

# Diaceutics

# PLC

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**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**



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

**2,500**  
Lab and  
diagnostic  
partners



**39** of the world's  
leading Pharma  
clients\*

**World leading data**  
repository and  
proprietary AI

\*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

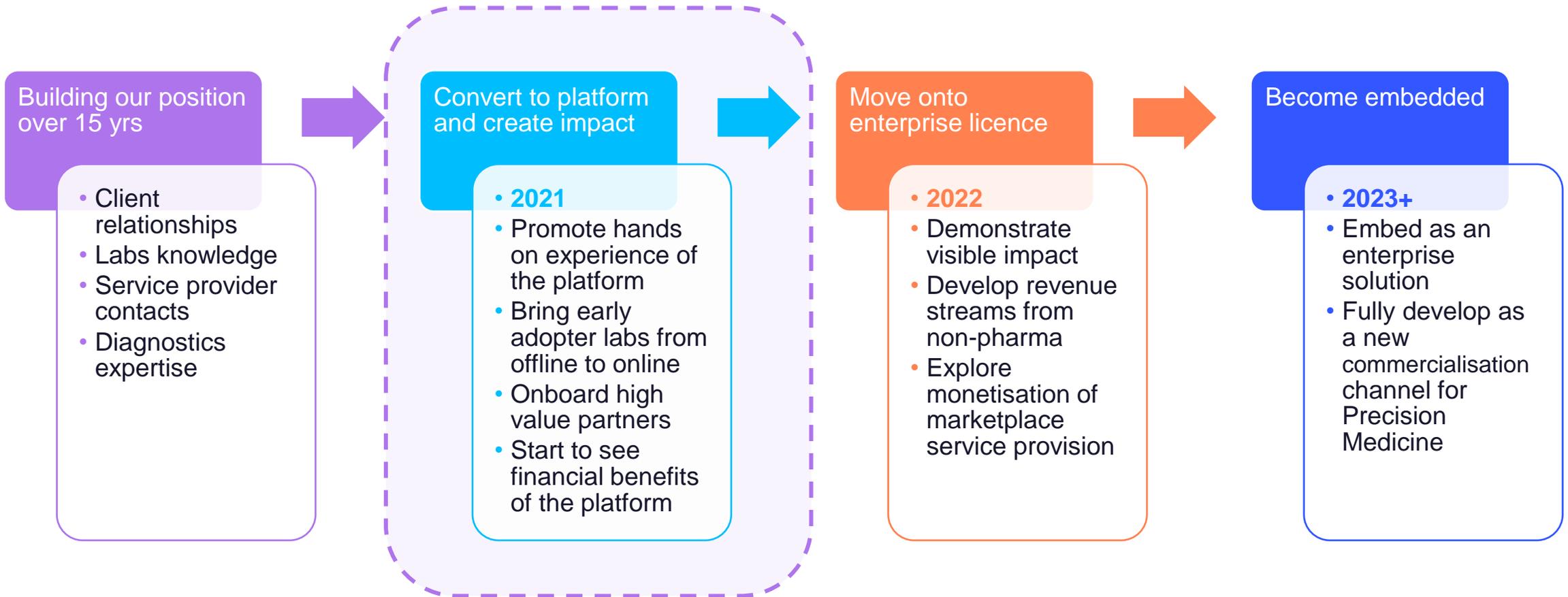
- DXRX – the world's first diagnostics commercialisation platform for Precision Medicine
- A data-enabled, digital platform
- Connecting labs, pharma and service providers - globally

## 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

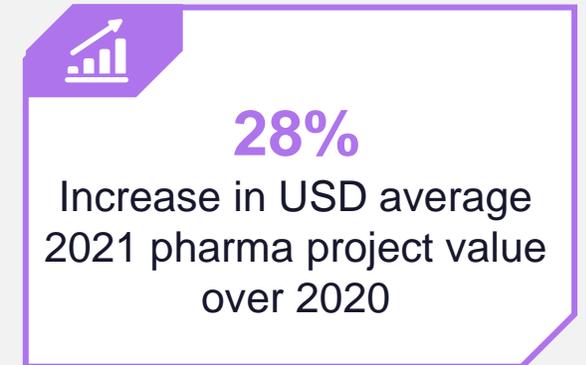
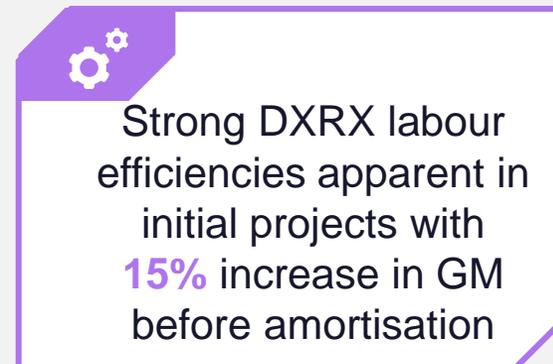
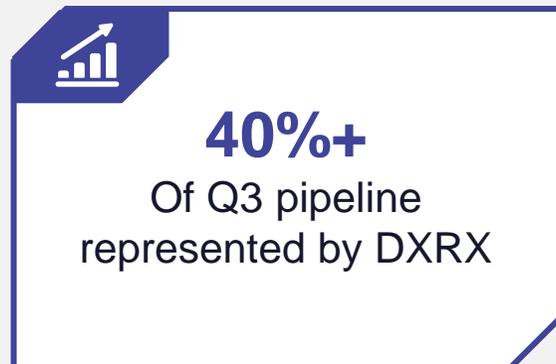
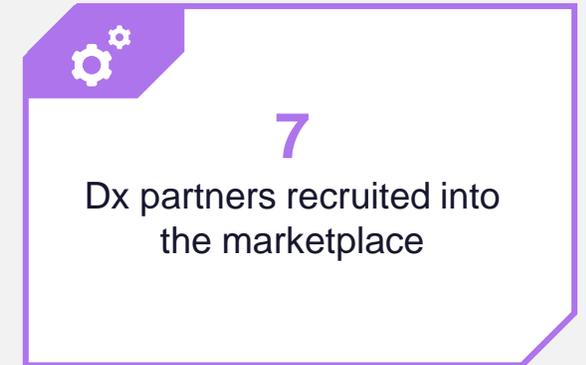
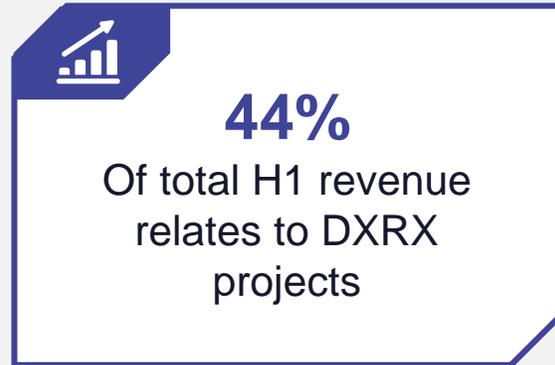


- **Sales Diversification**

- 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

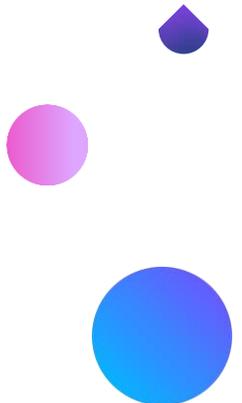
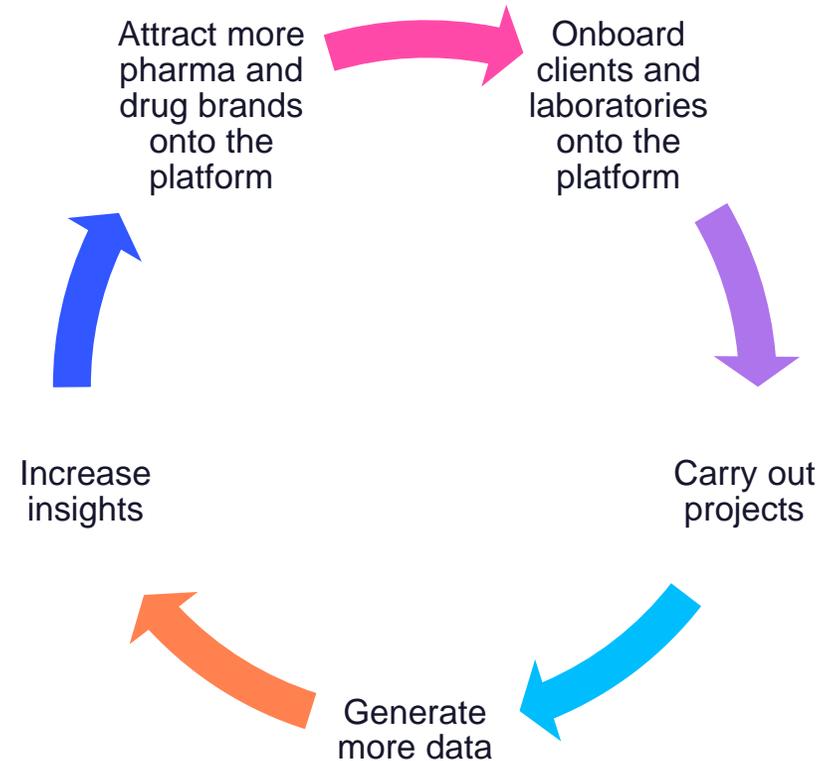




# The benefits of the DXRX platform on our business model



- 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



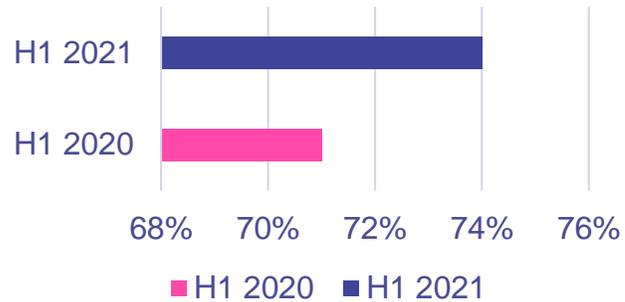
# Positive performance in our Financial KPIs



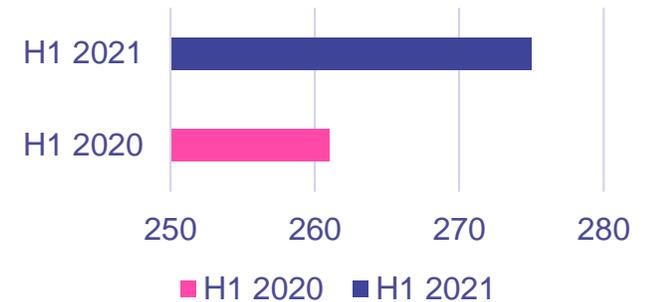
Revenue (£000s)  
**£5966 (+13%)**



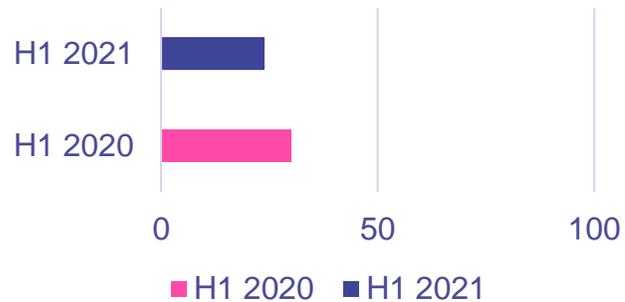
Gross Margin (%)  
**74%**



EBITDA (£000s)  
**£275**



Closing Cash (£000s)  
**£23,700**



# Strong revenue growth\* with improved gross margin



£m	H1 21	H1 20	% Var.
<b>Revenue</b>	6.0	5.3	13%
Gross profit	4.4	3.8	16%
<b>Gross margin</b>	74%	71%	4%
<b>Gross margin exc. amort.</b>	85%	74%	15%
<b>Administration costs</b>	5.1	3.8	
<b>Exceptional costs</b>	-	-	
<b>Tax credits (R&amp;D)</b>	0.5	1.1	
<b>(Loss)/Profit after tax</b>	(0.3)	1.1	
<b>Adjusted EBITDA</b>	0.3	0.3	

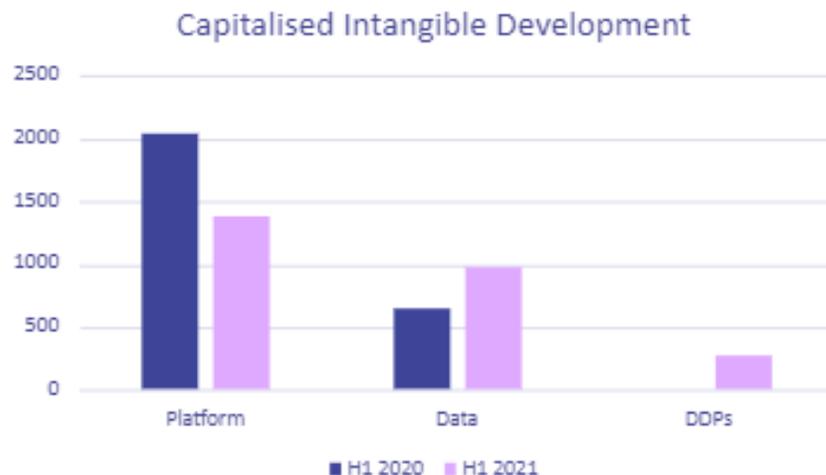
- **Strong USD revenue performance\*** for H1 2021 (24% on CC basis)
- **44%** of total revenues delivered by the platform – ahead of 20% expectation
- **Platform rebalancing seasonality:** engagement by clients, currently 44% of revenue is beginning to help re-balance seasonality of financial performance
- **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**

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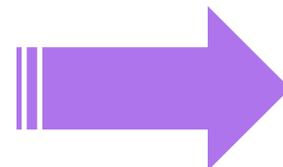
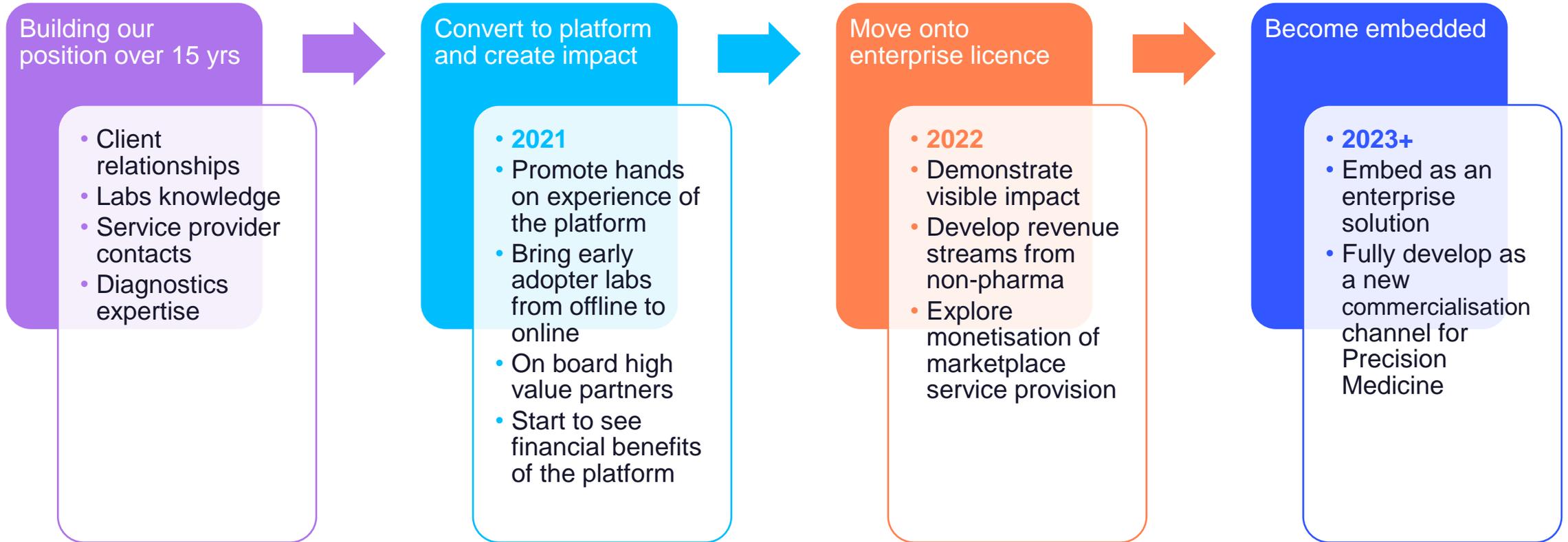
# DXRX - The future of diagnostic commercialisation



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



H2 focus is to prepare the ground for 2022 success

# Second DXRX product launch



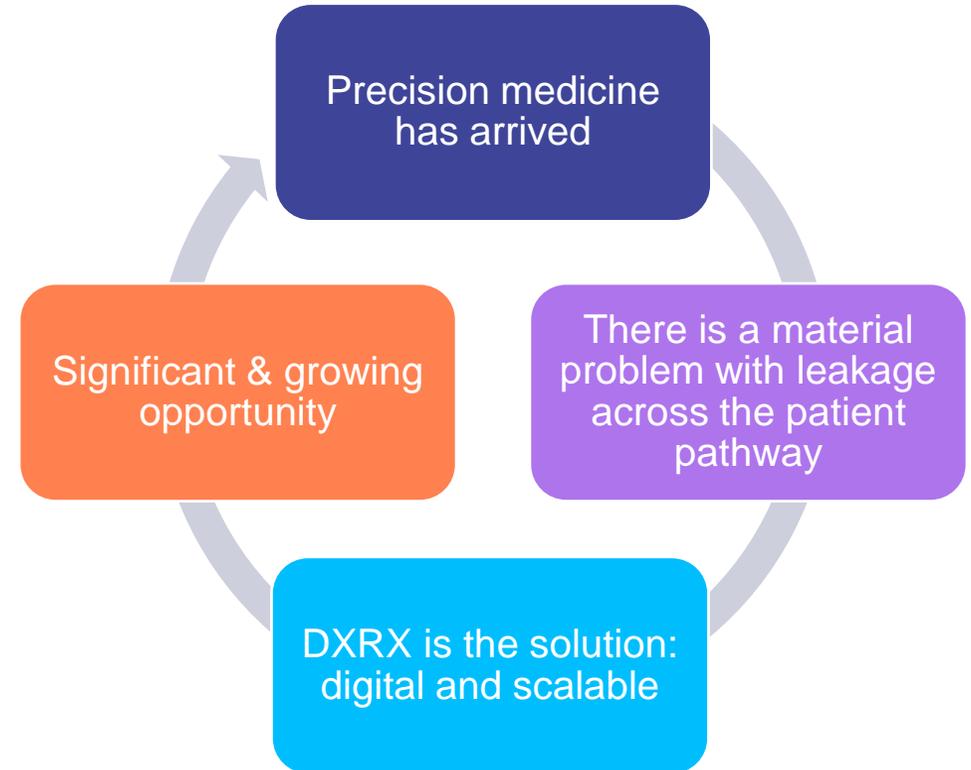
- Launching additional four modules Q4 2021
  - **Patient Journey**
  - **Lab Benchmark**
  - **Test Announcement**
  - **Test Re-imburement**
- Patient level testing data, to understand how diseases are tested for, and the overall diagnostic journey of a patient with that disease.
- We believe the depth 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

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# Presentation Team

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**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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