

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

**Half-year results for the six months ended 31 January 2024**

**Excellent portfolio progress supported by a robust balance sheet**

**\$11 million preclinical milestone payment by AstraZeneca**

**C4XD seeks voluntary delisting from the London Stock Exchange AIM**

**27 March 2024** - C4X Discovery Holdings plc (AIM: C4XD), a pioneering Drug Discovery company, today announces its half-year results for the six months ended 31 January 2024.

**Operational Highlights (including post-period events)**

- Announced today: C4XD seeks voluntary delisting from the London Stock Exchange AIM (see separate release)
- Receipt of \$11 million preclinical milestone payment from AstraZeneca under the exclusive worldwide licence agreement worth up to \$400 million, for C4XD's NRF2 Activator programme.
- $\alpha 4\beta 7$  integrin inhibitor programme for inflammatory bowel disease ("IBD") delivered compounds showing improved activity at a lower dose compared to example competitor compounds in a pharmacodynamic model after oral dosing. The project is moving towards the selection of a pre-clinical candidate.
- C4XD internal portfolio expanded in inflammatory diseases with new programmes identified progressing towards Lead Optimisation.
- Indivior acquired C4XD's oral Orexin-1 receptor antagonist, C4X\_3256 (INDV-2000), for substance use disorder under an asset purchase agreement for £15.95 million.
- In April 2021, C4XD signed a world-wide exclusive agreement with Sanofi, for an oral pre-clinical IL-17A inhibitor programme worth up to €414 million with first milestone payment of €3 million received in July 2022.
- MALT-1 inhibitor programme progressing towards candidate shortlist as partnering process ongoing.

**Financial Highlights**

- Revenue was £24.6 million (January 2023: £1.7m) reflecting receipt of £15.9 million from sale of Orexin-1 receptor antagonist programme and \$11 million milestone payment from AstraZeneca.
- Total profit after tax of £17.8 million or 7.06 pence per share (January 2023: loss of £3.9m or 1.55 pence per share).
- R&D expenses remained at £5.2 million (January 2023: £5.2m), reflecting focused investment in key drug discovery programmes focused on immune-inflammatory diseases.
- Net assets of £24.6 million (January 2023: £13.6m).
- Net cash as at 31 January 2024: £13.1 million (31 January 2023: £9.6m), before post-period receipt of \$11 million milestone payment from AstraZeneca in February 2024.

**Dr Clive Dix, Executive Chairman of C4X Discovery, said:** "C4XD has demonstrated time and again our expertise to discover and develop high value, novel small molecule drugs. We have announced three major deal partnerships with world leading pharmaceutical companies, one of which has since acquired the programme outright demonstrating our scientific and deal-making capabilities. The Company is in a strong financial position with the potential for further milestone payments over the next 18 months. As we progress our lead programme through the discovery phase towards the clinic and with a clear focus on immuno-inflammatory diseases, the Board feel it necessary to address the perceived under-valuation of our business in the public market and the subsequent inability to access the future funding the Board believes is required to allow C4XD to flourish.

"The healthcare sector in the financial markets has proved challenging in recent years and has been further hindered by wider macro and economic events happening worldwide, which have collectively had a negative impact on the valuations of smaller companies in general. At the same time, funding for private companies has continued to remain resilient. The Board has concluded that the current public market valuation does not reflect the underlying potential of our business or our achievements to date and believe that this is unlikely to change in the short-to-medium term. Consequently, the Board believes that C4XD's growth

prospects, and the ability to execute its strategy to develop precision therapeutics in immuno-inflammatory diseases, will be best accomplished as a private company, where we can potentially access a larger quantum of future funding required to accelerate our strategy and drive towards discovery and development inflection points to maximise revenue from our portfolio. We therefore believe that a cancellation of the Company's admission on AIM is in the best interest for shareholders and for the future of our business as a whole, and we are excited for the road ahead."

*This announcement contains inside information for the purpose of the UK Market Abuse Regulations.*

- Ends -

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## **Notes to Editors:**

### **About C4X Discovery**

C4X Discovery (C4XD) is a pioneering Drug Discovery company, combining scientific expertise with cutting-edge technologies to efficiently deliver world-leading medicines. We have a highly valuable and differentiated approach to Drug Discovery through our enhanced molecular design and patient stratification capabilities, generating small molecule drug candidates across multiple disease indications focused on immuno-inflammation. We are advancing our internal portfolio which ranges from early-stage target opportunities to late-stage Drug Discovery programmes and we have two commercially partnered programmes with Sanofi and AstraZeneca, and one clinical stage candidate which has been acquired by Indivior.

For more information visit us at [www.c4xdiscovery.com](http://www.c4xdiscovery.com) or follow us on twitter @C4XDiscovery.

## Corporate Overview

The latter half of 2023 saw excellent progress across our portfolio with each of our programmes successfully advancing during the period, supporting our strategic decision to focus on immuno-inflammatory diseases. The outright £15.95 million acquisition by Indivior of our Orexin-1 receptor antagonist programme for the treatment of substance abuse disorder, laid a solid financial base to advance our newly focused portfolio towards, and potentially, into the clinic. Our balance sheet was further bolstered post period in February 2024 by the \$11 million milestone payment from AstraZeneca triggered by preclinical progress of our NRF2 Activator programme, positioning us with a robust cash position.

With immuno-inflammation drug discovery expertise at our core, we are building a valuable and commercially relevant, small-molecule drug portfolio. Our molecules have Best-in-Class and First-in-Class potential to treat patients across a range of immuno-inflammatory diseases. Our aim to develop alternative oral treatments not only has the potential to broaden patient access to much needed treatments, but also enable easier treatment regimens and potentially reduce the healthcare burden.

Our lead internal programme, focused on oral small molecule inhibitors of  $\alpha 4\beta 7$ , has the potential to deliver a low dose Best-In-Class  $\alpha 4\beta 7$  inhibitor therapy for the treatment of inflammatory bowel disease (“IBD”) where an effective oral therapy remains highly sought-after. This programme is progressing through late-stage discovery studies and towards selection of a pre-clinical candidate. In addition, insights garnered from our PatientSeek platform to identify stratification signals in IBD patients could both inform and potentially de-risk the clinical development path for the  $\alpha 4\beta 7$  programme.

We continue to advance our portfolio of early-stage discovery immuno-inflammatory projects towards Lead Optimisation. These projects target clear unmet medical need, combined with significant commercial potential. Through our Conformetrix technology, we are able to produce valuable chemical equity through the interpretation of conformational insight into the behaviour of molecules. These insights enable a more accurate molecule design that is best suited to our therapeutics targets. We use PatientSeek to inform our target selection choices, based on identification of patient stratification opportunities. We anticipate moving two of these projects into Lead Optimisation by the end of 2024, when we will be able to provide greater detail.

We have out-licensed two programmes to leading pharmaceutical companies, AstraZeneca and Sanofi. We were thrilled to receive the first milestone payment under our exclusive worldwide licensing agreement worth up to \$400 million with AstraZeneca, signed only a little over a year earlier, for C4XD’s NRF2 Activator programme. The worldwide exclusive license with Sanofi worth up to €414 million for C4XD’s oral IL-17A inhibitor programme previously paid its first milestone payment of €3 million in July 2022.

Underpinning the significant progress made during the period, the Company has a robust cash position and manageable fixed cost base. Cash, cash equivalents, short-term investments and deposits were £13.1 million at 31 January 2024 (31 January 2023: £9.6 million) before post-period receipt of the \$11 million milestone payment in February 2024. R&D investment remained at £5.2 million in the six months ending 31 January 2024 (January 2023: £5.2 million), reflecting focused investment in key drug discovery programmes. Administrative expenses were £1.8 million for the six months ended January 2024 (January 2023: £1.6 million).

## Outlook

C4XD has demonstrated time and again our expertise to discover and develop high value, novel small molecule drugs. We have announced three major deal partnerships with world leading pharmaceutical companies, one of which has since acquired the programme outright demonstrating our scientific and deal-making capabilities. The Company is in a strong financial position with the potential for further milestone payments over the next 18 months. As we progress our lead programme through the discovery phase towards the clinic and with a clear strategic focus on immuno-inflammatory diseases, the Board feel it necessary to address the perceived under-valuation of our business in the public market and the subsequent inability to access the future funding the Board believes is required to allow C4XD to flourish.

The healthcare sector in the financial markets has proved challenging in recent years and has been further hindered by wider macro and economic events happening worldwide, which have collectively had a negative impact on the valuations of smaller companies in general. At the same time, funding for private companies has continued to remain resilient. The Board has concluded that the current public market valuation does not reflect the underlying potential of our business or our achievements to date and believe that this is unlikely to change in the short-to-medium term. Consequently, the Board believes that C4XD’s growth prospects, and the ability to execute its strategy to develop precision therapeutics in immuno-inflammatory diseases, will be best accomplished as a private company, where we can potentially access a larger quantum of future funding required to accelerate our strategy and drive towards discovery and development inflection points to maximise revenue from our portfolio. We therefore believe that a cancellation of the Company’s admission on AIM is in the best interest for shareholders and for the future of our business as a whole, and we are excited for the road ahead.

**Interim consolidated statement of comprehensive income**  
**For the six months ended 31 January 2024**

		Six months to 31 January 2024 (Unaudited) £000	Six months to 31 January 2023 (Unaudited) £000	Year to 31 July 2023 (Audited) £000
	<b>Notes</b>			
<b>Revenue</b>	3	<b>24,646</b>	<b>1,676</b>	<b>1,710</b>
Cost of sales		-	(22)	(38)
<b>Gross profit</b>		<b>24,646</b>	<b>1,654</b>	<b>1,672</b>
Research and development expenses		(5,195)	(5,194)	(10,894)
Administrative expenses		(1,803)	(1,638)	(4,192)
<b>Operating profit /(loss)</b>		<b>17,648</b>	<b>(5,178)</b>	<b>(13,414)</b>
Finance income		158	15	22
Finance costs		(8)	(12)	(24)
<b>Profit /(loss) before taxation</b>		<b>17,798</b>	<b>(5,175)</b>	<b>(13,416)</b>
Taxation	4	-	1,296	2,305
<b>Profit /(loss) for the period and total comprehensive loss for the period</b>		<b>17,798</b>	<b>(3,879)</b>	<b>(11,111)</b>
<b>Profit /(loss) per share:</b>				
Basic profit /(loss) for the period	5	7.06p	(1.55)p	(4.42)p
Diluted profit /(loss) for the period	5	7.06p	(1.55)p	(4.42)p

**Interim consolidated statement of changes in equity**  
**For the six months ended 31 January 2024**

	Issued equity capital £000	Share premium £000	Warrant reserve £000	Share based payment reserve £000	Merger reserve £000	Capital contribution reserve £000	Revenue reserve £000	Total £000
<b>At 01 August 2022</b>	<b>4,316</b>	<b>53,355</b>	<b>968</b>	<b>1,543</b>	<b>920</b>	<b>195</b>	<b>(49,493)</b>	<b>11,804</b>
Loss for the six months to 31 January 2023	-	-	-	-	-	-	(3,879)	(3,879)
Issue of share capital	228	5,467	-	-	-	-	-	5,695
Expenses of placing	-	(287)	-	-	-	-	-	(287)
Exercise of options	1	5	-	-	-	-	-	6
Share-based payments	-	-	-	214	-	-	-	214
<b>At 31 January 2023</b>	<b>4,545</b>	<b>58,540</b>	<b>968</b>	<b>1,757</b>	<b>920</b>	<b>195</b>	<b>(53,372)</b>	<b>13,553</b>
Loss for the six months to 31 July 2023	-	-	-	-	-	-	(7,732)	(7,732)
Share-based payments	-	-	-	211	-	-	-	211
<b>At 31 July 2023</b>	<b>4,545</b>	<b>58,540</b>	<b>968</b>	<b>1,968</b>	<b>920</b>	<b>195</b>	<b>(60,604)</b>	<b>6,532</b>
Profit for the six months to 31 January 2024	-	-	-	-	-	-	17,798	17,798
Exercise of options	2	4	-	-	-	-	-	6
Share-based payments	-	-	-	268	-	-	-	268
<b>At 31 January 2024</b>	<b>4,547</b>	<b>58,544</b>	<b>968</b>	<b>2,236</b>	<b>920</b>	<b>195</b>	<b>(42,806)</b>	<b>24,604</b>

Interim consolidated statement of financial position  
As at 31 January 2024

		31 January 2024 (Unaudited) £000	31 January 2023 (Unaudited) £000	31 July 2023 (Audited) £000
	Notes			
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment		35	43	39
Intangible assets		51	59	54
Goodwill		1,191	1,192	1,192
Right-of-use assets		240	563	402
		<b>1,517</b>	<b>1,857</b>	<b>1,687</b>
<b>Current assets</b>				
Trade and other receivables		9,275	567	572
Income tax asset		2,305	3,661	2,305
Cash and cash equivalents		13,126	9,642	4,220
		<b>24,706</b>	<b>13,870</b>	<b>7,097</b>
<b>Total assets</b>		<b>26,223</b>	<b>15,727</b>	<b>8,784</b>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Trade and other payables		(1,361)	(1,587)	(1,828)
Lease liabilities		(253)	(329)	(337)
		<b>(1,614)</b>	<b>(1,916)</b>	<b>(2,165)</b>
<b>Non-current liabilities</b>				
Trade and other payables		-	-	-
Lease liabilities		(5)	(258)	(87)
		<b>(5)</b>	<b>(258)</b>	<b>(87)</b>
<b>Total liabilities</b>		<b>(1,614)</b>	<b>(2,174)</b>	<b>(2,252)</b>
<b>Net assets</b>		<b>24,604</b>	<b>13,553</b>	<b>6,532</b>
<b>Capital and reserves</b>				
Issued equity capital	6	4,547	4,545	4,545
Share premium	6	58,544	58,540	58,540
Share-based payment reserve		2,236	1,757	1,968
Warrant reserve		968	968	968
Merger reserve		920	920	920
Capital contribution reserve		195	195	195
Revenue reserve		(42,806)	(53,372)	(60,604)
<b>Total equity</b>		<b>24,604</b>	<b>13,553</b>	<b>6,532</b>

Approved by the Board and authorised for issue on 27 March 2024

Brad Hoy  
Chief Financial Officer  
26 March 2024

**Interim consolidated cash flow statement**  
**For the six months ended 31 January 2024**

	Six months to 31 January 2024 (Unaudited) £000	Six months to 31 January 2023 (Unaudited) £000	Year to 31 July 2023 (Audited) £000
<b>Profit /(loss) after tax and interest</b>	<b>17,798</b>	<b>(3,879)</b>	<b>(11,111)</b>
Adjustments for:			
Depreciation of property, plant and equipment	14	12	26
Depreciation of right-of-use assets	163	143	305
Amortisation of intangible assets	4	3	7
Net foreign exchange differences			(89)
Share-based payments	268	214	425
Finance income	(158)	(15)	(22)
Finance costs	8	12	24
Taxation	-	(1,296)	(2,305)
Changes in working capital:			
Decrease/(increase) in trade and other receivables	(8,703)	2,502	2,497
(Decrease)/increase in trade and other payables	(467)	(462)	(211)
<b>Cash outflow from operating activities</b>	<b>8,927</b>	<b>(2,766)</b>	<b>(10,454)</b>
Research and development tax credit received	-	2,063	4,427
<b>Net cash outflow from operating activities</b>	<b>8,927</b>	<b>(703)</b>	<b>(6,027)</b>
<b>Cash flows from investing activities:</b>			
Purchases of property, plant and equipment	(10)	(8)	(18)
Finance income	158	15	22
<b>Net cash outflow from investing activities</b>	<b>148</b>	<b>7</b>	<b>4</b>
<b>Cash flows from financing activities:</b>			
Payment of lease liabilities	(175)	(155)	(329)
Proceeds from the issue of ordinary share capital	6	5,701	5,701
Expenses of placing	-	(287)	(287)
<b>Net cash inflow from financing activities</b>	<b>(169)</b>	<b>5,259</b>	<b>5,085</b>
<b>Increase/(decrease) in cash and cash equivalents</b>	<b>8,906</b>	<b>4,563</b>	<b>(938)</b>
Net foreign exchange differences			79
Cash and cash equivalents at the start of the period	4,220	5,079	5,079
<b>Cash, cash equivalents and deposits at the end of the period</b>	<b>13,126</b>	<b>9,642</b>	<b>4,220</b>

**Notes to the interim financial report  
For the six months ended 31 January 2024**

**1. Corporate information**

The principal activity of the C4X Discovery Holdings plc is research and development, a review of which is included in the Chairman's and 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 25 March 2024.

**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 2023.

The interim financial information for the six months ended 31 January 2024 and 31 January 2023 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 2023. The 2023 annual report and accounts received an unqualified audit opinion and have 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 2023.

**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**

	<b>Six months to 31 January 2024 £000</b>	<b>Six months to 31 January 2023 £000</b>	<b>Year to 31 July 2023 £000</b>
Revenue recognised at a point in time			
- Right-to-use licence revenue	15,950	1,652	1,652
- Milestone revenue	8,683	-	-
Revenue recognised over time			
- Research services revenue	13	24	42
- Consultancy services	-	-	16
<b>Total Revenue</b>	<b>24,646</b>	<b>1,676</b>	<b>1,710</b>

Revenue in the current period has been generated from contracts with two customers.

Revenue of £15.9 million from the agreement with Indivior for the outright acquisition of Orexin-1 Receptor Antagonist Programme executed on 31 July 2023 was subject to certain performance obligations which were met on 4 August 2023 resulting in this revenue being recognised within the six months to 31 January 2024.

The revenue attributed to Milestone attainment was generated from one customer and is recognised at a point in time.

Revenue in the prior periods was generated from contracts with a two customer. In the prior period, the milestone revenue was determined to have one performance obligation and was recognised at a point in time.

The revenue from the right-to-use licence agreement was recognised at a single point in time when transfer of intellectual property was completed. The revenue from provision of consulting and technical support services under the same agreement was recognised over time when the services were provided.

The revenue attributed to the delivery of research services was recognised on the same basis as in the previous period.



#### 4. Taxation

	Six months to 31 January 2024 £000	Six months to 31 January 2023 £000	Year to 31 July 2023 £000
UK corporation tax losses in the period	-	-	-
Research and development income tax credit receivable	-	(1,296)	(2,305)
Adjustment in respect of prior periods	-	-	-
	-	(1,296)	(2,305)

#### 5. Loss per share

	31 January 2024 £000	31 January 2023 £000	31 July 2023 £000
<b>Profit /(loss) for the financial period attributable to equity shareholders</b>	<b>17,798</b>	<b>(3,879)</b>	<b>(11,111)</b>
<b>Weighted average number of shares:</b>	<b>No.</b>	<b>No.</b>	<b>No.</b>
Ordinary shares in issue	252,169,076	250,048,502	251,102,072
Number of exercisable share options and warrants	32,967	305,197	855,664
Ordinary shares in issue for purposes of diluted EPS	252,202,043	250,353,700	251,957,736
<b>Basic and diluted profit /(loss) per share (pence)</b>	<b>7.06p</b>	<b>(1.55)p</b>	<b>(4.42)p</b>

The number of exercisable share options and warrants above are those deemed to be potentially dilutive in nature as their exercise price is less than the average share price for the period. As the group made a loss in the comparative period the effects of these potential ordinary shares are not dilutive.

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

	Deferred shares Number	Ordinary shares Number	Share capital £000	Deferred shares £000	Warrant reserve £000	Share premium £000	Total £000
<b>Ordinary and deferred shares as at 31 January 2023</b>	<b>2,025,000</b>	<b>252,119,597</b>	<b>2,520</b>	<b>2,025</b>	<b>968</b>	<b>58,540</b>	<b>64,053</b>
<b>Ordinary and deferred shares as at 31 July 2023</b>	<b>2,025,000</b>	<b>252,119,597</b>	<b>2,520</b>	<b>2,025</b>	<b>968</b>	<b>58,540</b>	<b>64,053</b>
Issue of share capital on exercise of options	-	107,500	2	-	-	4	6
<b>Ordinary and deferred shares as at 31 January 2024</b>	<b>2,025,000</b>	<b>252,227,097</b>	<b>2,522</b>	<b>2,025</b>	<b>968</b>	<b>58,544</b>	<b>64,059</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).