

Diaceutics

PLC

Half year results

September 2021

Diaceutics

Better Testing, Better Treatment

Our aim at Diaceutics is to get every patient access to **the right treatment at the right time**



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Through DXRX: The world's first diagnostic commercialisation platform for Precision Medicine



*Based on contracted clients per 2020 Annual Report

Overview of Diaceutics

UK-listed high growth healthcare technology business

- Serving the global pharmaceutical and Precision Medicine diagnostics market

Addressing a significant and pressing issue

- Precision Medicines are reaching a tipping point
- However, patients are not receiving medicines at the correct time, due to issues with diagnostics
- The addressable market for Diaceutics specific services today is approximately US\$0.25 billion annually based on our current forecast. We expect this to increase to \$0.45 billion annually by 2026.

Unique offering with first mover advantage

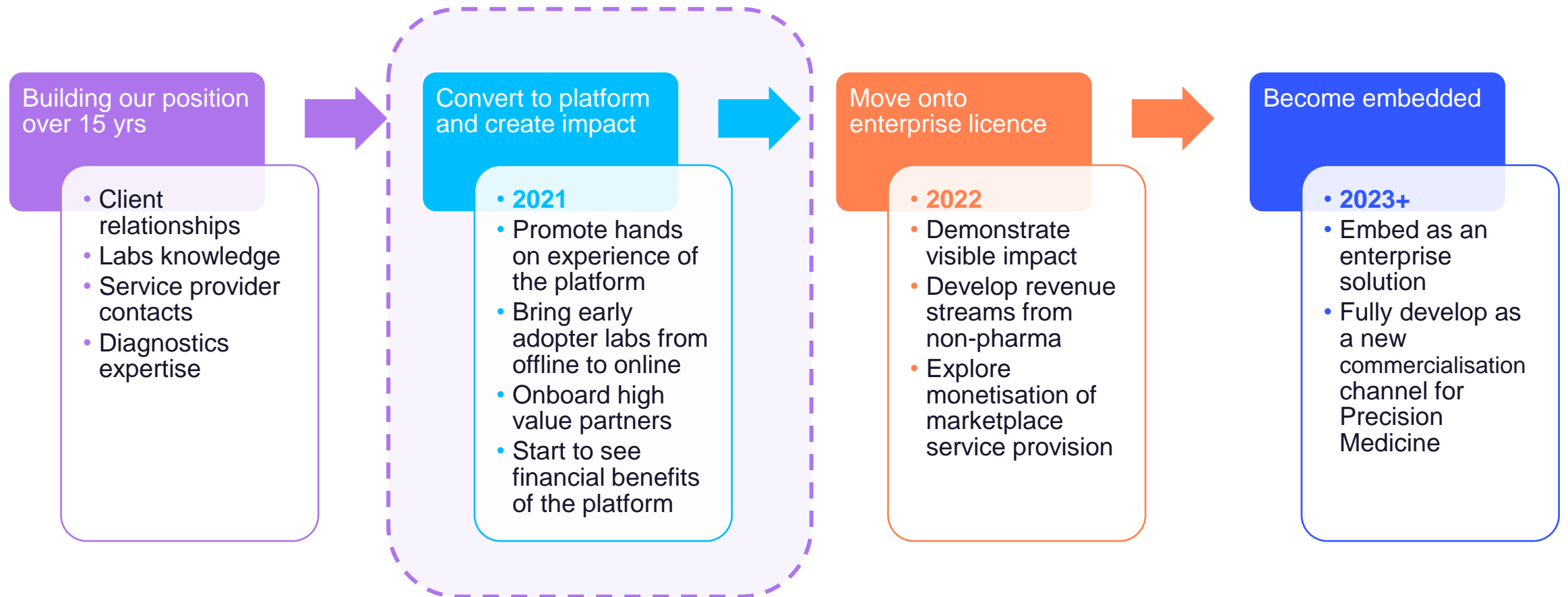
- DXRX – the world's first diagnostics commercialisation platform for Precision Medicine
- A data-enabled, digital platform
- Connecting labs, pharma and service providers - globally

Accelerating the commercialisation of Precision Medicine

- Through bringing together the key market participants, supported by unique data insights
- Powering a more efficient diagnostics marketplace



Delivering on our strategic roadmap



DXRX is transforming client engagement



Case Study: Two leading Pharma companies collaborating on introduction of a new therapy brand in cancer in 2021

The unmet need

- Brand has complete dependency upon existing in-market test which requires the introduction of an entirely new scoring / interpretation system
- Data by Diaceutics shows that pathologists cannot easily discriminate between different test scoring systems to interpret the diagnostic correctly
- Leading to significant variability between labs with potential loss of patients on treatment

The DXRX solution

- Identify 60+ most influential labs
- Collect data online & measure the problem
- Develop change management training materials & provide training via platform partner
- Stakeholder collaboration to develop improved biomarker results scoring
- Monitor & support adoption across key labs
- Create landmark collaborative publication

Simultaneous solution for all key launch markets

Progressing to plan

- 80 pathologists in 10 countries
- 6 person advisory board
- Base line “exhaust data” collected & being analysed
- Lab training booked
- Weekly client engagement
- Discussion commenced over project extensions
- Landmark publication of change program likely to be mid 2022



60+ In network labs across 10 countries simultaneously “opting in”



Transforming our business model

- Total programme value \$750k+ in single PO
- Network access fee + Data subscription
- Technology enabled services fees include
 - Training material development
 - Training
 - Lab recruitment
 - Professional services
- Demonstrates network value to partners and labs to support future recruitment
- Data additive to data repository

Key successes in the period



- **DXRX “hands on use”**

- 15 clients now engaged via projects on the platform
- 312 labs now engaged on the platform (up from 64 FY20) as of 30 June 2021
- 11 collaborations secured to implement change via our technology enabled modules run during H1 targeting testing barriers in disease areas in multiple cancers
- SeraCare added to our global network of industry leading service partners



- **Data Repository IP**

- 312 labs now enriching DXRX data repository through engagement with tech enabled platform services
- 44m data records added to the data lake since Jan (Total 409m)



- **Market Awareness**

- Accepted already during H1 to present 9 “new disease insight” studies at 6 key conferences in 2021 supporting BD campaigns
- Lead Investigator on Study with the Personalized Medicine Coalition and 15 leading companies to provide the definitive patient leakage analysis - to be published November 2021



- **Sales Diversification**

- First data sale to large diagnostic company secured as part of BD to expand into new client channels

DXRX Platform traction KPIs (end H1)

demonstrate the success of the strategy



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Client projects now enabled by DXRX integrated data



44%

Of total H1 revenue relates to DXRX projects



312

Labs registered on the platform for DXRX collaborations



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Dx partners recruited into the marketplace



40%+

Of Q3 pipeline represented by DXRX



Strong DXRX labour efficiencies apparent in initial projects with **15%** increase in GM before amortisation



28%

Increase in USD average 2021 pharma project value over 2020

Financial Review

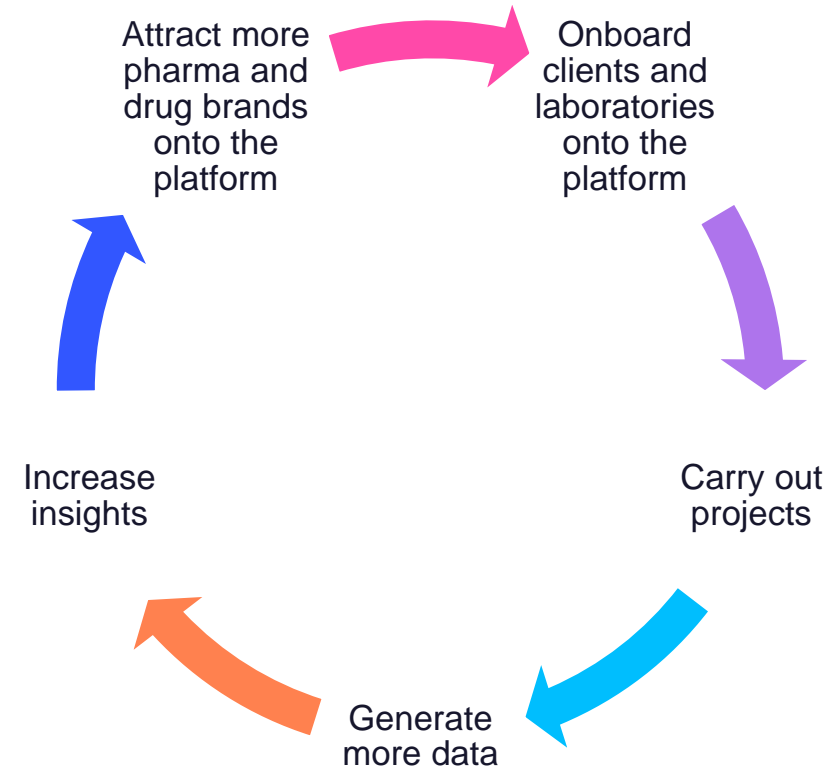


The benefits of the DXRX platform on our business model

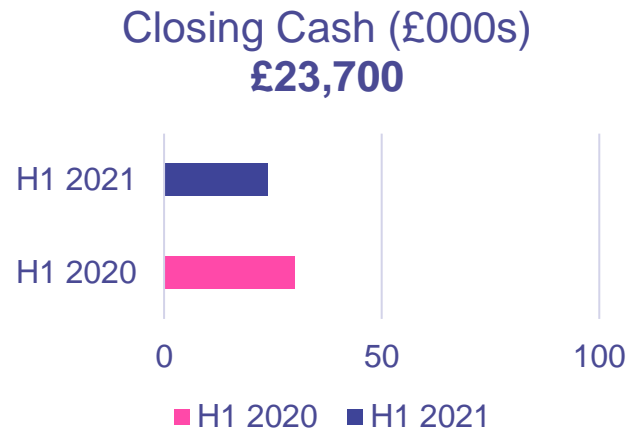
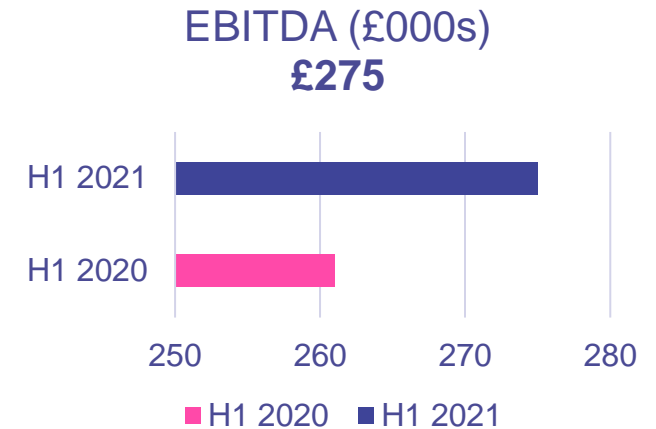
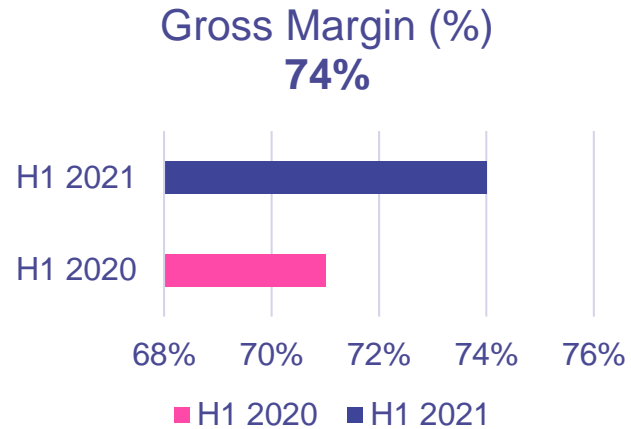
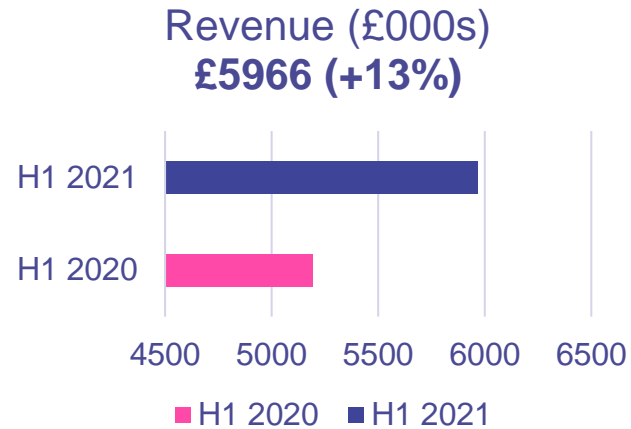


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- Transitioning to a subscription revenue model
- Scalable platform – high gross margins
- Additional modules provides opportunity for increased share of wallet
- Efficiencies in data capture and cost of laboratory engagement
- Potential for short to medium term upside via new revenue channels: Data companies, Laboratories, Diagnostic Companies



Positive performance in our Financial KPIs



Strong revenue growth* with improved gross margin



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£m	H1 21	H1 20	% Var.
Revenue	6.0	5.3	13%
Gross profit	4.4	3.8	16%
Gross margin	74%	71%	4%
Gross margin exc. amort.	85%	74%	15%

Administration costs	5.1	3.8	
Exceptional costs	-	-	
Tax credits (R&D)	0.5	1.1	
(Loss)/Profit after tax	(0.3)	1.1	
Adjusted EBITDA	0.3	0.3	

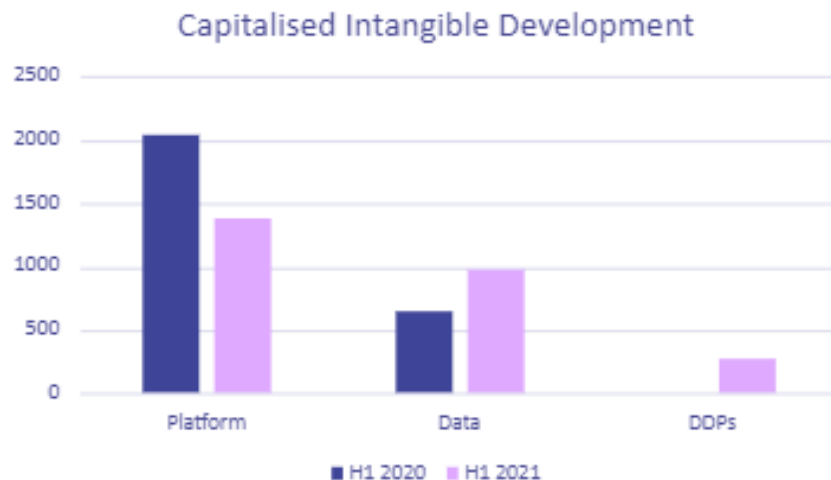
- **Strong USD revenue performance*** for H1 2021 (24% on CC basis)
- **44%** of total revenues delivered by the platform – ahead of 20% expectation
- **Platform rebalancing seasonality:** engagement by clients, currently 44% of revenue is beginning to help re-balance seasonality of financial performance
- **Key regions reporting strong growth:** Regionally US and EU have reported strong growth v H1 2020. UK and APAC which represent a smaller proportion of the business contributing positively and investment continues in these markets
- **Growth in GM by 300 bps to 74%** after amortisation of DXRX platform which was £0.6m for H1
- **Platform driving labour efficiency within COS.** 15% increase in gross margin before amortization due to efficiencies of the platform
- **Admin costs increased 34%:**
 - BD FTE and sales commission: £0.3m
 - Legal and compliance: £0.2m
 - Reversal of the prior year H1 FX gain £0.7m to H1 2021 loss £0.1m
- **R&D tax credit** of £0.5m versus £1.1m in the previous period which included a catch-up credit

Strong cash position and investment in platform and data



£m	H1 21	H1 20
Intangible asset - platform	6.5	
Intangible asset - data	3.7	1.9
Intangible asset – Asset under construction	2.1	4.6
Trade receivables	3.5	4.2
Cash	23.7	29.8

- **Overall investment in intangible assets** in the period is £2.7m (H1 2020: £2.9m)
- **Platform investment through 2021** on budget and set for launch Q4 2021
- **Data investment** resulted in patient records increasing by 44m (since 31 December 2020) to 409m patient testing records
- **DDP Investment** in the IP and algorithms underpinning our DDPs diagnostic deductive pathways.
- **Improved trade receivables management** resulting in positive net cash from operations
- **Net cash from operations** for the period £1.3m (£1.3m H1 2020)





Strategy and **Outlook**

DXRX - The future of diagnostic commercialisation



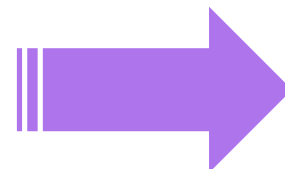
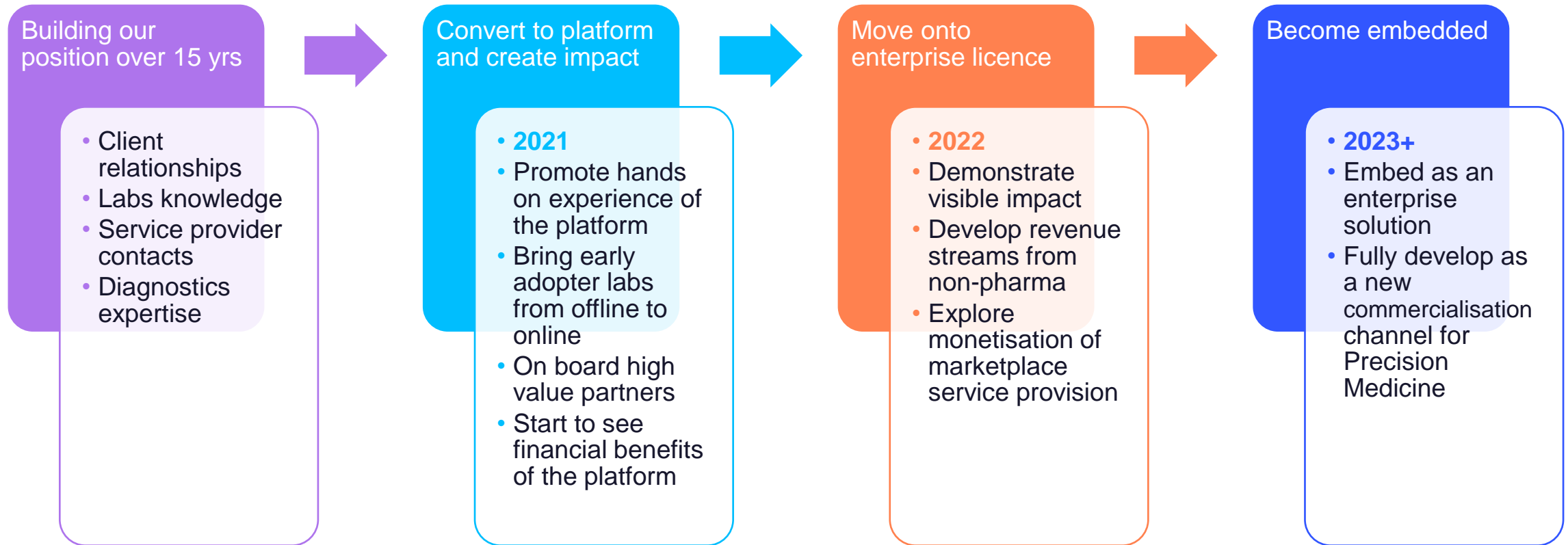
The future of diagnostic commercialisation is:

- **Outsourced** - Pharma can outsource their entire Dx commercialisation to Diagnostics using DXRX
- **Digital** - Post COVID-19 is an era of rapidly accelerated drug development and commercialisation, DXRX technology provides a digital testing solution which can meet this market need
- **Scalable** - The number of new Precision Medicine therapies is increasing exponentially, DXRX can provide Diagnostics with the scale to deliver on that growth
- **A multi-sided marketplace** - DXRX brings all the key stakeholders in the Dx commercialisation supply chain into a vibrant marketplace, enabling them to collaborate on launching tests
- **Data rich** - The combination of platform generated exhaust data, DDPs and the world's largest Precision Medicine focused lab network offers best in class insights to pharma key markets

Strategic roadmap



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H2 focus is to prepare the ground for 2022 success

Second DXRX product launch



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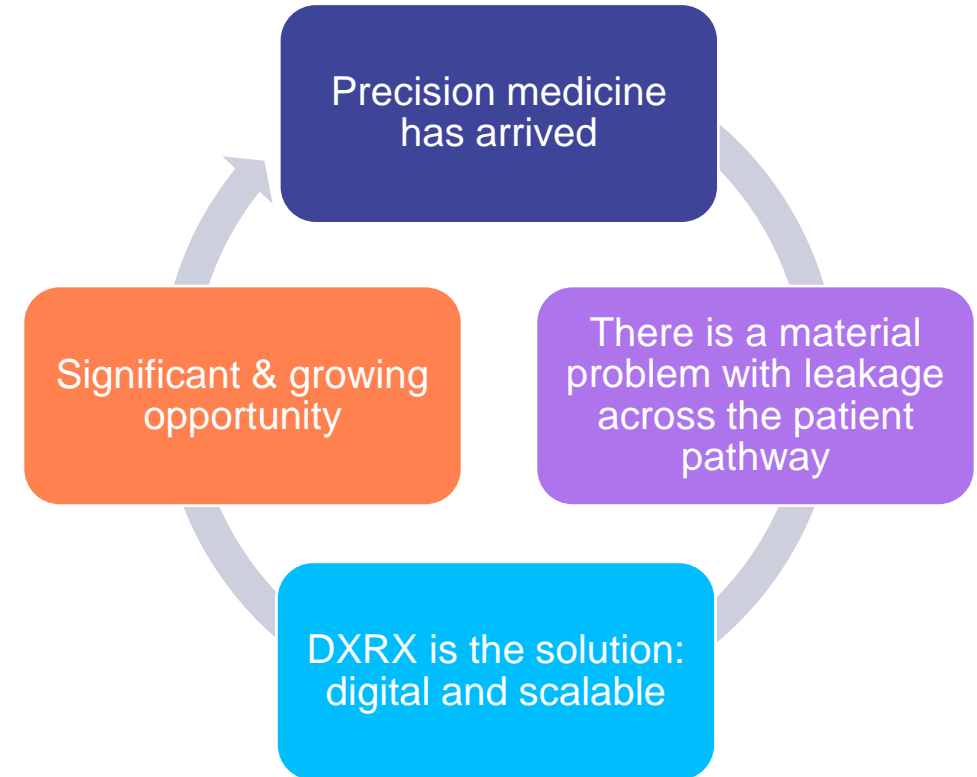
- Launching additional four modules Q4 2021
 - **Patient Journey**
 - **Lab Benchmark**
 - **Test Announcement**
 - **Test Re-imbursement**
- Patient level testing data, to understand how diseases are tested for, and the overall diagnostic journey of a patient with that disease.
- We believe the depth of our insights and the growing real-world need for our digital solutions will further embed us with our clients and facilitate onward growth for the Company.



Positive outlook and exciting opportunity ahead



- **Early indicators of a more balanced first half, second half weighting** compared to prior years
- **Building the foundations for platform adoption and improved our competitive position** to service the unmet diagnostic commercialisation needs of the pharmaceutical industry
- **Client engagement on the platform**, which is ahead of the Board's expectations, and the **progress made with our laboratory, sets us in good stead for H2**



Q&A



Presentation Team



Peter Keeling
Founder and CEO

- 30+ years' experience as a leader, entrepreneur and strategist in the pharmaceutical industry
- Led international companies and teams with a focus on novel business models and product launches, including therapies, diagnostics and FMCG products
- 11 years leading projects in both operational and strategic roles at the pharmaceutical division of the Wellcome Foundation



Philip White
CFO

- 16+ years' management and financial experience, and has been Chief Financial Officer of Diaceutics since 2011
- Responsibility for all financial and risk management operations at Diaceutics and works with the executive management team to develop and implement strategy

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