

Diaceutics

PLC

H1 Results 2022

September 2022

Diaceutics

Better Testing, Better Treatment





Meet our team



Peter Keeling

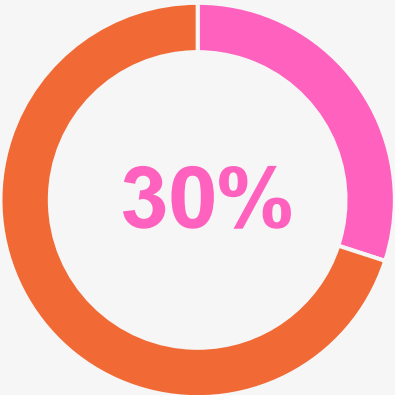
Chief Executive
Officer



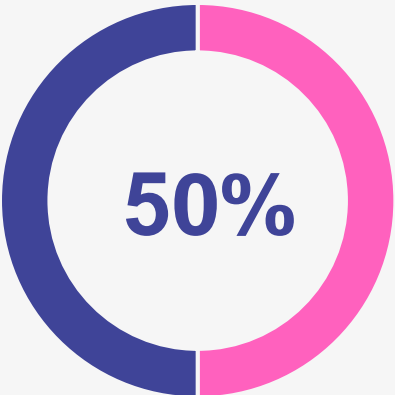
Nick Roberts

Chief Financial
Officer

Pharma today are spending on average \$5-10m per brand in resolving diagnostic hurdles



FDA approvals
between 2018 and 2021
dependant upon a precision
diagnostic¹



Patients denied access
to our customers drugs due to
testing hurdles³

Sources
1. https://www.personalizedmedicinecoalition.org/Userfiles/PMC-Corporate/file/Personalized_Medicine_at_FDA_The_Scope_Significance_of_Progress_in_2021.pdf
2. Company estimates
3. PMC Publication targeting JCO Journal of Precision Oncology (data on file)
4. Based on customer ordering patterns

TAM
driving year on year
increase in market
opportunity²

	Today	2025	2030
	\$250m	\$450m	\$3bn
Number of new PM Oncology Drugs Launched Annually	30	35	40
Number of new PM Non Oncology Drugs Launched Annually	5	10	30
Lifetime Pharma spend per therapy on Dx enablement ⁴	\$5m	\$10m	\$15m

* Includes continued Pharma investment on previously launched diagnostics

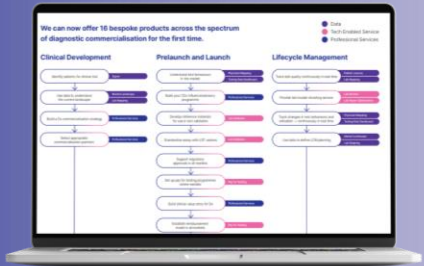


Healthtech data and services: Diaceutics operational snapshot

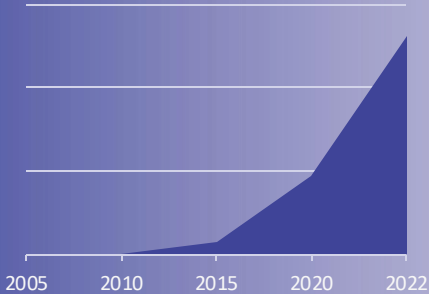
Unique focus on diagnostic commercialisation for Precision Medicine
Blue-chip customers engaged in H1: 41 pharma therapy brands: All top 10 pharma: 7 new customers



Global platform network



Innovative products



Unique data powered insights



Platform revenues
76%
(2021: 63%)



Revenue
£7.5m
(2021: £6.0m)

Growth of 25%



Order book
£10.2m
(Dec-21: £1.7m)

2022 H1 – Hitting key milestones

Sales and Marketing Into Their Stride

- Key account management bedding in
- Coordinated ASCO Campaign
- Dedicated KAMs for net new clients and leading account
- Landmark publications now in press

- Added 7 new customers – Biotech and Dx
- Multiple therapy brands in top Pharma clients
- Increase in customers in rare disease and non oncology

Increasingly Diversified Customer Base



Growth of Platform

- DATA added 110m patient records
- LABS added 231 Labs (+42%)
- PLATFORM 24 unique lab talks content published - 5 new “Collaborations” launched
- Largest TES project secured \$3m

- Platform revenues 76% (2021 target was 63%)
- Gross margin 68% (84% excl amortisation)
- 13 multi year subscription contracts signed
- Strong order book growth

Quality of Revenue Transition Continuing



Financial Review



Financial KPIs summary




Revenue

£7.5m 
(2021: £6.0m)




Total Contract Value

\$20.4m 
(2021: \$8.8m)




EBITDA

£0.3m 
(2021: £0.3m)




Order book

£10.2m 
(Dec-21: £1.7m)




Platform revenues

76% 
(2021: 63%)




Gross margin exc.
amortisation

84% 
(2021: 87%)




Operating cash flow

£3.3m 
(2021: £1.3m)



Net Cash

£20.4m 
(Dec-21: £19.7m)

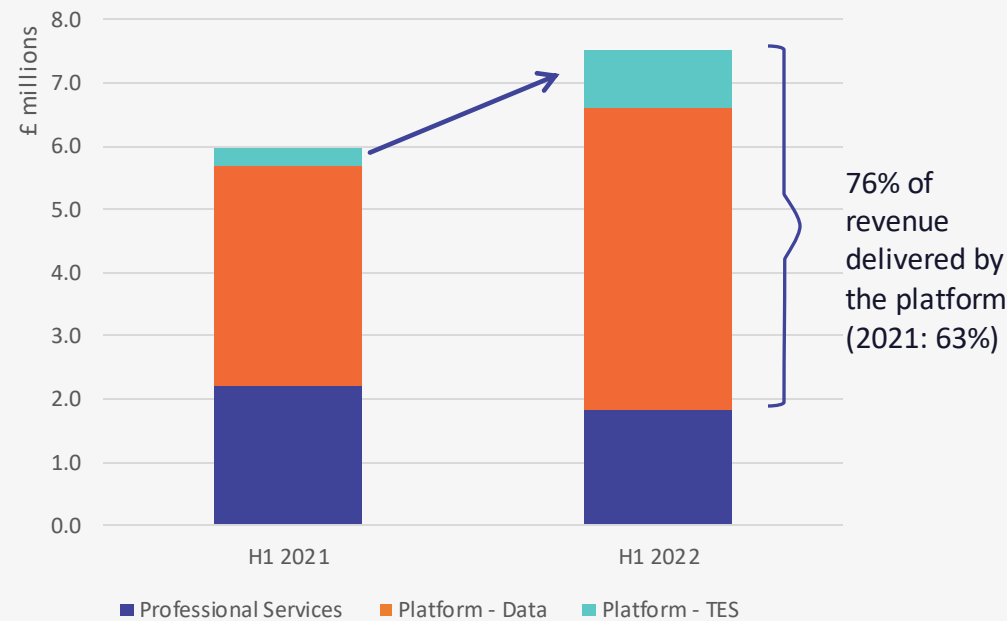


Strong sales performance grows revenue and order book

Total value of contracts secured in the first 6 months of 2022 were \$20.4 million, just short of the \$20.6 million sold for the whole 12 months of 2021

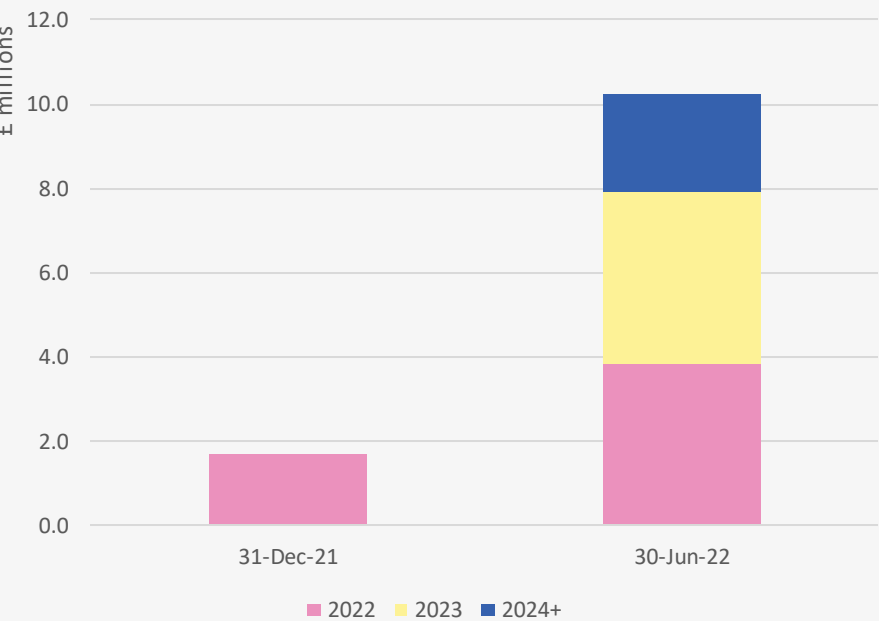
Strong revenue growth

25% growth (18% constant currency basis)



Future multi-year order book

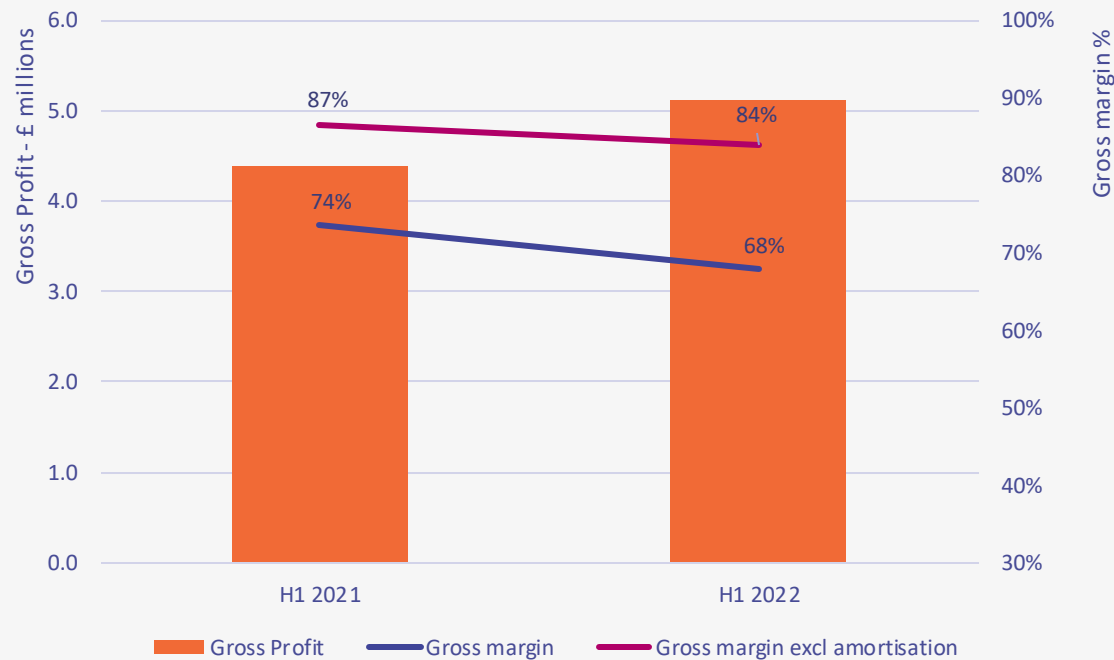
From £1.7m at Dec-21 to £10.2m at Jun-22



Increased gross profits and robust underlying margins

£5.1m gross profit and 68% gross margin (84% excluding amortisation)

Enhanced profit with reduced margin due to the timing of contract deliverables on significant new contract wins

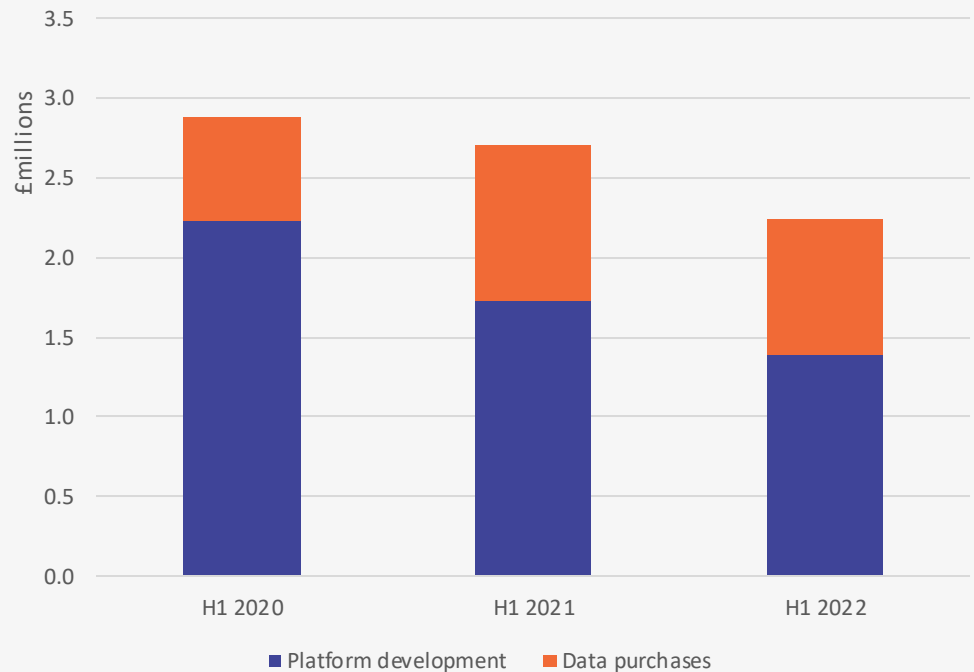




Investing for future growth

Platform and data investment

Reducing investment as platform and network matures (*reduced 21% in H1 2022*)



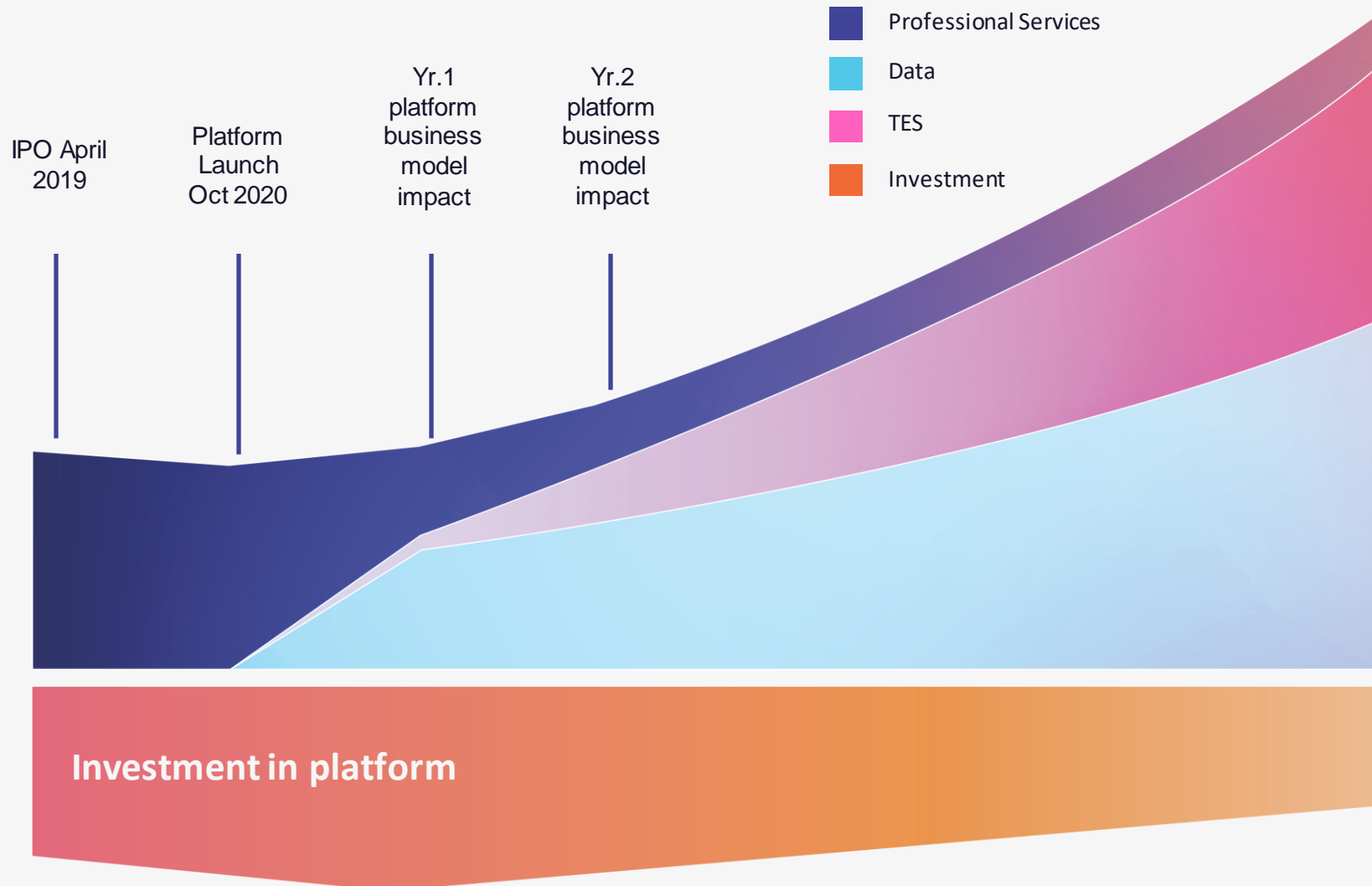
£m	H1 2020	H1 2021	H1 2022
EBITDA	(1.7)	0.3	0.3
Operating cash flow	1.3	1.3	3.3
Net cash	11.7	23.7	20.4

Platform and Data investment	2.9	2.8	2.2
Headcount (no.)	128	133	138

- **Operating cash flow:** improved to £3.3m, including £1.5m of R&D tax credit receipts.
- **Investment in platform development and data:** continued investment to maintain first-mover advantage. Investment intensity reducing as platform and network matures and exhaust data from network increases.
- **Strong cash position:** enabling continued investment in the platform data, products and people.
- **Investment in people:** net increase of 9 since Dec-21.



Business model: Transition to platform business



- **Transitioning revenue:** to annual and multi-year license and subscription contracts
- **High margin:** leveraging the platform to scale revenues at a high margin
- **Upselling Tech Enabled Services:** pursuing additional therapy team wallet through upselling products
- **Investment:** platform and data investment reducing in intensity as lab network expands. Committed to continued investment in people and skills



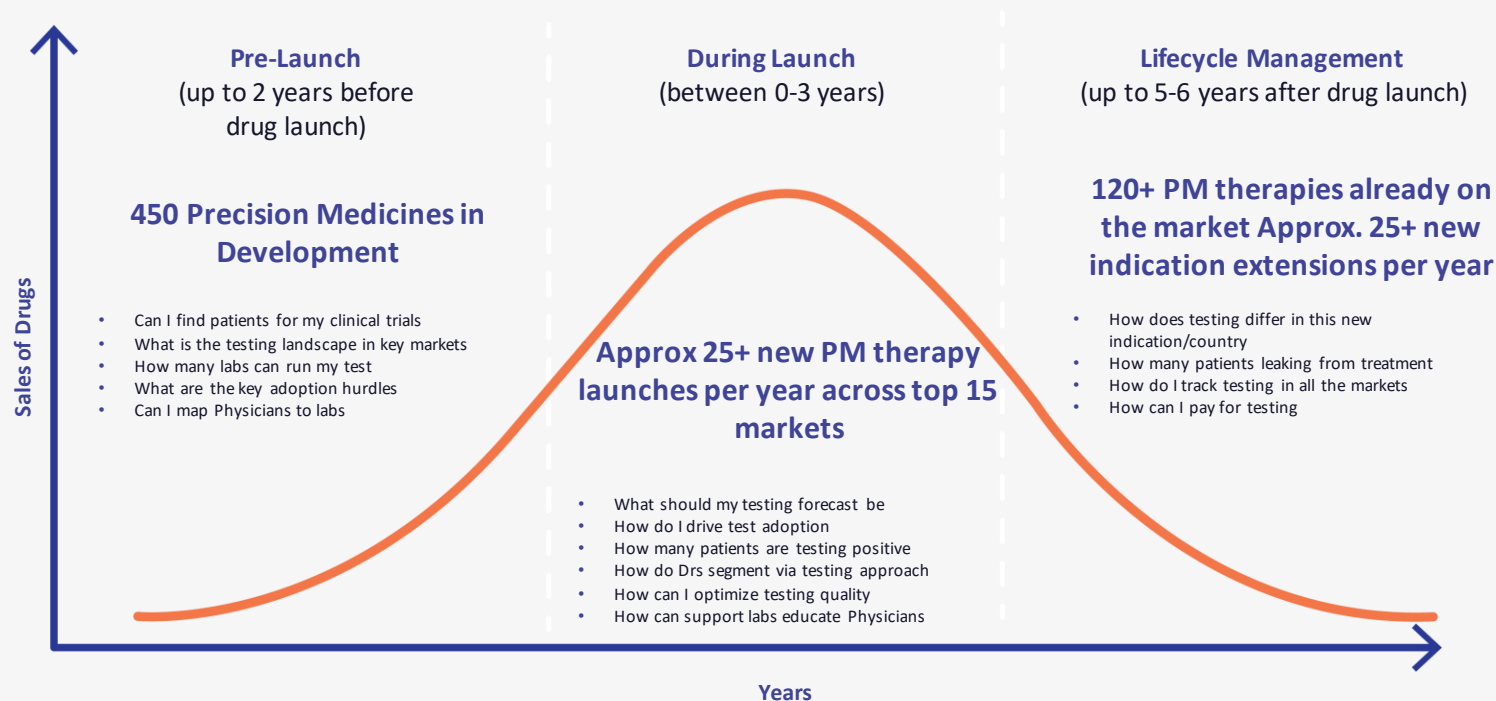
Growth strategy Outlook



Our customers have key needs

Pharma pipelines are transforming towards drugs dependent on testing ... **driving an urgent need**

Pharma spending on a new drug launch is a bell curve – building in pre-launch, peaking during the launch, and through to ongoing lifecycle management



Addressing these needs drives 60-fold return for our clients ¹

Source <https://dailynews.ascopubs.org/meetings/asco-annual-meeting>



LUNG CANCER

[Adagrasib Shows Promise in KRAS G12C-Mutated Non-Small Cell Lung Cancer With Active, Untreated Brain Metastases](#)

Approximately 27% to 42% of patients with non-small cell lung cancer (NSCLC) harboring KRAS G12C mutations have central nervous system (CNS) metastases, what are associated with poor prognosis.



BREAST CANCER

[Destiny-Breast04 Establishes Trastuzumab Deruxtecan As a New Standard of Care for HER2-Low Metastatic Breast Cancer](#)

As a rule, patients with advanced breast cancer featuring low HER2 expression levels are diagnosed with HER2-negative disease because HER2-targeted therapies typically prove to be ineffective in this setting.



GASTROINTESTINAL CANCERS

[Panitumumab Combined With FOLFOX Emerges As the New First-Line PARADIGM for Left-Sided RAS Wild-Type Metastatic Colorectal Cancer](#)

Panitumumab, not bevacizumab, is the preferred targeted therapy to use upfront, in combination with FOLFOX, in patients with left-sided RAS wild-type metastatic colorectal cancer (mCRC) based on the results of the Japanese PARADIGM trial (LBA1).

**Key PM developments
Headlines from ASCO 2022**



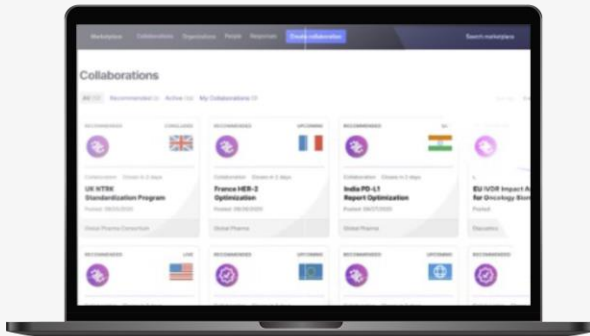


Our platform network provides **global reach via Labs to physicians**

Unique Combination

- **Our global network:** Multi tenant platform (labs – Dx companies – pharma – payers) organising the Dx ecosystem to ensure better testing
- **Our data:** Provides real-time – high quality – actionable insights from physicians, labs, payers
- **Our network collaborations:** Online interventions via TES and “collaboration model” with labs at the front line to resolve commercialisation barriers rapidly

Ongoing enterprise integration via Dashboards – CRM – API + Custom delivery



Our platform products cover the full diagnostic roadmap



Clinical Development

Identify Patients for Clinical Trial	Signal
△ Use data to understand the current landscape	Market Landscape Lab Mapping
Build a DX commercialisation strategy	Professional Services
Select appropriate commercialisation partners	Professional Services

Prelaunch & Launch

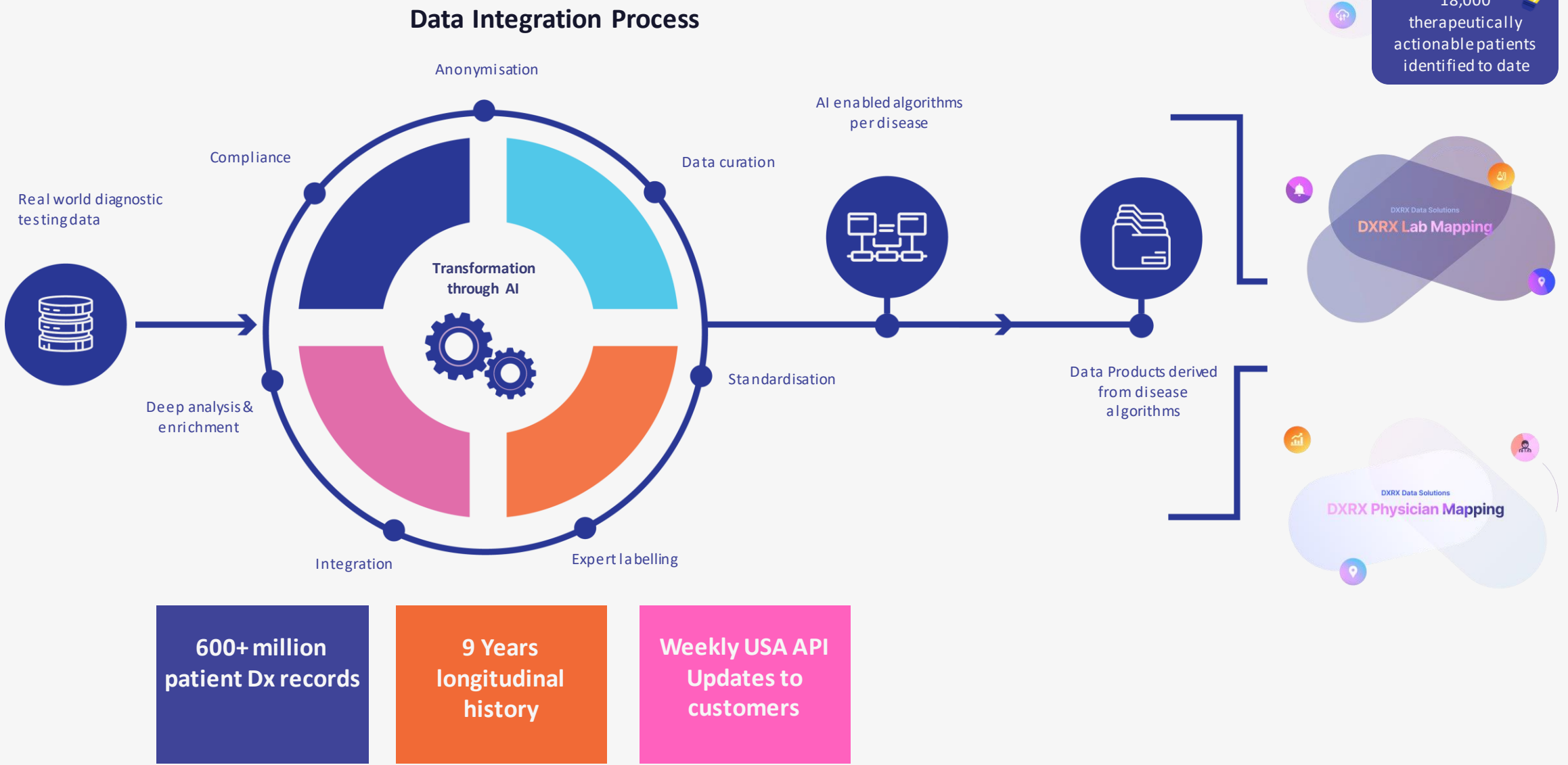
Understand test behaviours in the market	Physician Mapping	Testing Rate Dashboard
Build your CDx influence/advisory programme	Professional Services	
Develop reference materials for use in test validation	Lab Validation	
→ Standardise assay with LDT options	Lab Validation	
✓ Support regulatory approvals in all markets	Professional Services	
Set up pay for testing programmes where needed	Pay for testing	
Build clinical value story for Dx	Professional Services	
Establish reimbursement model in all markets	Pay for testing	
Build global EQA initiatives	Lab Quality Assurance	
Launch standardised test in all lab partners	Lab Quality Assurance	Lab Harmonization
✓ Provide training to labs	Lab Education	Lab Monitor
Announce availability of new test to all stake holders	Lab Talks	Lab Alerts
→ Identify patients for treatment	Signal	
→ Remind key stakeholders of when they should be testing	Lab Advisory	Signal Outreach
Track changes in test behaviours and utilisation – continuously in real time	Physician Mapping	Testing Rate Dashboard

Lifecycle Management

Track test quality continuously in real time	Patient Journey
	Lab Mapping
Provide lab trouble-shooting service	Lab Monitor
	Lab Report Optimisation
Track changes in test behaviours and utilisation – continuously in real time	Physician Mapping
	Testing Rate Dashboard
Use data to define LCM planning	Market Landscape
	Lab Mapping

- Data
- Tech Enabled Service
- Professional Services
- △ Pre 2021 utilised
- ✓ 2021 utilised
- 2022 Actual and planned

Our platform **data** powers our insights





Outlook

Future Drivers of Growth

Spending increasing in Dx commercialisation within Pharma and Diagnostic companies

New products extracted from data and lab network

More new therapy and indication launches per annum & moving patients into earlier lines of therapy

Moving beyond oncology into orphan and large diseases

Entered H2 2022 in a strong position

- Growing order book and multi year recurring revenue
- Significant increase in order size
- Platform driving deeper customer engagement
- Sales team hitting their stride

Milestones to look out for in H2

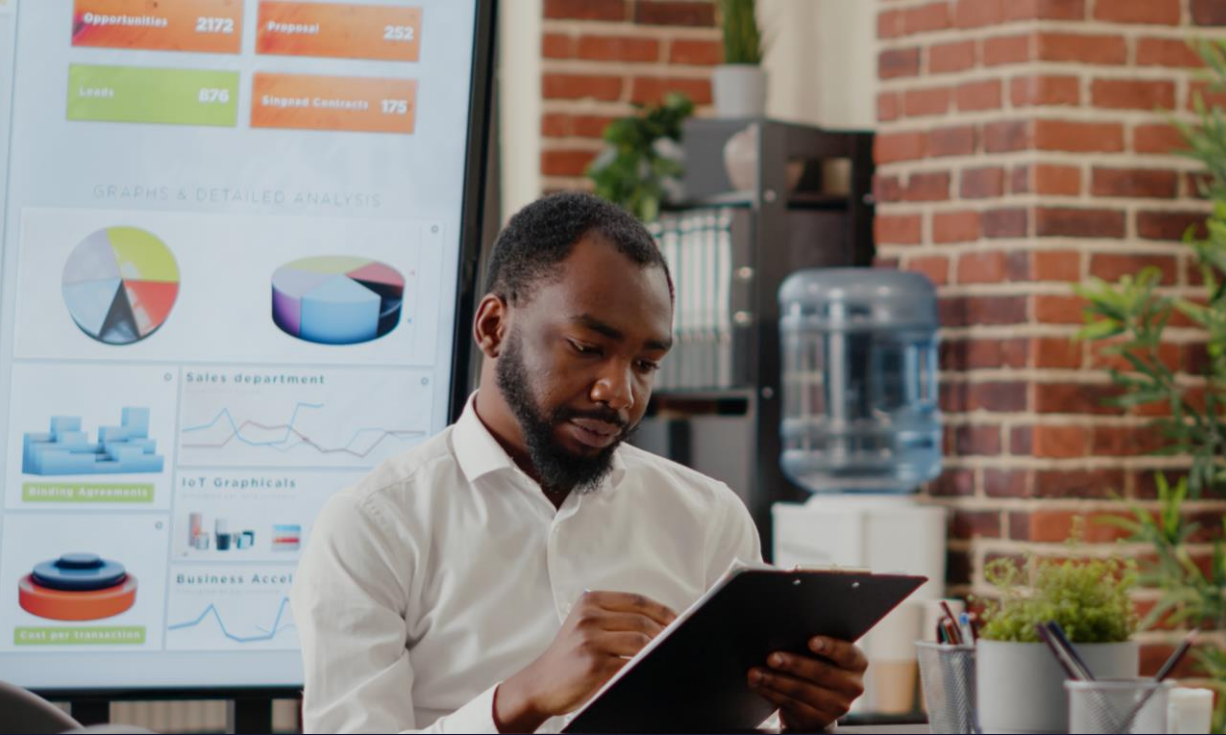
- Further platform growth – labs, data and product features
- Continued subscription growth – multi-year recurring revenue wins
- Landmark – category leadership publications

"With a growing order book and substantially increased sales pipeline, the Board remains positive about the Group's outlook and expects to report full year results in line with expectations."



Q&A





Why invest in Diaceutics

Precision Medicine has arrived, with each requiring companion diagnostics

DXRX helps connect diagnostics to treatment — to get patients the medicine they need

1. We are **first to Market** with a **global, digital platform**
2. We have the world's **richest repository of real-world diagnostic testing data**
3. We are confident we have built a **considerable level of competitive advantage**
4. We have a **proven Track Record** with long term customer relationships
5. We are **well funded**
6. We have a truly **scalable data driven platform, with high gross margins**
7. We address a **large and growing opportunity and in a market picking up momentum**



Appendices



Remaining well on track towards our strategic roadmap



Value drivers

	2021 DXRX first full year transitioning proposition	2022 H1 Switching on new critical functions Proving the value of the platform	Future Enterprise license revenues An embedded partner with key Pharma
	2021	2022 H1	2023+
Products	<ul style="list-style-type: none"> Platform data and services led Pharma realising the scale of unmet need 	<ul style="list-style-type: none"> Land and expand - upselling clear ML Dashboard enhancements 6 products have sales of \$1.5m or more in H1 2022 	<ul style="list-style-type: none"> Collaborative marketplace platform Critical part of rapidly growing TAM (est.\$3bn by 2030)
Data	2021	2022 H1	2023+
	<ul style="list-style-type: none"> 490m patients and 77 AI-enabled pathways Data subscriptions switched on Weekly data feed to US customers 	<ul style="list-style-type: none"> 600 m patient records (up 22%) 13 multi-year subscriptions 18,000+ actionable patients identified via Signal 	<ul style="list-style-type: none"> Increased frequency of data feed to customers in top 15 countries 60/40 oncology non oncology split Novel data products derived from DDPs
Platform	2021	2022 H1	2023+
	<ul style="list-style-type: none"> 546 labs online 13 Partners Beginning of network effects 	<ul style="list-style-type: none"> 777 labs online (+42%) 24 Pieces of unique LabTalks content launched 18 collaborations complete - 5 newly launched 	<ul style="list-style-type: none"> 2,000 labs online in mid term Switching on Physician communication via Labs
Business Model	2021	2022 H1	2023+
	<ul style="list-style-type: none"> Platform enabled offering 60% platform revenues 89% Margin (pre amortisation) 	<ul style="list-style-type: none"> 76% revenues generated through platform 84% gross margin (pre amortisation) Visibility through Order Book now £10.2m 37% of revenues subscription based 	<ul style="list-style-type: none"> Enterprise license, highly recurring tech-led offering

Why Diaceutics Wins: Longterm Customer Relationships



Customer Need

Emerging biotech Customer launching new Lymphoma drug into competitive space- need to identify potential patients at the right time cost effectively

Professional Services

Pre 2020

Provided early strategy and data gaps to the team to support prelaunch planning

Client impact: identified the opportunity to use Signal as a highly novel sales tool

Data

2020/21

Established a Signal product to identify positive patients across all their key sales territories in the US

H1 2022

Client Impact Field reporting a lot of success with considerable number of new patients being found
They can already see an uplift in sales.

Customer Need

Customer launching new breast cancer therapy with novel test requirements



Lab Mapping

Pre 2020

Provided early indication of testing gaps with new requirements

Client impact: identified the need for Lab training pre launch

Lab Training

2020/21

Established collaboration with 75 influencer labs within DXRX in 14 countries to replace a new testing scoring system. **Client impact:** Improved number of patient positives by 15%

Lab Harmonisation

H1 2022

Leveraging Lab training to expand harmonisation to 80 key DXRX Labs to. **Client impact:** ensure launch targets can be supported by test readiness

There is no competitive
equivalent to

Diaceutics

Better Testing, Better Treatment

on the market

How we have differentiated ourselves

- Data
- US and ROW data all in one place
 - Broadest Lab data reach globally
 - Deliver deep ML enabled insights
 - Unique data products which connect customers data

- TES
- Digitally connected Lab network ready to go
 - Bespoke technology enabled products
 - Totally dedicated to better testing

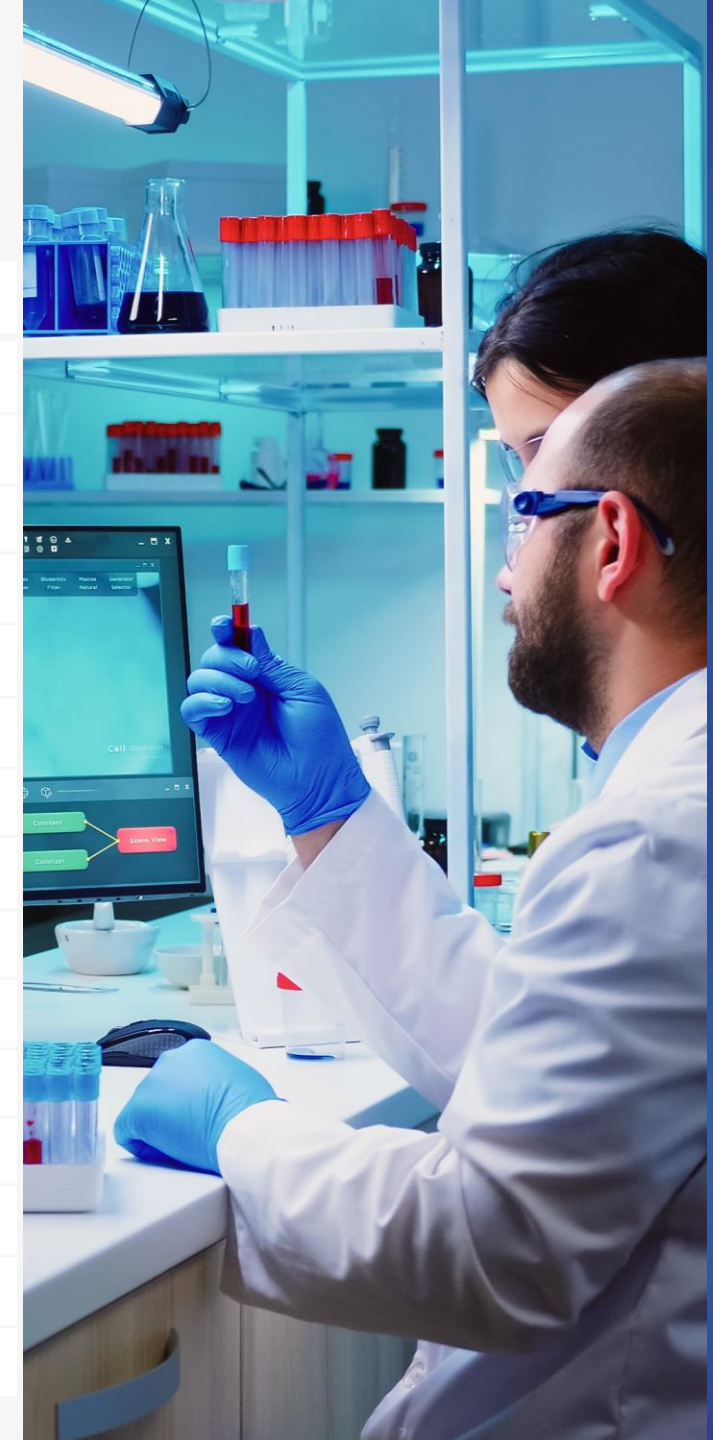
- PFS
- Totally dedicated to better testing
 - Data/ TES/consulting combined in one place
 - Track record – worked on every CDx in oncology

- E2E
- Technology agnostic – Lab centric
 - Data/ TES/consulting combined in one place
 - Track record – worked on every CDx in oncology



Product Listing and description

Signal	Real-time eligible patient finder
Market Landscape	Testing landscape analysis
Lab Mapping	Tracker of lab testing behaviour
Physician Mapping	Tracker of physician testing behaviour
Patient Journey	Leakage analysis in patient diagnostic journey
Lab Validation	Service to streamline biomarker testing to drive adoption
Pay for Testing	Integrated pharma-sponsored reimbursement program
Lab Quality Assurance	Accredited EQA training & assessment for labs
Lab Harmonization	Service to standardize testing performance across different assays
Lab Education	Lab training and education to improve testing
Lab Report Optimization	Review support to optimise and standardize reporting
Lab Talks	Virtual bitesize talks to drive test adoption
Lab Alerts	Lab targeting broadcast service for educational messages
Lab Advisory Board	Virtual meeting of KOLs to gain expert insights
Lab Monitor	Peer to peer review of lab testing
Testing Rate Dashboard	Biomarker testing rate dashboard





ESG : A strategic target for the business

Diaceutics’ goal, working alongside other healthcare stakeholders, is ultimately aimed at providing earlier and more accurate diagnosis for patients, accelerating patients’ reach to precision medicines which, in turn, leads to better patient healthcare outcomes



Workforce identifying as women 60%



Culture ambassador team 13



Staff completing learning & development 62%



Charities supported 2



Therapeutically actionable patients identified 18,000



5,686 training hours delivered to staff



Environmental (Planet)

- Headquarters at Kings Hall, Belfast, a green building with an “A” rated energy certificate
- Environmental Policy statement adopted, providing a set of clear objectives encompassing aimed at reducing the Group’s environmental impact and engaging with suppliers who share our vision and ambitions



Social (Community & People)

- Training Academy developed for student placements and graduates, aiming to support the local community and affording the opportunity of careers advice
- Charity Working Group formed with the aim of targeting local and global charities and providing a structured means for the Group to support causes most closely linked to Diaceutics and its employees.



Governance

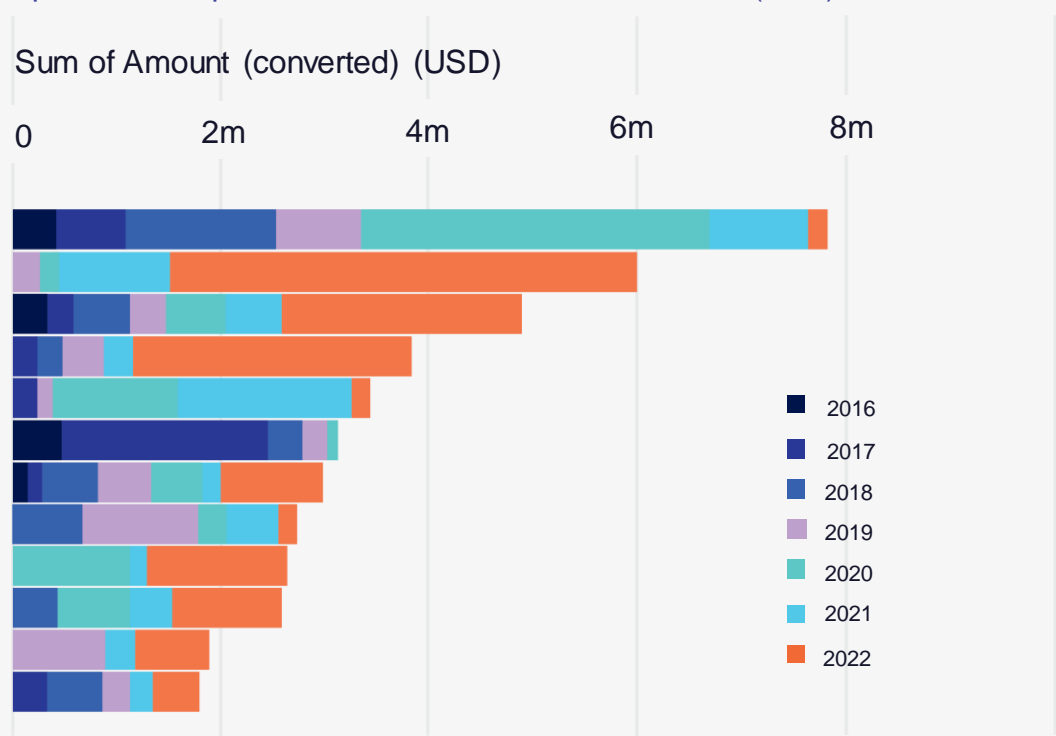
- As a leading provider of health data we are dedicated to having robust governance protocols and procedures throughout all aspects of our business to manage risk, operate high standards of conduct and to protect and grow the business for the benefit of shareholders and other stakeholders



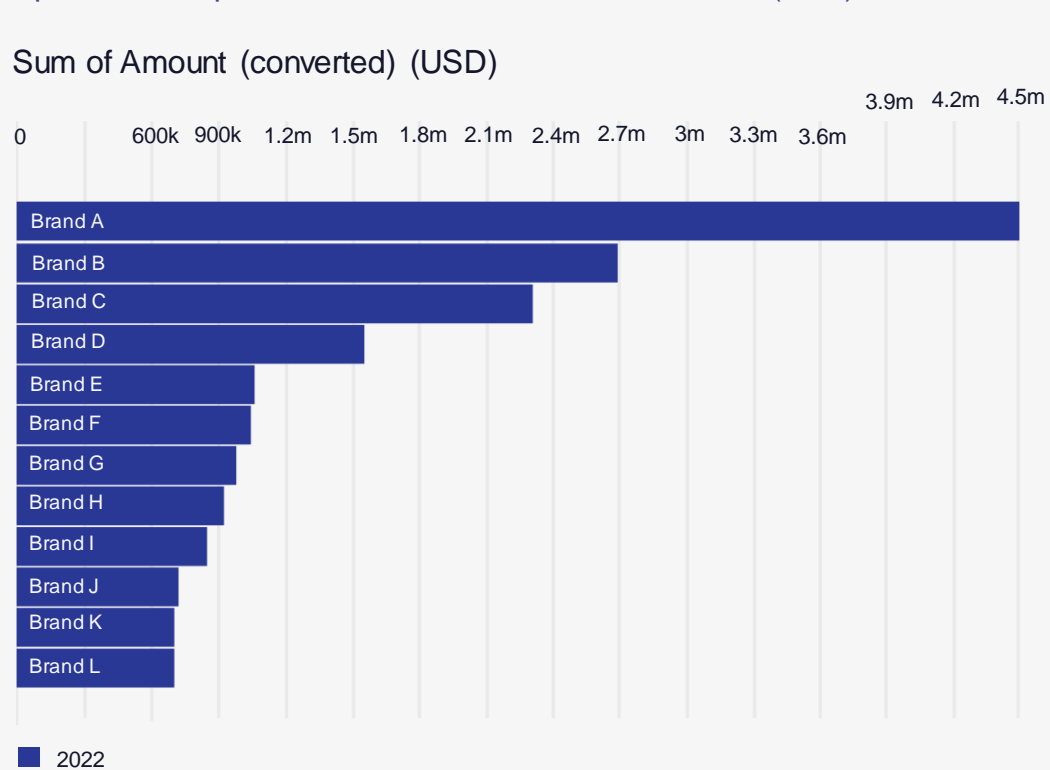
Lifetime spend extracted from brands

Progress towards extracting \$15 million of lifetime spend from pharma brands

Top 12 brand spend – Lifetime - Total Contract Value (TCV) secured



Top 12 brand spend – H1 2022 - Total Contract Value (TCV) secured



- **Customer base:** we are engaged with over 30 pharma customers in H1 , including the 10 biggest global companies, across 41 brands
- **Multi-year brand relationships:** we have worked with some brands for 7 years of their lifecycle and secured almost \$8m with the top brand
- **Upselling opportunity:** each brand is a unique opportunity to demonstrate Diaceutics' USPs and embed their approach in pharma's commercialization strategy

Income statement

£m	H1 2022	H1 2021
Revenue	7.5	6.0
Gross Profit	5.1	4.4
Gross margin %	68%	74%
Gross profit exc. Amort	6.3	5.2
Gross profit exc. Amort %	84%	87%
Admin costs	6.3	5.1
Exceptional costs	Nil	Nil
EBITDA	0.3	0.3
Loss before tax	(1.1)	(0.5)

- **Strong revenue growth:** revenue grew 25% (18% on CC basis) whilst supporting a six-fold increase in the order book to £10.2m at Jun-22.
- **Gross margin:** reduced margin (down 6 ppts) due to the timing of contract deliverables within the recent significant and early-stage TES contract win.
- **Gross margin excluding amortisation:** 49% (2021: 49%) of direct sales costs are derived from amortisation of the platform and data asset. Gross margin exc. amortisation are robust (84%).
- **EBITDA profitable:** £0.3m EBITDA which remained consistent with 2021 whilst supporting continued investment in people (net increase of 9 heads in H1 2022) and increased travel costs as a result of the easing of COVID-19 restrictions.
- **Loss before tax:** widened £0.6m to a loss of £1.1m as a result of the increase in depreciation and amortization charges.
- **Operating cash generative:** £3.3m of cash inflow generated from operating activities (2021: £1.3m).



Risk management

RISK: recession hits Pharma sector

MITIGATION: increasing number and diversity of customer base

RISK: data costs increase

MITIGATION: diverse data trading with labs – increasing competitive data sources ongoing

RISK: inflation increases cost base

MITIGATION: leveraging DXRX to increase productivity

RISK: competition more active

MITIGATION: DXRX= constantly improving the competitive moat





Our executive directors



Peter Keeling

Chief Executive
Officer



Nick Roberts

Chief Financial
Officer



Ryan Keeling

Chief Innovation
Officer



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