the long term success of the Company;
- review and have regard to the pay and employment conditions across the Company or group, especially when determining salary increases;
- review the ongoing appropriateness and relevance of the remuneration policy;
- approve the design of, and determine targets for, any performance related pay schemes operated by the Company and approve the total annual payments made under such schemes;
- review the Company's arrangements for its employees to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters. The Committee shall ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow up action;
- review the design of all share incentive plans for approval by the board and shareholders. For any such plans, determine each year whether awards will be made, and if so, the overall amount of such awards, the individual awards to executive directors, Company Secretary and other senior executives and the performance targets to be used;
- determine the policy for, and scope of, pension arrangements for each executive director and other senior executives;

**Directors Remuneration Report for the year ended 31 December 2021 (cont'd)**Key activities of the Remuneration Committee (cont'd)

- determine the total individual remuneration package of the Chair, each executive director, the Company Secretary and other senior executives including bonuses, incentive payments and share options or other share awards;
- ensure that contractual terms on termination and any payments made are fair to the individual and the Company; that failure is not rewarded and the duty to mitigate loss is fully recognised; oversee any major changes in employee benefits structures throughout the Company or Group; and agree the policy for authorising claims for expenses from the directors;
- be responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration of consultants who advise the Committee;
- obtain reliable, up-to-date information about remuneration in other companies of comparable scale. The Committee shall have full authority to appoint remuneration consultants and to commission or purchase any reports, surveys or information which it deems necessary to help it fulfil its obligations within any budgetary restraints imposed by the board;
- consider such other matters as may be requested by the board of directors; and
- work and liaise as necessary with all other board committees.

Members

The Remuneration Committee comprises the following independent Non-Executive Directors:

<b>Name</b>	<b>Position</b>	<b>Date of appointment to Committee</b>
John Treacy	Chair	14 May 2021
Prof. Dawn Coverley	Member	14 May 2021

Prior to his appointment as Executive Chair of the Company, Allan Syms was Chair of the Remuneration Committee from 21 May 2019 to 14 May 2021.

John Treacy, prior to his appointment as Chair of the Remuneration Committee on 14 May 2021, was a member of the Remuneration Committee from 29 January 2019 to 14 May 2021.

Remuneration Components

The Company remunerates directors in line with best market practice in the industry in which it operates. As the Group is currently a pre-revenue business the components of Director's Remuneration consists of:

- Base salaries
- Pension benefits
- Share incentive arrangements

These remuneration components will be reviewed at least annually by the Committee.

It is anticipated that once the Group becomes a revenue generating business that the following components of Directors Remuneration are likely to be appropriate:

- Other benefits
- Annual bonus



**Directors Remuneration Report for the year ended 31 December 2021 (cont'd)****Recruitment policy**

Base salaries take into account market data for the relevant role, internal relativities, their individual experience and their current base salary. Where an individual is recruited at below market rates of remuneration, they may be re-aligned over a period of time, subject to their performance in their role.

**Service Agreements and Letters of Appointment**

The Executive Directors' service agreements are summarised below:

<b>Executive Director</b>	<b>Date of service agreement</b>	<b>Initial term</b>	<b>Notice period by Company (Months)</b>	<b>Notice period by Director (Months)</b>
Allan Syms	14 May 2021	6 months	6	6
Nigel Lee	14 May 2021	N/a	6	6

The Non-Executive Directors' service agreements are summarised below:

<b>Non-Executive Director</b>	<b>Date of service agreement</b>	<b>Initial term</b>	<b>Notice period by Company (Months)</b>	<b>Notice period by Director (Months)</b>
John Treacy	14 May 2021	3 years	3	3
Dawn Coverley	14 May 2021	3 years	3	3

Non-Executive directors are typically expected to serve two three-year terms but may be invited by the Board to serve for an additional period. Any term renewal is subject to Board review and AGM re-election.

**Remuneration of Executive Directors**

The remuneration of the Executive Directors for the year ended 31 December 2021 and since 14 May 2021 (date from which new Group commenced) was as follows:

<b>Executive Director</b>	<b>14 May 2021 to 31 December 2021</b>			<b>Year ended 31 December 2021</b>		
	<b>Basic salary £'000</b>	<b>Pension £'000</b>	<b>Total £'000</b>	<b>Basic salary £'000</b>	<b>Pension £'000</b>	<b>Total £'000</b>
Allan Syms	59	1	60	70	1	71
Nigel Lee	22	1	23	22	1	23
<b>TOTAL</b>	<b>81</b>	<b>2</b>	<b>83</b>	<b>92</b>	<b>2</b>	<b>94</b>

## Directors Remuneration Report for the year ended 31 December 2021 (cont'd)

## Share scheme interests of executive directors

The interests of the executive directors in share schemes are shown in the table below:

Executive Director	Type of scheme	Share options at 31 Dec 2020	Granted during the year	Lapsed or cancelled	Share options at 31 Dec 2021	Date from which exercisable	Expiry date
Allan Syms	CSOP 21	-	5,068,956	-	5,068,956	**	2 Nov 2031
Nigel Lee *	CSOP 21	-	2,000,000	-	2,000,000	**	2 Nov 2031
	CSOP 17	500	-	-	500	9 Nov 2018 ***	8 Nov 2017
	CSOP 16	800	-	-	800	27 Oct 2017 ***	26 Oct 2026
	CSOP 15	300	-	-	300	25 May 2016 ****	25 Aug 2025
<b>TOTAL</b>		<b>1,600</b>	<b>7,068,956</b>	<b>-</b>	<b>7,070,556</b>		

\* Includes brought forward 1,600 beneficial interests in share options as director of CFO Solutions Limited.

\*\* subject to achievement of certain Group objectives.

\*\*\* One-third of the total options vest on first , second and third anniversary from date of grant.

\*\*\*\* One third of the options vest on 25 May 2016, 25 February 2017 and 25 August 2017.

## Remuneration of Non-Executive Directors

The remuneration of the Non-Executive Directors for the year ended 31 December 2021 and since 14 May 2021 (date from which new Group commenced) was as follows:

Non-Executive Director	14 May 2021 to 31 December 2021				Year ended 31 December 2021			
	Basic salary £'000	Fees £'000	Pension £'000	Total £'000	Basic salary £'000	Fees £'000	Pension £'000	Total £'000
John Treacy	19	-	-	19	30	-	-	30
Dawn Coverley	25	-	1	26	25	-	1	26
Martin Lampshire	-	-	-	-	-	7	-	7
<b>TOTAL</b>	<b>44</b>	<b>-</b>	<b>1</b>	<b>45</b>	<b>55</b>	<b>7</b>	<b>1</b>	<b>63</b>

As mentioned in Note 20 on related party transactions, the Group Statement of Comprehensive Income includes an amount of £7,366 (2020: £20,000) that was paid to Experience Capital Limited in respect of non-executive director services provided by Martin Lampshire.

## Directors Remuneration Report for the year ended 31 December 2021 (cont'd)

## Share scheme interests of non- executive directors

The interests of the Non-Executive directors in share schemes are shown in the table below:

Non-executive Director	Type of scheme	Share options at 31 Dec 2020	Granted during the year	Lapsed or cancelled	Share options at 31 Dec 2021	Date from which exercisable	Expiry date
Dawn Coverley	CSOP 21	-	12,672,389	-	12,672,389	*	2 Nov 2031
	CSOP 21	-	3,689,096	-	3,689,096	14 May 2021 **	13 May 2031
<b>TOTAL</b>		-	<b>16,361,485</b>	-	<b>16,361,485</b>		

\* subject to achievement of certain Group objectives.

\*\* may only be exercised for a period of 30 days from the date on which the Company's audited annual accounts are published each year; or at the discretion of the board of directors.

## Relative importance of total remuneration

The table below illustrates total employee remuneration compared to distributions to shareholders and operational cash outflow, excluding proceeds from the issue of ordinary shares (before issue costs):

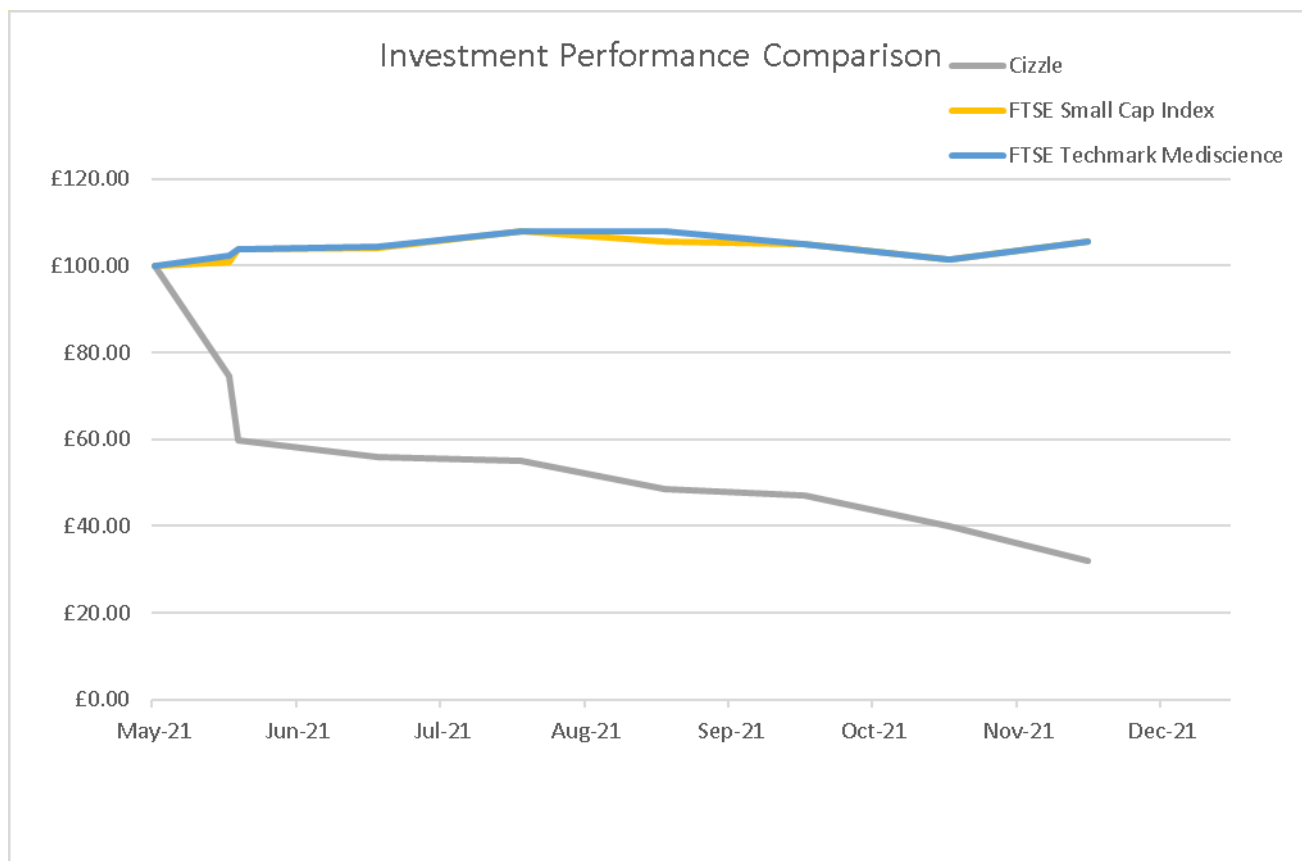
	Distributions to shareholders	Total employee pay (£'000)	Operational cash outflow (£'000)
14 May 2021 to 31 December 2021	-	128	1,009

Operational cash outflow has been shown in the table above as cash flow monitoring and forecasting are an important consideration for the Remuneration Committee and Board of Directors when determining cash-based remuneration for directors and employees.

## Directors Remuneration Report for the year ended 31 December 2021 (cont'd)

## Historical share price performance comparison

The table below compares the share price performance (based on notional investment of £100) of Cizzle Biotechnology Holdings PLC against the FTSE SmallCap and FTSE Techmark Mediscience based on prices/indices at close of business from 14 May 2021 to 31 December 2021. Note that month end prices are based on the last day of trading of each month. The FTSE SmallCap has been chosen to provide a wider market comparator and the FTSE Techmark Mediscience chosen due to sector relevance:



Historical data has been taken from the formation of the new Group and admission to the Standard-List of the London Stock Exchange which occurred on 14 May 2021 upon completion of the acquisition of Cizzle Biotechnology Ltd.

## Consideration of shareholder views

The Board considers shareholder feedback received and guidance from shareholder bodies. This feedback is considered as part of the Company's policy on remuneration.

Approved on behalf of the Board of Directors

**John Treacy**

**Director and Chair of the Remuneration Committee**

**30 May 2022**

**Independent Auditor's Report to the Members of Cizzle Biotechnology Holdings PLC****Opinion**

We have audited the financial statements of Cizzle Biotechnology Holdings Plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2021 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statements of Financial Position, the Consolidated and Company Statements of Changes in Equity, the Consolidated and Company Statements of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards and as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

**In our opinion:**

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2021 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the company financial statements have been properly prepared in accordance with UK-adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Material uncertainty related to going concern**

We draw attention to note 2.2 in the financial statements, which indicates that the group will need to raise additional funds in order to meet its committed liabilities during the going concern period. As stated in note 2.2, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the group's and parent company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the group and company's ability to continue to adopt the going concern basis of accounting included a review of the directors' statement in note 2.2 to the financial statements and review of the company's budgets for the period of the twelve months from the date of approval of the financial statements, including checking the mathematical accuracy of the budgets and discussion of significant assumptions used by the management.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

**Our application of materiality**

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole. Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

## Independent Auditor's Report to the Members of Cizzle Biotechnology Holdings PLC (continued)

	Group financial statements	Company financial statements
<b>Overall materiality</b>	£27,000	£18,000
<b>Performance materiality</b>	£18,900	£12,600
<b>Basis of materiality</b>	5% of loss before tax less exceptional items	5% of loss before tax less exceptional items
<b>Rationale</b>	This is the primary key performance indicator used by management in assessing the performance of the group. We consider the users of the financial statements, such as investors, will also consider the loss before tax to be a key metric. Performance materiality is set at 70% of materiality as the overall risk is considered to be medium.	This is the primary key performance indicator used by management in assessing the performance of the parent company. We consider the users of the financial statements, such as investors, will also consider the loss before tax to be a key metric. Performance materiality is set at 70% of materiality as the overall risk is considered to be medium.

For each component in the scope of our group audit, we allocated a materiality that is less than our overall group materiality. The materiality applied to the audit of the subsidiary undertaking was £18,000. We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £1,350 (group audit) and £900 (parent company audit) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

### Our approach to the audit

In designing our audit approach, we determined materiality and assessed the risk of material misstatement in the financial statements. In particular, we looked at areas involving reverse acquisition accounting, significant accounting estimate and judgement by the directors and considered future events that are inherently uncertain. We also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

The group has three companies (including one dormant company) within the consolidated financial statements. We identified two significant components, the parent company and subsidiary undertaking Cizzle Biotechnology Limited, which were subject to a full scope audit by the group audit team.

### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material uncertainty related to going concern section we have determined the matters described below to be the key audit matters to be communicated in our report.

## Independent Auditor's Report to the Members of Cizzle Biotechnology Holdings PLC (continued)

Key Audit Matter	How our audit addressed this matter
<p><b>Reverse acquisition of Cizzle Biotechnology Limited (note 3)</b></p> <p>On 14 May 2021 Cizzle Biotechnology Limited completed the reverse acquisition of Cizzle Biotechnology Holdings plc (formerly Bould Opportunities plc). The enlarged group was admitted to trading on the London Stock Exchange on the same date.</p> <p>The reverse acquisition does not constitute a business combination and is accounted for in accordance with IFRS 2 'Share-based Payments' and associated IFRIC guidance. There is a risk the share-based payment has been incorrectly calculated and that the reverse acquisition has been incorrectly presented and disclosed.</p>	<p>Our work in this area included:</p> <ul style="list-style-type: none"> <li>▪ Reviewing the Prospectus and other applicable documentation to ensure the terms of the reverse acquisition are understood;</li> <li>▪ Checking the basis for calculating the 'deemed acquisition cost', comprising the consideration shares, together with the fair value of the assets and liabilities acquired at the date of acquisition within Cizzle Biotechnology Holdings plc;</li> <li>▪ Re-performing the calculations on consolidation; and</li> <li>▪ Checking the presentation and disclosure of the reverse acquisition in the financial statements.</li> </ul> <p>There were no issues noted for the reverse acquisition of Cizzle Biotechnology Limited, including the associated presentation and disclosure requirements.</p>

**Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the group and parent company financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006. In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

**Independent Auditor's Report to the Members of Cizzle Biotechnology Holdings PLC (continued)****Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the group and parent company financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the group and parent company financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the group and parent company and the sector in which they operate to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management and application of our cumulative audit knowledge and experience of the sector.
- We determined the principal laws and regulations relevant to the group and parent company in this regard to be those arising from UK-adopted international accounting standards and the Companies Act 2006.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the group and parent company with those laws and regulations. These procedures included, but were not limited to:
  - enquiries of management and review of Board minutes,
  - review of legal and regulatory correspondence.
- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, we did not identify any significant fraud risks.
- We addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.



**Independent Auditor's Report to the Members of Cizzle Biotechnology Holdings PLC (continued)**

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Other matters which we are required to address**

Our total uninterrupted period of engagement is 4 years, covering the periods ending 31 December 2018 to December 2021. The non-audit services prohibited by the FRC's Ethical Standard were not provided to the group or the parent company and we remain independent of the group and the parent company in conducting our audit. Our audit opinion is consistent with the additional report to the audit committee.

**Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**David Thompson (Senior Statutory Auditor)  
For and on behalf of PKF Littlejohn LLP  
Statutory Auditor**

**15 Westferry Circus  
Canary Wharf  
London E14 4HD**

**30 May 2022**

**Consolidated Statement of Comprehensive Income  
for the year ended 31 December 2021**

	Notes	Group Year ended 31 December 2021 £'000	CBL Year ended 31 December 2020 £'000
Revenue		-	-
Cost of sales		-	-
<b>Gross profit</b>		-	-
Administrative expenses			
- on-going administrative costs	6	(552)	(14)
- share option charge	6	(299)	-
- transaction costs	6	(303)	-
- reverse acquisition expenses	6	(2,804)	-
Total administrative expenses		(3,958)	(14)
<b>Operating (loss) and (loss) before income tax</b>		(3,958)	(14)
Income tax	9	37	-
<b>Loss and total comprehensive income for the year attributable to the equity shareholders of the parent</b>		(3,921)	(14)
<b>Earnings per ordinary share (pence) attributable to the equity shareholders:</b>			
Continued operations basic and diluted	10	(2.4p)	(2.8p)
<b>Earnings per ordinary share (pence) attributable to the equity shareholders of the parent</b>	10	(2.4p)	(2.8p)

The Company has elected to take the exemption provided under section 408, Companies Act 2006 from presenting the Company statement of comprehensive income.

The notes on pages 39 to 55 are an integral part of these financial statements.

Registered number: 06133765 (England and Wales)

**Consolidated Statement of Financial Position  
As at 31 December 2021**

	Notes	Group 2021 £'000	CBL 2020 £'000
<b>Non-current assets</b>			
Intangible asset	11	200	-
Tangible assets	11	-	-
		<b>200</b>	<b>-</b>
<b>Current assets</b>			
Trade and other receivables	12	80	3
Cash and cash equivalents	13	875	7
		<b>955</b>	<b>10</b>
<b>Total assets</b>		<b>1,155</b>	<b>10</b>
<b>Equity</b>			
<b>Capital and reserves attributable to equity holders of the company</b>			
Ordinary shares	14	3,493	3
Share premium		32,566	1,585
Reverse acquisition reserve		(40,021)	-
Share capital reduction reserve		10,081	-
Share option reserve		335	-
Retained losses		(5,517)	(1,596)
<b>Total equity</b>		<b>937</b>	<b>(8)</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	15	218	8
Borrowings		-	10
<b>Total liabilities</b>		<b>218</b>	<b>18</b>
<b>Total equity and liabilities</b>		<b>1,155</b>	<b>10</b>

The notes on pages 39 to 55 are an integral part of these financial statements.

The financial statements were approved and authorised for issue by the board on 30 May 2022 and were signed on its behalf by:

**Nigel Lee**  
Director

Registered number: 06133765 (England and Wales)

**Company Statement of Financial Position  
As at 31 December 2021**

	Notes	2021 £'000	2020 £'000
<b>Non-current assets</b>			
Intangible asset	11	200	
Investments	11	21,803	-
		<b>22,003</b>	-
<b>Current assets</b>			
Trade and other receivables	12	241	6
Cash and cash equivalents	13	848	84
		<b>1,089</b>	90
<b>Total assets</b>		<b>23,092</b>	90
<b>Equity</b>			
<b>Capital and reserves attributable to equity holders of the company</b>			
Ordinary shares	14	3,493	3,470
Share premium		32,566	8,852
Share capital reduction reserve		10,081	10,081
Share option reserve		335	-
Accumulated losses		(23,516)	(22,371)
<b>Total equity</b>		<b>22,959</b>	32
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	15	133	58
<b>Total liabilities</b>		<b>133</b>	58
<b>Total equity and liabilities</b>		<b>23,092</b>	90

The notes on pages 39 to 55 are an integral part of these financial statements. The loss for the year of the Company was £1,145,000 (2020: loss of £306,000).

The financial statements were approved and authorised for issue by the board on 30 May 2022 and were signed on its behalf by:

**Nigel Lee**  
Director

## Consolidated Statement of Cash Flows for the year ended 31 December 2021

	Notes	Group 2021 £'000	CBL 2020 £'000
<b>Cash flows from operating activities</b>			
<b>Operating (loss) before tax</b>		<b>(3,958)</b>	(14)
Adjustment for:			
Reverse acquisition expense	3,6	<b>2,804</b>	-
Share option charge		<b>299</b>	-
Transaction costs settled through share issue		<b>32</b>	-
Share based payment to former director		<b>11</b>	-
Operating cash flow before working capital movements		<b>(812)</b>	(14)
Decrease in trade and other receivables	12	<b>7</b>	-
Decrease in trade and other payables	15	<b>(204)</b>	(2)
<b>Net cash used in operating activities</b>		<b>(1,009)</b>	(16)
<b>Cash flows from investing activities</b>			
Cash acquired on acquisition of subsidiary		<b>46</b>	-
Purchase of investment in intangible assets	11	<b>(200)</b>	-
<b>Net cash used in investing activities</b>		<b>(154)</b>	-
<b>Cash flows from financing activities</b>			
Proceeds from the issue of ordinary shares (net of issue costs)	14	<b>2,041</b>	-
Borrowings received		<b>-</b>	10
Borrowings repaid		<b>(10)</b>	-
<b>Net cash generated from financing activities</b>		<b>2,031</b>	10
Net increase / (decrease) in cash and cash equivalents		<b>868</b>	(6)
<b>Cash and cash equivalents at the start of the year</b>	13	<b>7</b>	13
<b>Cash and cash equivalents at the end of the year</b>	13	<b>875</b>	7

The notes on pages 39 to 55 are an integral part of these financial statements.

## Company Statement of Cash Flows for the year ended 31 December 2021

	Notes	2021 £'000	2020 £'000
<b>Cash flows from operating activities</b>			
<b>Loss before tax</b>		<b>(1,145)</b>	<b>(306)</b>
Share option charge		<b>299</b>	-
Transaction costs settled through share issue		<b>32</b>	
Operating cash flow before working capital movements		<b>(814)</b>	<b>(306)</b>
Change in trade and other receivables	12	<b>(19)</b>	25
Change in trade and other payables	15	<b>75</b>	<b>(13)</b>
<b>Net cash used in operating activities</b>		<b>(758)</b>	<b>(294)</b>
<b>Cash flows from investing activities</b>			
Purchase of investment in intangible assets		<b>(200)</b>	-
Investment in subsidiary company	11	<b>(103)</b>	-
Change in intra group funding		<b>(216)</b>	-
<b>Net cash used in investing activities</b>		<b>(519)</b>	-
<b>Cash flows from financing activities</b>			
Proceeds from the issue of ordinary shares (net of issue costs)	14	<b>2,041</b>	-
<b>Net cash generated from financing activities</b>		<b>2,041</b>	-
Net increase / (decrease) in cash and cash equivalents		<b>764</b>	<b>(294)</b>
<b>Cash and cash equivalents at the start of the year</b>	13	<b>84</b>	<b>378</b>
<b>Cash and cash equivalents at the end of the year</b>	13	<b>848</b>	<b>84</b>

The notes on pages 39 to 55 are an integral part of these financial statements.

**Group statement of Changes in Equity  
for the year ended 31 December 2021**

<b>Group</b>	<b>Ordinary Share Capital £'000</b>	<b>Share Premium £'000</b>	<b>Capital Redemption Reserve £'000</b>	<b>Share Option Reserve £'000</b>	<b>Reverse Acquisition Reserve £'000</b>	<b>Retained Losses £'000</b>	<b>Total £'000</b>
At 1 January 2021	3	1,585	-	-	-	(1,596)	(8)
Issue of shares	-	11	-	-	-	-	11
Transfer to reverse acquisition reserve	(3)	(1,596)	-	-	1,599	-	-
Recognition of plc equity at acquisition date	3,470	8,852	10,081	-	(22,621)	-	(218)
Issue of shares for acquisition of subsidiary	21	21,679	-	-	(21,803)	-	(103)
Reverse acquisition expense	-	-	-	-	2,804	-	2,804
Issue of shares for cash	2	2,198	-	-	-	-	2,200
Issue of shares in settlement of fees	-	32	-	-	-	-	32
Issue of warrants	-	(36)	-	36	-	-	-
Cost of share issue	-	(159)	-	-	-	-	(159)
Share option charge	-	-	-	299	-	-	299
	<b>3,493</b>	<b>32,566</b>	<b>10,081</b>	<b>335</b>	<b>(40,021)</b>	<b>(1,596)</b>	<b>4,858</b>
Comprehensive Loss for the year	-	-	-	-	-	(3,921)	(3,921)
<b>At 31 December 2021</b>	<b>3,493</b>	<b>32,566</b>	<b>10,081</b>	<b>335</b>	<b>(40,021)</b>	<b>(5,517)</b>	<b>937</b>

**For the year ended 31 December 2020**

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

**Company statement of Changes in Equity  
for the year ended 31 December 2021**

	Ordinary Share Capital £'000	Share premium £'000	Share capital reduction reserve £'000	Share option reserve £'000	Retained Losses £'000	Total £'000
At 1 January 2020	3,470	8,852	10,081	-	(22,065)	338
Comprehensive Loss for the year	-	-	-	-	(306)	(306)
At 31 December 2020	3,470	8,852	10,081	-	(22,371)	32
Issue of shares for acquisition of subsidiary	21	21,679	-	-	-	21,700
Issue of shares for cash	2	2,198	-	-	-	2,200
Issue of shares in settlement of fees	-	32	-	-	-	32
Cost of share issue	-	(159)	-	-	-	(159)
Issue of warrants	-	(36)	-	36	-	-
Share option charge	-	-	-	299	-	299
	3,493	32,566	10,081	335	(22,371)	24,104
Comprehensive Loss for the year	-	-	-	-	(1,145)	(1,145)
<b>At 31 December 2021</b>	<b>3,493</b>	<b>32,566</b>	<b>10,081</b>	<b>335</b>	<b>(23,516)</b>	<b>22,959</b>

The notes on pages 39 to 55 are an integral part of these financial statements.



## Notes to the financial statements for the year ended 31 December 2021

### 1 General information

Cizzle Biotechnology Holdings PLC (“the Company” of “the Group”) (formerly Bould Opportunities PLC) is a public limited company with its shares traded on the Standard Listing of the London Stock Exchange. On 14 May 2021 the Company acquired through a share for share exchange the entire share capital of Cizzle Biotechnology Limited. The Company is a holding company of a group of companies (“the Group”) whose principal activity is the early detection of lung cancer via the development of an immunoassay test for the CIZ1B biomarker.

The directors consider there to be no ultimate controlling shareholder of the Company.

The address of the registered office is 6<sup>th</sup> Floor, 60 Gracechurch Street, London, EC3V 0HR and the registered number of the Company is 06133765.

### 2 Accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### 2.1 Basis of preparation

The financial statements of Cizzle Biotechnology Holdings PLC (“the Company”) including subsidiary undertakings (together referred to as “the Group”) have been prepared in accordance with UK-adopted international accounting standards and the Companies Act 2006 on a historical cost basis.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

The results for the year ended 31 December 2021 are the Group results following the acquisition of Cizzle Biotechnology Limited (“CBL”) on 14 May 2021. The results for the comparative period to 31 December 2020 are the results of CBL prior to the creation of the new Group.

#### (a) New standards and interpretations

The IASB and IFRS Interpretations Committee have issued the following standards and interpretations with an effective date of implementation of 1 January 2021.

#### i) New standards and amendments – applicable 1 January 2021

The following standard and interpretations apply for the first time to financial reporting periods commencing on or after 1 January 2021:

	Effective for accounting periods beginning on or after	Impact
Interest rate benchmark reform – Amendments to IFRS 17 “Insurance Contracts”	1 January 2021	None
Interest rate benchmark reform – Amendments to IFRS 16 “Leases”	1 January 2021	None
Interest rate benchmark reform – Amendments to IFRS 9 “Financial Instruments”	1 January 2021	None
Interest rate benchmark reform – Amendments to IAS 39 “Financial Instruments: Recognition and Measurement”	1 January 2021	None
Interest rate benchmark reform – Amendments to IFRS 7 “Financial Instruments: Disclosures”	1 January 2021	None

## Notes to the financial statements for the year ended 31 December 2021

### 2 Accounting policies (continued)

#### ii) Forthcoming requirements

As at 31 December 2021, the following standards and interpretations had been issued but were not mandatory for annual reporting periods ending on 31 December 2021 and not early adopted.

	Effective for accounting periods beginning on or after	Impact
COVID-19 related Rent Concessions – Amendments to IFRS 16	1 March 2021	None
Income Taxes – Deferred tax amendments to IAS 12	1 May 2021	None
Property, Plant and Equipment: Proceeds before intended use – Amendments to IAS 16	1 January 2022	None
Reference to the Conceptual Framework – Amendments to IFRS 3	1 January 2022	None
Onerous Contracts: Cost of Fulfilling a Contract – Amendments to IAS 37	1 January 2022	None
Annual Improvements to IFRS Standards 2018–2020	1 January 2022	None
Classification of Liabilities as Current or Non-current – Amendments to IAS 1	1 January 2022	None

### 2.2 Going concern

The Directors have adopted the going concern basis in preparing the financial statements for the year to 31 December 2021. In reaching this conclusion, the Directors have considered current trading and the current and projected funding position for the period of just over 12 months from the date of approval of the financial statements through to 30 June 2023. The Company, as anticipated in the Company's Prospectus announced on 23 April 2021, will need to generate finance through equity or debt in order to meet its committed liabilities as they fall due for the foreseeable future and progress its planned product research and development activities. The auditors have made reference to a material uncertainty in respect of going concern in their audit report. The assessment of the COVID-19 situation continues to be monitored by the directors. Its impact to date on the Group's operations has been minimal.

#### Current funding

The Company's cash balance as at 31 December 2021 was £875,000 and there were no borrowing facilities at that date. On 14 May 2021 the Company raised £2,200,000, before share issue costs, through the placing of new ordinary shares in conjunction with the admission of its shares to trading on the London Stock Exchange by way of a Standard Listing.

#### Conclusion

After taking account of the Company's current funding position, its cash flow projections and the risks and uncertainties associated with these, the directors have a reasonable expectation that the Company has access to adequate resources to continue in operational existence for the foreseeable future. For these reasons they continue to prepare the financial statements on a going concern basis. These financial statements do not include any adjustments that would result from the going concern basis of preparation being inappropriate.

### 2.3 Segmental reporting

IFRS 8 requires that segmental information be disclosed on the basis of information reported to the chief operating decision maker. The Company considers that the role of chief operating decision maker is performed by the Company's Board of Directors. The Group's only business activity and single segment is the development of tests for the early detection of lung cancer.

### 2.4 Foreign currency translation

The functional currency of the Company is Sterling which is also the presentational currency of the financial statements. Foreign currency assets and liabilities are converted into Sterling at the rates of exchange ruling at the end of the financial year. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

**Notes to the financial statements for the year ended 31 December 2021****2 Accounting policies (continued)****2.5 Non-Current assets**

Investments in intangible assets and subsidiaries are stated at cost less accumulated impairment. Plant and equipment are stated at costs less accumulated depreciation and any accumulated impairment losses. Depreciation is charged to write off costs less estimated residual values on a straight-line basis over their estimated useful lives. Estimated useful lives are reviewed each year and amended if necessary.

**2.6 Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments, with original maturities of three months or less.

**2.7 Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

**2.8 Current and deferred income tax**

Current income tax is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

**2.9 Share based payments**

The Company operates an equity-settled, share-based compensation plan. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense and credited to the share option reserve within equity. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Options that lapse before vesting are credited back to income. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and, if applicable, share premium when the options are exercised.

**2.10 Financial instruments***i) Financial assets*

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value through profit or loss; and
- those to be measured at amortised cost.

The classification depends on the business model for managing the financial assets and the contracted terms of the cash flows. Financial assets are classified as at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect contracted cash flows; and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

## Notes to the financial statements for the year ended 31 December 2021

### 2 Accounting policies (continued)

#### 2.10 Financial instruments (continued)

Financial assets, including trade and other receivables and cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the consolidated income statement.

The Company applies the simplified approach in calculating the expected credit losses (ECLs) as permitted by IFRS 9. Changes in credit risk is not tracked but instead a loss allowance is recognised at each reporting date based on the financial asset's lifetime ECL.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the consolidated income statement.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions

##### *ii) Financial liabilities*

Basic financial liabilities, being trade and other payables, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires. The Company does not hold or issue derivative financial instruments.

##### *iii) Offsetting*

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle to liability simultaneously.

#### 2.11 Pensions

For defined contribution schemes the amount charged to the statement of comprehensive income is the contribution payable in the year. Differences between the contributions payable in the year and contributions actually paid are shown either as accruals or prepayments.

#### 2.12 Exceptional items

The Company has separately identified certain net expenses that are exceptional by either their size or the fact that they do not normally occur in the Company's normal course of business. Such items are recorded separately in the Statement of Comprehensive Income and are explained further in Note 6.

## Notes to the financial statements for the year ended 31 December 2021

### 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 CIZ1B 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 means 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 31 December 2021).

On 14 May 2021 the Company issued 206,310,903 ordinary shares to acquire the 313,932 ordinary shares of CBL Limited. At 14 May 2021 the valuation of the investment in CBL was £21,700,000.

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 £2,587,000 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 £2,587,000 and the fair value of the net liabilities noted above of £(217,000) resulted in £2,804,000 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.

## Notes to the financial statements for the year ended 31 December 2021

**3 Reverse acquisition (continued)**

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

	£'000
Pre-acquisition equity <sup>1</sup>	(22,621)
CBL share capital at acquisition <sup>2</sup>	1,599
Investment in CBL <sup>3</sup>	(21,803)
Reverse acquisition expense <sup>4</sup>	2,804
	<u>(40,021)</u>

1. Pre-acquisition equity of Cizzle Biotechnology Holdings PLC at 14 May 2021.
2. CBL had issued share capital and share premium of £1,599,000. 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.
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 Financial risk**

The Group's principal risk factors are as follows:

**4.1 Capital risk management**

The Company monitors capital which comprises all components of equity (i.e. share capital, share premium, capital reduction reserve, share option reserve, and retained earnings/losses). Note 22 describes how capital is managed in respect of the debt to equity ratio.

**4.2 Financial risk factors**

The Group's operations exposed it to a variety of financial risks that had included the effects of credit risk, liquidity risk and interest rate risk. The Company had in place a risk management programme that attempted to limit the adverse effects on the financial performance of the Company by monitoring levels of debt finance and the related finance costs. The Company did not use derivative financial instruments to manage interest rate costs and as such, no hedge accounting was applied.

Given the size of the Company, the directors did not delegate the responsibility of monitoring financial risk management to a sub-committee of the Board. The policies set by the board of directors were implemented by the Company's finance department.

- (a) **Credit risk**  
The Company's credit risk was primarily attributable to its trade receivables balance. The amounts presented in the statement of financial position are net of allowances for impairment.
- (b) **Liquidity risk**  
Liquidity risk was the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company's financial liabilities included its trade and other payables shown in Note 15.
- (c) **Interest rate cash flow risk**  
The Company had interest-bearing assets. Interest bearing assets comprised only cash balances, which earned interest at floating rates.

## Notes to the financial statements for the year ended 31 December 2021

**5 Critical accounting estimates and judgements**

In the preparation of the financial statements the directors must make estimates and assumptions that affect the asset and liability items and revenue and expense amounts recorded in the financial statements. These estimates are based on historical experience and various other assumptions that the Board believes are reasonable under the circumstances. The results of this form the basis for making judgements about the carrying value of assets and liabilities that are not readily available from other sources.

**a) Accounting judgement**

There were no judgments made.

**b) Accounting estimate**Share based payments

See Note 14 which explains the methods used to estimate the fair value of share options granted.

**6 Operating expenses**

	<b>Group</b>	<b>CBL</b>
	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Research and development	161	-
Professional advisers	89	-
Staff costs	88	-
Intellectual property renewal fees	57	14
Regulatory fees	53	-
Share based payment	37	-
Audit fees (Note 7)	27	-
Other expenditure	40	-
<hr/>		
On-going administrative costs	552	14
Share option charge	299	-
Reverse acquisition expense	2,804	-
Transaction costs – IPO and reverse acquisition	303	-
<hr/>		
Total administrative expenses	<b>3,958</b>	14

**7 Auditor's remuneration**

	<b>Group</b>	<b>CBL</b>
	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
<hr/>		
Fees payable to the Company's auditor for the audit of the Group, Company and subsidiary financial statements	27	-
Non-audit services – reporting accountant for IPO	38	-
<hr/>		
	<b>65</b>	-
<hr/>		

## Notes to the financial statements for the year ended 31 December 2021

**8 Directors' emoluments**

	<b>Group</b> <b>2021</b> <b>£'000</b>	CBL 2020 £'000	<b>Company</b> <b>2021</b> <b>£'000</b>	Company 2020 £'000
Wages and salaries	125	-	105	80
Social Security Costs	10	-	11	6
Pension Contributions	3	-	2	-
Share based payments	299	-	299	-
	<b>437</b>	-	<b>417</b>	86

The Group does not have any employees other than the directors. The average number of directors during the year was 4 (CBL 2020: 2).

**9 Income tax credit**

The tax credit for the year was as follows:

	<b>Group</b> <b>2021</b> <b>£'000</b>	CBL 2020 £'000
Research and development tax credits	<b>(37)</b>	-
	<b>(37)</b>	-

The tax on the Group's loss before tax differs from the theoretical amount that would arise using the tax rate applicable to the losses of the group (2020: CBL) as follows:

	<b>Group</b> <b>2021</b> <b>£'000</b>	CBL 2020 £'000
Loss before tax on continuing operations	<b>(3,958)</b>	-
Tax calculated at the domestic rate applicable of 19% (2020: 19%)	<b>(752)</b>	-
Expenses not deductible for tax purposes	<b>590</b>	-
Tax losses for which no deferred tax credit was recognised	<b>162</b>	-
Research and development tax credit	<b>(37)</b>	-
Total income tax credit	<b>(37)</b>	-

**10 Earnings per share****Basic loss per share**

	<b>Group</b> <b>2021</b>	CBL 2020
Loss for the year	<b>(£3,921,000)</b>	(£14,000)
Weighted average number of ordinary shares	<b>160,516,450</b>	493,844
Basic loss per share	<b>(2.4p)</b>	(2.8p)

The basic loss per share is derived by dividing the loss for the period attributable to ordinary shareholders by the weighted average number of shares in issue. The weighted average number of shares is adjusted for the impact of the reverse acquisition as follows:

- Prior to the reverse acquisition, the number of shares is based on CBL, adjusted using the share exchange ratio arising on the reverse acquisition; and
- From the date of the reverse acquisition, the number of share is based on the Company.



## Notes to the financial statements for the year ended 31 December 2021

**10 Earnings per share (continued)**

Diluted earnings per share is calculated by dividing the loss 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 results for the years ended 31 December 2021 and 31 December 2020 are a loss, any exercise of share options would have an anti-dilutive effect on earnings per share. Consequently, earnings per share and diluted earnings per share are the same and the calculation has not been included.

As at 31 December 2021, there were share options outstanding over 23,432,041 shares (CBL 2020: 14,928,864 shares), which could potentially have a dilutive impact in the future.

**11 Non- Current assets**

	<b>Group 2021 £'000</b>	<b>CBL 2020 £'000</b>	Company 2021 £'000	Company 2020 £'000
Investment in subsidiary undertakings	-	-	21,803	-
Intangible assets	<b>200</b>	-	200	-
Tangible assets	-	-	-	-
<b>Total investments</b>	<b>200</b>	-	22,003	-

**a. Investments in subsidiary undertakings - Company**

	<b>2021 £'000</b>	2020 £'000
Opening balance	-	-
Acquisition during the year	<b>21,803</b>	-
Closing balance	<b>21,803</b>	-

The investment in subsidiary undertakings is in the following companies:

<b>Name</b>	<b>Country of incorporation</b>	<b>Proportion of ownership interest</b>	<b>Principal activities/status</b>
Cizzle Biotechnology Limited	England and Wales	100% interest in ordinary share capital	Early detection of lung cancer
Cizzle Biotech Limited (formerly Enfis Limited)	England and Wales	100% interest in ordinary share capital	Dormant

The registered address for ongoing subsidiaries is 6<sup>th</sup> floor, 60 Gracechurch Street, London, EC3V 0HR. Cizzle Biotechnology Limited - as mentioned in Note 3, this investment represents the value of the shares issued by the Company in exchange for the entire share capital of CBL (£21,700,000 plus stamp duty expenses of £103,000).

**b. Intangible assets – Group and Company**

Intangible assets represents the fair value an investment in a royalty sharing arrangement with St George Street Capital ("SGSC"), a UK-based medical charity. This agreement grants the Company potential future royalty payments from the commercialisation of St George Street's therapeutic asset AZD1656 of up to £5m, plus potentially further payments from the use of a companion diagnostic.

	<b>2021 £'000</b>	2020 £'000
Opening balance	-	-
Acquisition during the year	<b>200</b>	-
Closing balance	<b>200</b>	-

## Notes to the financial statements for the year ended 31 December 2021

## 11 Non- Current assets

## c. Tangible assets - Group

	Laboratory equipment £'000	Total £'000
<b>Cost</b>		
At 1 January 2021	-	-
Acquired during the year	18	18
Write-off during the year	(18)	(18)
At 31 December 2021	<u>-</u>	<u>-</u>
<b>Depreciation</b>		
At 1 January 2020	-	-
Acquired during the year	18	18
Write-off during the year	(18)	(18)
At 31 December 2021	<u>-</u>	<u>-</u>
<b>Net book value</b>		
At 31 December 2021	<u>-</u>	<u>-</u>
At 31 December 2020	<u>-</u>	<u>-</u>

On 14 May 2021 the Group acquired laboratory equipment with a cost of £18,000 and a net book value of £Nil. This equipment was written off at 31 December 2021.

## Notes to the financial statements for the year ended 31 December 2021

## 12 Trade and other receivables

	<b>Group</b>	CBL	<b>Company</b>	Company
	<b>2021</b>	2020	<b>2021</b>	2020
	<b>£'000</b>	£'000	<b>£'000</b>	£'000
Trade receivables	-	-	-	4
Less: provision for impairment	-	-	-	-
Trade receivables (net)	-	-	-	4
Amounts due from subsidiaries	-	-	<b>216</b>	-
Social security and other taxes	<b>14</b>	-	<b>7</b>	2
Corporation tax recoverable	<b>37</b>	-	-	-
Prepayments and other receivables	<b>29</b>	3	<b>18</b>	-
	<b>80</b>	3	<b>241</b>	6

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are classified as 'trade and other receivables' in the statement of financial position and are included in current assets, except for maturities greater than 12 months after the statement of financial position date. These are classified as non-current assets. The value of trade receivables shown above, in addition to the value of cash balances on deposit with counterparties (see Note 17), represents the Company's maximum exposure to credit risk. No collateral is held as security.

Amounts due from subsidiary undertakings at 31 December 2021 represented net amounts provided to the Company's wholly owned subsidiary, Cizzle Biotechnology Limited.

The fair value of trade and other receivables approximate to the net book values stated above.

As of 31 December 2021, trade receivables of £Nil (2020: £Nil) were past their due date of receipt.

	<b>Group</b>	CBL	<b>Company</b>	Company
	<b>2021</b>	2020	<b>2021</b>	2020
	<b>£'000</b>	£'000	<b>£'000</b>	£'000
Up to two months past due	-	-	-	-
Over two months past due	-	-	-	4

As of 31 December 2021, trade receivables of £Nil (2020: £Nil) were impaired. The individually impaired receivables relate to balances where it has been assessed that the receivable is not expected to be recovered.

## 13 Cash and cash equivalents

	<b>Group</b>	<b>CBL</b>	Company	Company
	<b>2021</b>	<b>2020</b>	2021	2020
	<b>£'000</b>	<b>£'000</b>	£'000	£'000
Cash on hand and balances with banks	<b>875</b>	<b>7</b>	848	84
	<b>875</b>	<b>7</b>	848	84

## Notes to the financial statements for the year ended 31 December 2021

## 14 Share capital

Numbers in 000s

	New Ordinary Shares 0.01p	Deferred 'A' shares 0.01p	Deferred 'A' shares 0.99p
Nominal value per share			
At 31 December 2020	-	-	-
Recognition of PLC equity	24,817	225,158	12,383,626
Issued	228,631	-	-
<b>At 31 December 2021</b>	<b>253,448</b>	<b>225,158</b>	<b>12,383,626</b>

The following table reconciles the total nominal value of the shares in issue:

	New Ordinary shares 0.01p £000	Deferred £0.01p 'A' shares 0.01p £'000	Deferred 'A' shares 0.99p £000	Total £000
Nominal value per share				
At 31 December 2020	-	-	-	-
On reverse takeover of Cizzle Biotechnology Limited				
- Recognition of PLC equity	3	1,238	2,229	3,470
- Consideration shares	21	-	-	21
- Placing of shares for cash	2	-	-	2
- Settlement of fees	-	-	-	-
<b>At 31 December 2021</b>	<b>26</b>	<b>1,238</b>	<b>2,229</b>	<b>3,493</b>

During the year ended 31 December 2021, the following shares were issued:

	No of shares issued 000s	Issue price per share Pence
<b>14 May 2021</b>		
Reverse takeover – Cizzle Biotechnology Ltd (non-cash)	206,311	10.0p
Placing (cash)	22,000	10.0p
Settlement of fees (non-cash)	320	10.0p
<b>Total issued</b>	<b>228,631</b>	

On 14 May 2021 the Company issued investor warrants to subscribe for 11,000,000 Ordinary Shares at a fixed price of 15p per share valid for three years until 13 May 2024.

On 14 May 2021 the Company issued broker and adviser warrants to subscribe for 1,350,000 Ordinary Shares at a fixed price of 10p per share valid for three years until 13 May 2024. 250,000 of these broker warrants are automatically exercisable upon the Company's share price equalling 20p per share. The fair value of these warrants at 31 December 2021 is £5,000 and has been accounted for as a cost to the Company and a reduction of the share premium account ( see statement of changes in equity on pages 37 to 38).

## Notes to the financial statements for the year ended 31 December 2021

## 14 Share capital (continued)

## Employee share scheme

The Company has an Executive Share Option Scheme.

The exercise terms of all granted options as at 31 December 2021 are summarised below:

Date of grant	Number of options	Exercise price (pence per share)	Exercise dates from
2015	300	5.02	2017
2016	800	1.85	2017
2017	500	1.00	2018
2021	3,689,096	1.53	2021
2021	19,741,345	10.00	2021 (based on performance)

The number and weighted average exercise price of the options that were exercisable at 31 December 2021 were 23,432,041 and 8.67p respectively.

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	Average exercise price (pence per share)	Options number
At 31 December 2020	-	
Acquired on reverse takeover	1.53	3,690,696
Issued during year	10.00	19,741,345
<b>At 31 December 2021</b>	<b>8.67</b>	<b>23,432,041</b>

Share options outstanding at the end of the year have the following expiry dates and exercise prices:

Expiry date	Exercise price (pence per share)	Options 2021
2025	5.02	300
2026	1.85	800
2027	1.00	500
2027	1.53	3,689,096
2031	10.00	19,741,345
		<b>23,432,041</b>

## Notes to the financial statements for the year ended 31 December 2021

## 14 Share capital (continued)

The Company determines the fair value of its share option contracts on the grant date, adjusts this to reflect its expectation of the options that will ultimately vest, and then expenses the calculated balance on a straight-line basis through its statement of comprehensive income over the expected vesting period with a corresponding credit to its share option reserve. Subsequent changes to the expectation of number of options that will ultimately vest are dealt with prospectively such that the cumulative amount charged to the statement of comprehensive income is consistent with latest expectations. Subsequent changes in market conditions do not impact the amount charged to the statement of comprehensive income.

The Company determines the fair value of its share option contracts using a model based on the Black-Scholes-Merton methodology. In determining the fair value of its share option contracts, the Company made the following assumptions (ranges are provided where values differ across tranches). Expected volatility was determined by reference to historical experience.

Grant date	Share Price Pence	Exercise Price Pence	Expected Option Life Years	Expected Volatility %	Expected Dividend Yield %	Risk free Interest Rate %	Fair Value At date of Grant Pence
2021	9.38p	1.53p	10 years	68%	0%	0.83%	1.60p
2021	4.40p	10.00p	10 years	32%	0%	0.83%	3.00p

## 15 Trade and other payables

	Group 2021 £'000	CBL 2020 £'000	Company 2021 £'000	Company 2020 £'000
Trade payables	111	2	73	14
Social security and other taxes	43	-	6	5
Accruals and other payables	64	6	54	39
	<b>218</b>	<b>8</b>	<b>133</b>	<b>58</b>

	Group 2021 £'000	CBL 2020 £'000	Company 2021 £'000	Company 2020 £'000
Due or due in less than one month	75	2	37	14
Due between one and three months	4	-	4	8
Due in more than three months	32	-	32	(8)
	<b>111</b>	<b>2</b>	<b>73</b>	<b>14</b>

## 16 Borrowings

	Group 2021 £'000	CBL 2020 £'000	Company 2021 £'000	Company 2020 £'000
Loans repayable in less than one year	-	10	-	-
	<b>-</b>	<b>10</b>	<b>-</b>	<b>-</b>

## Notes to the financial statements for the year ended 31 December 2021

## 17 Financial assets and liabilities

The tables below analyse the carrying value of financial assets and financial liabilities in the Group's and Company's statements of financial position. Further information on the classes that make up each category is provided in the notes indicated. The carrying value of each category is considered a reasonable approximation of its fair value. All amounts are due within one year.

	<b>Group</b> <b>2021</b> <b>£'000</b>	CBL 2020 £'000	<b>Company</b> <b>2021</b> <b>£'000</b>	Company 2020 £'000
Trade receivables (Note 12)	-	-	-	4
Amounts due from subsidiaries (Note 12)	-	-	<b>216</b>	-
Prepayments and other receivables (Note 12)	<b>29</b>	3	<b>18</b>	-
Cash and cash equivalents (Note 13)	<b>875</b>	7	<b>848</b>	84
<b>Financial assets at amortised cost</b>	<b>904</b>	10	<b>1,082</b>	88

	<b>Group</b> <b>2021</b> <b>£'000</b>	CBL 2020 £'000	<b>Company</b> <b>2021</b> <b>£'000</b>	Company 2020 £'000
Trade payables (Note 15)	<b>111</b>	2	<b>73</b>	22
Accruals and other payables (Note 15)	<b>64</b>	6	<b>54</b>	36
Borrowings (Note 16)	-	10	-	-
<b>Financial liabilities at amortised cost</b>	<b>175</b>	18	<b>127</b>	58

## 18 Deferred income tax

There is an un-provided deferred tax asset arising on taxable losses of £0.47m (2020: £0.2m). In accordance with accounting standards, the deferred tax asset has not been recognised in the financial statements due to uncertainty over the availability of sufficient future profits against which it could be recovered.

At 31 December 2021 there was no deferred tax liability (2020: £nil).

## 19 Commitments

The Group has no commitments as at 31 December 2021 (2020: £Nil).

## 20 Related party transactions

Transactions with directors

Directors' emoluments as noted in note 8. The Group Statement of Comprehensive Income includes an amount of £7,366 (2020: £20,000) paid to Experience Capital Limited in respect of non-executive director services provided by Martin Lampshire.

## 21 Controlling party

The directors consider there to be no ultimate controlling party.

## Notes to the financial statements for the year ended 31 December 2021

**22 Capital management**

In managing its capital structure, the Company's objective is to safeguard the Company's ability to continue as a going concern, managing cash flows so that it can continue to provide returns for shareholders.

The Company makes adjustments to its capital structure in the light of changes in economic conditions and the requirements of the Company's businesses. The Board has sought to maintain low levels of borrowing to reflect the development stage of the Company's businesses. Over time as the Company's businesses mature and become profitable the Board is likely to make increased use of borrowing facilities to fund working capital. In order to maintain or adjust the capital structure, the Company may issue new shares or seek additional borrowing facilities. The Company monitors capital on several bases including the debt to equity ratio. This ratio is calculated as debt ÷ equity. Debt is calculated as total borrowings as shown in the consolidated statement of financial position.

Equity comprises all components of equity as shown in the consolidated statement of financial position. The debt-to-equity ratio at 31 December 2021 and 31 December 2020 was as follows:

	<b>Group</b>	<b>CBL</b>	Company	Company
	<b>2021</b>	<b>2020</b>	2021	2020
	<b>£'000</b>	<b>£'000</b>	£'000	£'000
Total debt	-	<b>10</b>	-	-
Total equity	<b>937</b>	<b>(8)</b>	22,959	32
Debt-to-equity ratio	<b>0.0%</b>	<b>125%</b>	0.0%	0.0%

**23 Reserves**

The following reserves describe the nature and purpose of each reserve within equity:

**a. Capital reduction reserve**

The capital reduction reserve set out in the Statement of Changes in Equity arose in 2014 when the nominal value of each share was reduced from 10p to 1p.

**b. Share premium**

The amount subscribed for each share in excess of nominal value.

**c. Reverse acquisition reserve**

The reverse acquisition reserve is explained in Note 3.

**d. Share option**

The accumulated expense arising during their vesting period of share options granted to directors and employees and warrants granted to third parties.

**e. Accumulated losses**

All other net losses and gains not recognised elsewhere.



**Notes to the financial statements for the year ended 31 December 2021****24 Subsequent events****a) Royalty Investment in AZD 1656**

On 14 February 2022 it was announced that the Company had entered into a definitive agreement (the "Agreement") with Conduit Pharmaceuticals Limited ("Conduit") and St George Street Capital Limited ("SGSC") to acquire a 5% economic interest in the commercialisation of the AZD 1656 asset or other such assets being developed by Conduit or SGSC to treat inflammatory pulmonary and cardiovascular disease (the "Economic Interest").

Highlights of the Agreement are as follows:

- Agreement with Conduit and SGSC to acquire a 5% economic interest for a total consideration of £1.88 million, to be settled in new Cizzle ordinary shares at a price of 4.0p per share, a 56.9% premium to the closing mid-market price on 11 February 2022;
- The Agreement is in addition to the Company's existing interest in AZD 1656 as announced on 20 September 2021;
- SGSC recently reported the successful completion of the AZD 1656 ARCADIA clinical trial in Covid-19 and SGSC and Conduit are in discussions with multiple pharmaceutical companies about licensing opportunities for AZD 1656 for Covid-19 and potentially for further indications; and
- The Agreement supports the Company's ambitions to expand its target customer base into the pharmaceutical industry and is in line with its strategy of building a portfolio of early cancer detection tests, companion diagnostics and royalty bearing stakes in significant drug assets.

**Consideration for the Agreement**

Under the terms of the Agreement, Cizzle will pay consideration of £1.88 million to SGS for the Economic Interest. Of the consideration payable, £1.0 million (the "Initial Consideration") will be satisfied by the issue of 25,000,000 new ordinary shares in the Company (the "Consideration Shares"), at a price of 4.0 pence per Consideration Share, being a premium of 56.9 per cent. to the Company's closing mid-market price of 2.55 pence on 11 February 2022. The remaining consideration of £880,000 will be payable in new ordinary shares in the Company issued at 4.0 pence per share, on the earlier of receiving shareholder approval to issue the shares or the first anniversary of completion.

The transaction is considered to be a non-adjusting subsequent event as the decision to make this investment was not undertaken until just prior to the announcement. In 2022 the Group intends to account for this investment within intangible assets.

**b) USA**

On 6 May 2022 the Group announced that it had signed a heads of terms to partner with CorePath Laboratories (CorePath), a full service cancer reference laboratory, to develop and offer its proprietary early-stage lung cancer test throughout the USA. The proposal is that the Group would receive a 15% royalty and royalty sharing arrangements overall offering of products and services using CIZ1B via CorePath in the USA.