



**C4X Discovery Holdings plc**

("C4XD", "C4X Discovery" or the "Company")

### **Interim results for the six months ended 31 January 2019**

**30 April 2019** – C4X Discovery Holdings plc (AIM: C4XD), a pioneering drug discovery company, today announces its interim results for the six months ended 31 January 2019.

#### **Operational highlights:**

##### *Partnering updates*

- Partnering process for oral NRF-2 activator programme launched
  - Commercial interest across multiple disease areas including, Chronic Obstructive Pulmonary Disease ("COPD"), Pulmonary Arterial Hypertension ("PAH") and Sickle Cell Disease ("SCD")
- Indivior continues to progress C4X\_3256 (Orexin-1 receptor antagonist)
  - NIH funded investigation of the effect of C4X\_3256 in cocaine addiction efficacy models showing promising results with continued partner support

##### *Discovery portfolio growth*

- Expansion of proprietary drug discovery portfolio continues
  - Portfolio contains eleven active discovery programmes, up from nine in 2018
    - Includes three late-stage programmes demonstrating *in vivo* activity
- Significant expansion of early-stage discovery portfolio and capabilities during the period:
  - Two drug discovery partnerships announced, adding new programmes to the portfolio:
    - LifeArc<sup>®</sup>: to generate lead compounds on an inflammation/oncology drug target subject of multiple pre-clinical deals in the last 12 months
    - GTN Ltd ("GTN"): to identify potential small molecule hits against a neurodegeneration target
  - Exclusive target discovery partnership with Horizon Discovery Group plc (AIM: HZD, "Horizon") to validate novel, synthetic lethal oncology targets to initiate drug discovery programmes against
- Continued development of protocol and capabilities to prosecute Taxonomy3<sup>®</sup> outputs with the aim of establishing a portfolio of targets suitable for multi-asset and single asset deals

##### *Proprietary technology and commercialisation capability development*

- Prudent investment in expansion of drug discovery capabilities continues
  - Launch of Stage 2 of 4Sight, C4XD's proprietary molecular visualisation and design tool, in collaboration with Epic Games
- Expansion of commercial-focussed resource

##### *Fundraise*

- Successful fundraise of £10.1 million (before expenses) completed 9th October 2018, with a total of 11,210,674 shares issued to both new and existing investors

**Financial highlights:**

- R&D investment was £4.9 million in the six months ending 31 January 2019, up £1.5 million from the £3.4 million in the six months ended 31 January 2018, reflecting progress across the portfolio
- Cash, cash equivalents, short-term investments and deposits at 31 January 2019 of £9.2 million (31 July 2018: £5.6 million and 31 January 2018: £1.4 million)
- Net assets at 31 January 2019 of £12.8 million (31 July 2018: £8.2 million and 31 January 2018: £5.5 million)

**Dr Clive Dix, CEO of C4X Discovery, said:** *“C4XD has continued to strengthen its drug discovery capabilities and advance its portfolio of novel pre-clinical assets this first half year. Having launched a partnering process for our NRF-2 programme, we are now in licensing discussions with pharmaceutical partners to take forward our lead series to clinical development. We are also excited to enter new partnerships with LifeArc, GTN, and Horizon which have enabled us to augment our discovery engine with technologies at the cutting-edge of drug discovery and accelerate the growth of our portfolio by accessing highly attractive earlier-stage therapeutic targets and chemistry. I would like to take this opportunity to thank our shareholders for their support and we look forward to continued success in the second half of the year.”*

**-ENDS-**

**For further information, please contact:****C4X Discovery Holdings plc**

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### **Meeting and conference call for analysts**

Clive Dix (Chief Executive Officer), Brad Hoy (Chief Financial Officer) and Craig Fox (Chief Scientific Officer) will host a briefing for analysts at 12:00pm BST on 30 April 2019 at the offices of Panmure Gordon, 1 New Change, London EC4M 9AF. There will be a simultaneous live conference call with Q&A.

Dial-in details are:

**Participant local dial-in:** +44 (0) 2071 928000

**Participant free phone dial-in:** 0800 376 7922

**Participant code:** 1070314

A copy of the interim results presentation will be released later this morning on the Company's website at [www.c4xdiscovery.com](http://www.c4xdiscovery.com).

### **About C4X Discovery**

C4X Discovery (C4XD) aims to create the world's most productive drug discovery engine by using cutting-edge technologies and expertise to efficiently deliver best-in-class small-molecule medicines to clinical partners for the benefit of patients. The Company's business model focuses on replenishing big pharma discovery pipelines and driving returns through revenue generating pre-clinical licensing deals. In 2018, C4XD successfully out-licensed a pre-clinical programme in addictive disorders to Indivior in a deal worth up to \$294m.

C4XD has a state-of-the-art suite of proprietary technologies across the drug discovery process and accesses further innovative capabilities and expertise through its growing network of partners. The Company is actively advancing its diverse pre-clinical discovery portfolio which is focused on inflammation, neurodegeneration and oncology (including immuno-oncology). Opportunities to maximise value from the portfolio are proactively driven by C4XD's commercial division. The Company is led by a highly experienced management team and Board who have delivered significant value creation within the healthcare sector.

For additional information please go to: [www.c4xdiscovery.com](http://www.c4xdiscovery.com)

***An overview of key, disclosable progress updates made during the period can be found below. For additional background information reported previously, please refer to C4XD's 2018 Annual Report.***

## **Corporate overview**

During the interim period, C4XD continued to advance towards its aim of creating the world's most productive drug discovery engine, delivering value through the creation of a high value portfolio through commercialisation with pharmaceutical partners.

Post-period end, C4XD performed a routine review of its three-year operational plan to deliver its strategic objectives. With C4XD having validated its model through the Indivior licensing agreement and with the portfolio, discovery and commercialisation capabilities all expanding, the Board has reinforced its commitment to the Company's vision and business model.

Investment will continue to be strategically prioritised in the highest value markets and portfolio growth will continue to be driven by commercially-focused scientific innovation. This will be supported by a growing network of strategic partners and recruitment across key functional areas, including the expansion of C4XD's commercial function through recruitment from blue-chip professional services firms, as seen during the period. The Company will continue to focus on leveraging its commercial function to pursue an industry leading approach to efficient and effective partnering of its assets.

## **Discovery Engine and portfolio progress**

C4X Discovery continues to advance its in-house pipeline that is primarily focused on the high value therapeutic areas of inflammation, neurodegeneration and oncology (including immuno-oncology).

### *Partnered Programmes*

#### Oral Orexin-1 Receptor Antagonist Programme

In March 2018, C4XD successfully out-licensed its novel, oral Orexin-1 receptor antagonist (C4X\_3256) to addiction market leaders Indivior, generating \$10 million upfront and up to \$284 million of potential development, regulatory and commercialisation milestones, in addition to royalties. Our partner Indivior remains supportive and is progressing this investigational drug for the treatment of opioid dependence.

In July 2018, C4XD announced that the C4X\_3256 programme had been awarded a grant by the National Institute on Drug Abuse (NIDA, a division of National Institute of Health (NIH)). The grant of approximately \$480k has supported the investigation of the effects of C4X\_3256 in cocaine addiction efficacy models. Recent data from these studies have demonstrated that C4X\_3256 significantly inhibits cue-induced reinstatement similar to activity observed previously in nicotine addiction models, further reinforcing the broad potential of C4X\_3256 in substance use disorders.

### *Inflammation*

#### Oral NRF-2 Activator Programme

C4XD has designed and discovered novel potent activators of the NRF-2 pathway, which is important in mediating lung diseases such as chronic obstructive pulmonary disease ("COPD"), and pulmonary arterial hypertension ("PAH"), and other inflammatory diseases. In addition, recent scientific attention for this target has also extended to Sickle Cell Disease ("SCD") where pre-clinical data suggests that the anti-oxidant and anti-inflammatory activity provided by NRF-2 activators may ameliorate haemolysis-related complications such as severe pain episodes, organ damage, heart attacks and stroke. NRF-2 activation has also been shown to directly induce foetal haemoglobin (HbF) production

by blood progenitor cells and increased HbF has been found to ameliorate many clinical manifestations of SCD.

C4XD continued to make critical progress in this programme, with multiple C4XD compounds shown to significantly increase NRF-2 activation in the lungs, liver, heart, spleen and other target tissues following low dose oral administration in pre-clinical studies. The latest round of C4XD designed novel compounds were optimised for solubility and pharmacokinetic properties and passed the threshold required to initiate partnering discussions. As such, C4XD officially launched the partnering process for its NRF-2 activator programme in late 2018, engaging multiple partners across several high-value disease areas.

The Company continues to be in confidential discussions with multiple partners post-period end.

#### Oral IL-17 Inhibitor Programme

As reported previously, our programme has identified small molecules that can selectively block IL-17 activity whilst keeping molecular size of the molecule in the traditional “drug-like” range. To date, the identification of orally available small molecules has proved extremely challenging but remain highly sought-after within the pharmaceutical industry.

Multiple potent compounds suitable for oral delivery have been identified and were shown to inhibit IL-17 induced cytokines in the blood *in vivo* when administered orally prior to IL-17 administration. Commercially, this is a critical requirement as current marketed drugs that target IL-17 are based on injectable monoclonal antibodies so an oral treatment would increase the number of patients who can access drugs targeting this mechanism. This is highly desired by potential partners.

A range of compounds have been developed suitable for extensive profiling during the period, with studies currently in progress to enable the selection of specific compounds for testing in a disease efficacy model driven by endogenous IL-17.

#### Oral $\alpha 4\beta 7$ Integrin Inhibitor Programme

During 2018, C4XD initiated an evaluation stage drug discovery programme to harness the synergy between its proprietary Conformatrix technology and protein crystallography to expedite the identification of novel, selective  $\alpha 4\beta 7$  integrin inhibitors for the treatment of Inflammatory Bowel Disease (IBD).

During the period, C4XD was awarded a c.£140k Biomedical Catalyst award from InnovateUK to support these efforts.

#### *Neurodegeneration*

##### Parkinson’s Disease (“PD”)

Following the initiation of the first drug discovery programme in 2018 derived from Taxonomy3® analyses of PD datasets, further progress continues to be made in prioritising novel, high-potential, disease-associated, genetically validated drug targets suitable to be the subject of new drug discovery programmes. The integration of C4XD’s novel proprietary PD-associated genes into E-Therapeutics’ Network-driven Drug Discovery (“NDD”) platform (collaboration announced May 2018) has identified further novel pathophysiological mechanisms for PD, as well as providing further support for targets recently proposed in the scientific literature. A key next step for these novel insights into the underlying disease biology of PD is to examine the potential biological effects of these identified targets in disease-relevant biological assays.

To this end, the Company is examining the effect of ~35 tool molecules in neuronal and microglial cell phenotypic assays relevant to PD, with these tool molecules identified as interactors with the proteins derived from the novel gene-list generated using Taxonomy3®, with the option to expand these studies to examine the additional novel findings discovered through the E-Therapeutics collaboration.

Post-period end, C4XD continued to explore innovative technologies to enhance its target selection activities, with the aim of reaching a prioritised short-list of high-potential targets for progressing

towards drug discovery programmes with multiple options for commercialisation. Some targets may be selected for internal drug discovery programmes which C4XD will develop towards a candidate molecule with the aim to partner in single-asset deal. In addition to this, a portfolio of targets linked to a specific disease (such as Parkinson's) may be commercialised as a package in a multi-asset deal. These multi-asset deals are likely to be highly applicable to targets identified by Taxonomy3<sup>®</sup> analyses (e.g., Rheumatoid Arthritis) and findings from future datasets.

### Alzheimer's Disease ("AD")

As with PD, progress continues to be made in prioritising novel, high-potential, disease-associated, genetically validated drug targets suitable to be the subject of new drug discovery programmes, following completion of Taxonomy3<sup>®</sup> analysis of the AD dataset. During the period, activities were initiated to identify tool compounds for use in disease-relevant phenotypic assays, with progress continuing post-period end towards establishing the biological assays required to examine the biological effects of these targets.

### GTN collaboration

In November 2018, C4XD announced that it had entered into a drug discovery partnership with GTN, a disruptive new player in the field of drug discovery artificial intelligence ("AI"), initially focussing on identifying potential small molecule hits against a high-value neurodegeneration target, adding another commercially attractive programme to C4XD's portfolio.

GTN is at the forefront of using deep-learning techniques and quantum physics to simulate, filter and identify molecules that are hidden from traditional technologies as potential hits for drug discovery programmes. C4XD, using its conformational analysis platform Conformetrix, will provide GTN with world-leading molecular descriptors for use in this *in silico* discovery platform. By combining both technologies, the collaboration will aim to unlock new areas of chemical space and identify novel small molecules.

During the period, the first round of molecules was identified for synthesis and testing in relevant assays, with further design-make-test cycles continuing post-period end.

### *Oncology (including immuno-oncology)*

C4XD continues to progress its drug discovery programmes against two key therapeutic targets identified for the treatment of cancer in the immuno-oncology space, both of which are at the evaluation stage and remain within C4XD's multi-target, risk-sharing alliance with Evotec AG ("Evotec") (announced in September 2016). Commercial interest remains for novel small molecules against these targets.

### LifeArc<sup>®</sup> collaboration

In November 2018, C4XD announced that it had entered into a discovery partnership with LifeArc<sup>®</sup>, one of the UK's leading medical research charities. C4XD and LifeArc will collaborate to progress medicinal chemistry efforts on a novel, commercially attractive programme with applicability across oncology and inflammation indications. The undisclosed target originated from LifeArc's extensive partnerships in early-stage academic research and adds another high-value programme to C4XD's discovery portfolio.

The partnership will combine leading drug discovery expertise from both organisations, including application of C4XD's proprietary ligand-focussed conformational analysis platform, Conformetrix, to LifeArc's extensive background and experience in the programme. The aim is to develop oral, potent and selective small molecule drug candidates against the undisclosed target suitable for pre-clinical partnering.

### Horizon collaboration

In December 2018, C4XD announced that it had entered into an exclusive target discovery partnership with Horizon, a global leader in the application of gene editing and gene modulation technologies.

The partnership aims to validate novel synthetic lethal oncology targets that have been identified by Horizon's cutting-edge CRISPR-Cas9 technology leading, to the generation of potential new drugs for patients with limited effective treatments in indications such as colorectal and lung cancer.

C4XD aims to apply its proprietary 4D shape-based chemistry technology (Conformetrix) to discover drug candidates directed against these high-value, novel, synthetic lethality targets and out-license them to clinical development partners. This discovery partnership bolsters C4XD's oncology pipeline, a high priority therapeutic area for the Company.

Initiation of further target validation studies began during the period and by post-period end, isogenic cell studies utilising CRISPR-Cas9 were underway for multiple targets to further demonstrate synthetic lethality.

## **Technology**

### 4Sight

4Sight, C4XD's proprietary molecular visualisation and design tool that includes virtual reality functionality and developed using the Unreal Engine from Epic Games, progressed to Stage 2 of development. Whilst Stage 1 focused on the development of visualisation software allowing chemists to view C4XD's proprietary ligand conformational data, Stage 2 will focus on incorporating design capabilities into the interface, as well as allowing the Company's drug designers to pull in additional information, such as protein structures and associated molecular data, to inform design decisions.

## **Financial review**

Revenue for the six months ended 31 January 2019 was nil (six month period ended 31 January 2018: £nil). C4XD expects future revenues to be derived from licensing and other income from commercial agreements with industry partners relating to C4XD's pre-clinical drug assets, such as that signed in 2018 with Indivior which resulted in a £7.1 million (\$10 million) upfront payment.

Investment in research and development at £4.9 million for the six months ended 31 January 2019 showed a 46% increase compared to the equivalent prior period (six month period ended 31 January 2018: £3.4 million). This increased spend reflects additional activity across both existing and new in-house pipeline projects.

At £1.4 million, administrative expenses for the six months ended 31 January 2019, have increased by 15% compared to those reported in the equivalent prior period (six month period ended 31 January 2018: £1.2 million) due primarily to additional commercial and administrative payroll costs.

The net loss for the six months ended 31 January 2019 amounted to £5.0 million or a loss of 9.38 pence per Ordinary Share (six month period ended 31 January 2018: £3.7 million or loss of 7.85 pence per Ordinary Share).

On 9th October 2018, C4XD successfully raised £10.1 million, before expenses, by way of a placing and open offer, further details of which can be found in note 6.

C4XD had net assets at 31 January 2019 of £12.8 million (31 July 2018: £8.2 million and 31 January 2018: £5.5 million) and cash and cash equivalents of £9.2 million (31 July 2018: £5.6 million and 31 January 2018: £1.4 million).

## **Outlook**

In delivering its vision and maximising value, C4XD must bring the most novel, high-value small molecule assets to its clinical development partners in as efficient a way as possible and continue to focus on an industry-leading approach to effectively partnering these assets. The Company will continue to meet this challenge by advancing its in-house proprietary discovery capabilities and accessing an expanding network of strategic collaborators to accelerate its portfolio growth, whilst continuously seeking commercialisation opportunities on its high-value pre-clinical portfolio.

C4XD had a strong first half, strengthening its balance sheet, making progress towards commercialisation, expanding its portfolio and significantly growing its strategic partnership network. The Company is seeking to grow deal revenues through partnering of its oral NRF-2 activator programme and has received significant commercial interest in its diverse portfolio of pre-clinical assets.

**Interim consolidated statement of comprehensive income**  
**For the six months ended 31 January 2019**

		Six months to 31 January 2019 (Unaudited) £000	Six months to 31 January 2018 (Unaudited) £000	Year to 31 July 2018 (Audited) £000
	<b>Notes</b>			
<b>Revenue</b>	3	-	-	<b>7,064</b>
Cost of sales		-	-	-
<b>Gross profit</b>		-	-	<b>7,064</b>
Research and development expenses		(4,908)	(3,357)	(6,992)
Administrative expenses		(1,357)	(1,177)	(2,605)
<b>Operating loss</b>		<b>(6,265)</b>	<b>(4,534)</b>	<b>(2,533)</b>
Finance income		10	3	7
<b>Loss before taxation</b>		<b>(6,255)</b>	<b>(4,531)</b>	<b>(2,526)</b>
Taxation	4	1,230	875	1,391
<b>Loss for the period and total comprehensive loss for the period</b>		<b>(5,025)</b>	<b>(3,656)</b>	<b>(1,135)</b>
<b>Loss per share :</b>				
Basic and diluted loss for the period	5	(9.38)p	(7.85)p	(2.44)p

**Interim consolidated statement of changes in equity**  
**For the six months ended 31 January 2019**

	Issued equity capital £000	Share premium £000	Share based payment reserve £000	Merger reserve £000	Capital contribution reserve £000	Revenue reserve £000	Total £000
<b>At 1 August 2017</b>	<b>2,490</b>	<b>22,844</b>	<b>260</b>	<b>920</b>	<b>195</b>	<b>(17,649)</b>	<b>9,060</b>
Loss for the six months to 31 January 2018	-	-	-	-	-	(3,656)	(3,656)
Share-based payments	-	-	124	-	-	-	124
<b>At 31 January 2018</b>	<b>2,490</b>	<b>22,844</b>	<b>384</b>	<b>920</b>	<b>195</b>	<b>(21,305)</b>	<b>5,528</b>
Profit for the six months to 31 July 2018	-	-	-	-	-	2,521	2,521
Share-based payments	-	-	125	-	-	-	125
<b>At 31 July 2018</b>	<b>2,490</b>	<b>22,844</b>	<b>509</b>	<b>920</b>	<b>195</b>	<b>(18,784)</b>	<b>8,174</b>
Loss for the six months to 31 January 2019	-	-	-	-	-	(5,025)	(5,025)
Issue of share capital	112	9,977	-	-	-	-	10,089
Expenses of placing and open offer	-	(559)	-	-	-	-	(559)
Shares issued on exercise of options	-	1	-	-	-	-	1
Share-based payments	-	-	128	-	-	-	128
<b>At 31 January 2019</b>	<b>2,602</b>	<b>32,263</b>	<b>637</b>	<b>920</b>	<b>195</b>	<b>(23,809)</b>	<b>12,808</b>

**Interim consolidated statement of financial position**  
**As at 31 January 2019**

	Notes	31 January 2019 (Unaudited) £000	31 January 2018 (Unaudited) £000	31 July 2018 (Audited) £000
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment		74	76	83
Intangible assets		364	503	433
Goodwill		1,192	1,192	1,192
		<b>1,630</b>	<b>1,771</b>	<b>1,708</b>
<b>Current assets</b>				
Trade and other receivables		661	497	388
Income tax asset		2,596	2,575	1,366
Cash and cash equivalents		9,194	1,390	5,578
		<b>12,451</b>	<b>4,462</b>	<b>7,332</b>
<b>Total assets</b>		<b>14,081</b>	<b>6,233</b>	<b>9,040</b>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Trade and other payables		(1,273)	(705)	(866)
		<b>(1,273)</b>	<b>(705)</b>	<b>(866)</b>
<b>Total liabilities</b>		<b>(1,273)</b>	<b>(705)</b>	<b>(866)</b>
<b>Net assets</b>		<b>12,808</b>	<b>5,528</b>	<b>8,174</b>
<b>Capital and reserves</b>				
Issued equity capital	6	2,602	2,490	2,490
Share premium	6	32,263	22,844	22,844
Share-based payment reserve		637	384	509
Merger reserve		920	920	920
Capital contribution reserve		195	195	195
Revenue reserve		(23,809)	(21,305)	(18,784)
<b>Total equity</b>		<b>12,808</b>	<b>5,528</b>	<b>8,174</b>

Approved by the Board and authorised for issue on 30 April 2019

Brad Hoy  
Chief Financial Officer  
30 April 2019

**Interim consolidated cash flow statement**  
**For the six months ended 31 January 2019**

	Six months to 31 January 2019 (Unaudited) £000	Six months to 31 January 2018 (Unaudited) £000	Year to 31 July 2018 (Audited) £000
<b>Loss after tax and interest</b>	<b>(5,025)</b>	<b>(3,656)</b>	<b>(1,135)</b>
Adjustments for:			
Depreciation of property, plant and equipment	25	27	51
Amortisation of intangible assets	69	67	137
Share-based payments	128	124	249
Finance income	(10)	(3)	(7)
Taxation	(1,230)	(875)	(1,391)
Changes in working capital			
(Increase)/decrease in trade and other receivables	(273)	51	160
Increase/(decrease) in trade and other payables	407	(366)	(205)
<b>Cash outflow from operating activities</b>	<b>(5,909)</b>	<b>(4,631)</b>	<b>(2,141)</b>
Research and development tax credit received	-	-	1,725
<b>Net cash outflow from operating activities</b>	<b>(5,909)</b>	<b>(4,631)</b>	<b>(416)</b>
<b>Cash flows from investing activities:</b>			
Purchases of property, plant and equipment	(16)	(13)	(44)
Finance income	10	3	7
<b>Net cash outflow from investing activities</b>	<b>(6)</b>	<b>(10)</b>	<b>(37)</b>
<b>Cash flows from financing activities:</b>			
Proceeds from the issue of ordinary share capital	10,090	-	-
Expenses of placing and open offer	(559)	-	-
<b>Net cash inflow from financing activities</b>	<b>9,531</b>	<b>-</b>	<b>-</b>
<b>Increase/(decrease) in cash and cash equivalents</b>	<b>3,616</b>	<b>(4,641)</b>	<b>(453)</b>
Cash and cash equivalents at the start of period	5,578	6,031	6,031
<b>Cash, cash equivalents and deposits at the end of the period</b>	<b>9,194</b>	<b>1,390</b>	<b>5,578</b>

## Notes to the interim financial report

### For the six months ended 31 January 2019

#### 1. Corporate information

The principal activity of the C4X Discovery Holdings plc is research and development, a review of which is included in the CEO's Statement.

C4XD is incorporated and domiciled in the United Kingdom and its registered number is 09134041. The address of the registered office is Manchester One, 53 Portland Street, Manchester, M1 3LD.

The interim financial information was approved for issue on 30 April 2019.

#### 2. Accounting policies

##### *Basis of preparation*

The accounting policies adopted in this interim financial report are consistent with those followed in the preparation of the Group's annual report and accounts for the year to 31 July 2018, except for the following changes:

The interim financial information for the six months ended 31 January 2019 and 31 January 2018 is unaudited and does not constitute statutory accounts as defined in the Companies Act 2006. This interim financial report includes audited comparatives for the year to 31 July 2018. The 2018 annual report and accounts received an unqualified audit opinion and has been filed with the Registrar of Companies.

These interim financial statements have been prepared in accordance with IAS34 Interim Financial Reporting. They do not include all the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements as at and for the year ended 31 July 2018.

##### *Basis of consolidation*

This interim financial report consolidates the financial statements of C4X Discovery Holdings plc and the entities it controls (its subsidiaries).

#### 3. Revenue

Revenue from contracts with customers

	Six months to 31 January 2019 £'000	Six months to 31 January 2018 £'000	Year to 31 July 2018 £'000
<i>Revenue recognised at a point in time</i>			
Right-to-use licence revenue	-	-	7,064
Revenue recognised over time	-	-	-
	<hr/>	<hr/>	<hr/>
	-	-	7,064

#### 4. Taxation

The tax credit is made up as follows:

	Six months to 31 January 2019 £'000	Six months to 31 January 2018 £'000	Year to 31 July 2018 £'000
UK corporation tax losses in the period	-	-	-
Research and development income tax credit receivable	(1,230)	(850)	(1,366)
Adjustment in respect of prior periods	-	(25)	(25)
	<b>(1,230)</b>	<b>(875)</b>	<b>(1,391)</b>

#### 5. Loss per share

	31 January 2019 £'000	31 January 2018 £'000	31 July 2018 £'000
<b>Loss for the financial period attributable to equity shareholders</b>	<b>(5,025)</b>	<b>(3,656)</b>	<b>(1,135)</b>
<b>Weighted average number of shares:</b>	<b>No.</b>	<b>No.</b>	<b>No.</b>
Ordinary shares in issue	53,576,407	46,555,087	46,555,087
<b>Basic loss per share (pence)</b>	<b>(9.38)p</b>	<b>(7.85)p</b>	<b>(2.44)p</b>

Diluted loss per share has not been presented above as the effect of share options issued is anti-dilutive.

#### 6. Issued share capital and share premium

	Deferred shares Number	Ordinary shares Number	Share capital £000	Deferred shares £000	Share premium £000	Total £000
<b>Ordinary and deferred shares as at 31 January 2018 and 31 July 2018</b>	<b>2,025,000</b>	<b>46,555,087</b>	<b>465</b>	<b>2,025</b>	<b>22,844</b>	<b>25,334</b>
Issue of share capital on placing	-	11,111,111	111	-	9,889	10,000
Issue of share capital on open offer	-	99,563	1	-	88	89
Expenses of placing and open offer	-	-	-	-	(559)	(559)
Issue of share capital on exercise of share options	-	26,875	-	-	1	1
<b>Ordinary and deferred shares as at 31 January 2019</b>	<b>2,025,000</b>	<b>57,792,636</b>	<b>577</b>	<b>2,025</b>	<b>32,263</b>	<b>34,865</b>

## **7. Interim financial report**

A copy of this interim condensed financial report is available on C4XD's website at [www.c4xdiscovery.com](http://www.c4xdiscovery.com).