



**C4X Discovery Holdings plc**  
("C4XD" or the "Company")

### **Acquisition of Genetic Analysis Company**

*Adorial Limited augments C4X Discovery's drug discovery engine*

**1<sup>st</sup> March, 2016** - C4X Discovery Holdings plc (AIM: C4XD), an innovative drug discovery and development company, today announces the acquisition of Adorial Limited together with its subsidiaries ("Adorial"), a privately held drug discovery company with a proprietary genetic technology platform for the identification of novel drug targets ("the Acquisition").

Adorial's key genetic technology, Taxonomy3<sup>®</sup>, was originally co-developed with academic experts from the universities of Oxford and Lille, with funding support from Innovate UK. Taxonomy3<sup>®</sup> is a revolutionary and highly sensitive mathematical tool that has the potential to increase the probability of small molecule drug-development success. Adorial has used Taxonomy3<sup>®</sup> in partnership with several of the world's largest pharmaceutical companies, including Takeda and UCB Pharma, and has identified multiple new targets in rheumatoid arthritis, Parkinson's disease and ophthalmology.

By performing highly sensitive *in silico* mining and analysis of publicly available DNA databases, Taxonomy3<sup>®</sup> is able to identify previously unknown linkages and interactions between genes and biological pathways in a broad range of diseases. This enables the discovery of targets that cause disease, rather than those that are simply associated with its symptoms, thereby providing the best starting point for drug discovery, biomarker identification and patient stratification, and ultimately improving the chances of clinical success.

Dr Alun McCarthy and Dr Olivier Delrieu, the founders of Adorial, will both join the Company with immediate effect.

The total consideration payable is approximately £1.7 million which will be satisfied by the issue of 1,508,207 new ordinary shares (the "Consideration Shares") at a price of 106p, being a 3 per cent premium to the closing mid-market price of a C4XD share on 29<sup>th</sup> February 2016, and £72,000 cash. The Acquisition is conditional only on Admission of the Consideration Shares to trading on AIM becoming effective ("Admission"). Application has been made for Admission and it is expected that this will occur on 2<sup>nd</sup> March 2016. All Consideration Shares are subject to lock-in agreements of between 6 and 12 months.

**Dr Clive Dix, Executive Chairman of C4X Discovery, commented on the acquisition:** "With Adorial, we now not only have the ability to create the best-in-class molecules against any known therapeutic target using C4XD's approach to ligand-based drug discovery, but also the ability to identify our own highly relevant and unique targets using Taxonomy3<sup>®</sup>. Combining Taxonomy3<sup>®</sup> with C4X Discovery's existing platform will fuel our small molecule drug discovery and development pipeline, as well as help us to progress towards our goal of becoming the world's leading engine for the discovery of novel small molecule drugs."

"We welcome Dr Alun McCarthy and Dr Olivier Delrieu to the C4XD team, both of whom have distinguished backgrounds in pharmaceutical Research and Development. They bring with them an

existing list of high quality targets with genetic validation that have a much improved chance of clinical success.”

**Dr Alun McCarthy, CEO of Adorial, commented on the acquisition:** “We are delighted to join C4X Discovery and integrate with its innovative chemistry technology. The combination of Adorial’s ability to identify novel drug targets with C4X’s ability to rapidly generate molecules against these targets creates an extremely powerful drug discovery engine”.

### **Total Voting Rights**

Subsequent to the issuance of the Consideration Shares, the Company will have 32,496,757 Ordinary Shares in issue. The Company does not hold any shares in treasury. Accordingly, following admission of the Consideration Shares, the total number of Ordinary Shares and voting rights in the Company is 32,496,757. This figure may be used by shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, the share capital of the Company under the Disclosure and Transparency Rules of the UK Financial Conduct Authority.

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### **About C4X Discovery**

C4X Discovery aims to become the world’s most productive drug discovery and development Company by exploiting cutting-edge technologies to design and create best-in-class drug candidates. C4XD has a unique software platform for determining the 3D shape of drug molecules from experimental *in vitro* data that enables the rapid design and discovery of novel and potent drugs for diseases with high unmet medical need across broad therapeutic areas. The Company has a hybrid business model of wholly-owned programmes and partnerships with pharma, biotech and academics.

The Company was founded in 2008 as a spin-out from the University of Manchester and has a highly experienced management team and Board who have delivered significant value creation within the healthcare sector historically. For additional information please go to: [www.c4xdiscovery.com](http://www.c4xdiscovery.com)

### **About Adorial**



Adorial is a virtual drug discovery company. Its novel *in silico* platform technology Taxonomy3<sup>®</sup> utilises proprietary ground-breaking mathematical algorithms capable of multivariate analysis of genetic data that is considerably more powerful than conventional methodologies. Historically used to support fee-for service revenues, Taxonomy3<sup>®</sup> is now being used to analyse complex genetic datasets to identify and characterise potential novel drug target candidates. As the novel drug targets are based on human genetic data, the resulting molecules will have a greater probability of successful development. Adorial has assembled a solid management team which combines notable systems biology expertise with solid 'Blue Chip' execution experience.