

**Diaceutics PLC**  
("Diaceutics" or the "Company" or the "Group")  
**Final Results**

Diaceutics PLC the "Company" or the "Group", a diagnostic commercialisation company for precision testing, is pleased to report its audited results for the year ended 31 December 2019.

The previous 12 months reflect another formative year for the Group as the leading provider of precision testing data and commercialisation services for the global pharma industry.

**Financial Highlights**

- Revenue up 30% to £13.4m (2018: £10.4m)
- Gross profit up 52% to £10.3m (2018: £6.8m)
- Gross margin of 77% (2018: 66%)
- PBT £0.5m (2018: £0.9m)
- EBITDA £1.0m (2018: £1.3m)
- Adjusted PBT\* improved to £1.8m (2018: £1.1m)
- Adjusted EBITDA\* improved to £2.4m (2018: £1.5m)
- Net assets of £20.1m (2018: £2.6m)
- Net cash inflow of £9.7m (2018: outflow of £1.0m)
- Elimination of £3.3m of debt
- Strong balance sheet with net cash of £11.7m (2018: net debt of £1.7m)

*\*Adjusted for exceptional costs*

**Operational Highlights**

- Strengthened the balance sheet in March 2019 with a raise of £17m before expenses through a successful initial public offering
- Provided data and services to 53 therapy brands in 41 markets during 2019 - an increased brand engagement of 51% from 2018
- Added 10 new clients to our customer list - now servicing 36 clients
- Strong client repeat business at 87%
- Delivered services globally to our pharma clients in all top 10 primary pharma markets and 31 secondary markets
- Added 112 million new patient testing records to our data lake detailing information on 298 diseases
- In keeping with the industry need to implement better diagnostic commercialisation solutions we have maintained the pace of the development of Nexus towards a launch in Q4 2020. Nexus is the working title of the SaaS platform
- Continued to expand geographic reach, particularly in Asia where we serviced the diagnostic needs of 10 therapy brands (100% increase on 2018)
- Growth in the precision medicine market continues to outpace the broader healthcare market

**Peter Keeling, Chief Executive Officer, commented:**

*"Diaceutics has been building its market leading position in the precision testing market for the past 14 years. 2019 has seen us further penetrate the existing precision testing market in key disease areas and global markets whilst at the same time adding the essential scaling pillars for 2020 and beyond to keep the Group in step with a rapidly increasing marketplace."*

**Enquiries:**

**Diaceutics PLC**

Peter Keeling, Chief Executive Officer  
Philip White, Chief Financial Officer

[www.diaceutics.com](http://www.diaceutics.com)

Via Walbrook PR

**Cenkos Securities plc (Nominated Adviser and Broker)**

Tel: +44(0)20 7397 8900

Callum Davidson / Giles Balleny  
Michael Johnson (Sales)

**Walbrook PR**

Anna Dunphy  
Paul McManus

Tel: +44 (0)20 7933 8780 or [diaceutics@walbrookpr.com](mailto:diaceutics@walbrookpr.com)

Mob: +44 (0)7876 741 001

Mob: +44 (0)7980 541 893

**About Diaceutics**

Diaceutics PLC is a leading diagnostics data analytics and implementation services provider for global pharmaceutical companies. The Company, quoted on the Alternative Investment Market (AIM) of the London Stock Exchange, is enabling pharma to accelerate their market penetration and achieve a better return on precision medicine therapies by helping them to revolutionise patient testing. By generating insights from its data lake of clinical laboratory testing data and other data, Diaceutics helps pharma understand and leverage the diagnostic landscape through initiatives that improve patient testing, leading to better treatment outcomes. The Company works with more than 30 global pharma companies across hundreds of precision medicine projects. The Company employs a leading global group of experts from the laboratory, diagnostic and pharma industries. [www.diaceutics.com](http://www.diaceutics.com)

### **Statement of the Chair**

Diaceutics is a diagnostic commercialisation company which serves the global pharma industry. We provide support to pharma companies for their companion diagnostic commercialisation strategies upon which their drug brands are dependent. The Company has combined a suite of real-world, data-driven products and laboratory implementation services into a business method. Its data enabled products, method and services are focused on removing the diagnostic testing hurdles for the biomarkers and companion tests required to guide selection of precision medicines. The Company currently provides services to 36 of the largest global pharma companies and their precision therapy brands. This focus on better testing helps precision treatments reach more patients worldwide.

The Company had a successful listing on the AIM market of the London Stock Exchange in March 2019. The listing was seen, by the group, as essential to the achievement of three of its major goals.

1. To provide sufficient capital to grow the business in line with the increasing demands from its pharma clients identified at the time including further expansion to key markets in Asia
2. To increase the quantity of patient testing information flowing into its global real-world evidence datalake
3. To integrate its method, data, laboratory and pharma relationships into our Software as a Service platform with the working title of Nexus

The Company has had a transformative year with the successful IPO and further client, regional, project and brand growth leading to a growth in revenue and profitability, excluding exceptional costs. In 2019 we invested further in three key pillars which will ensure the company can continue its mission to become the leading provider of diagnostic commercialisation services to the pharma industry as it continues to focus on precision medicine; these include deepening our testing datalake, advancing our Nexus platform in anticipation of a launch in Q4 2020 and targeted regional data and services expansion to the top 15 pharma markets.

Diaceutics' focus over the past 24 months and in particular the last 12 months has been to ensure that it possesses the necessary infrastructure required to service its global pharma companies on an increasing scale as they transform their R&D pipelines towards precision medicine, a market anticipated to double from \$39bn in 2018 to \$80bn in 2026 (*source: Pharma Precision Medicine Readiness Report 2019*).

### **Successful IPO**

In March 2019 we completed a successful IPO on AIM, against the headwinds of Brexit, issuing 22.4m new shares at 76p which raised, gross, £17.0m. The IPO has substantially strengthened our balance sheet and given us the resources to service a greater number of therapy brands today and ensure significant scalability tomorrow.

66% of employees owned shares in the Company at IPO and were joined by 37 institutional investors. We welcome all to the register and are grateful for their confidence in our vision and leadership team.

### **Financial growth continues**

Diaceutics continued to deliver profitable growth during the period. Revenue increased to £13.4m, a 30% year on year growth. Gross profit improved over the period, reporting a gross margin of 77% against 66% in 2018. Adjusted EBITDA, excluding exceptional costs related to the IPO, improved to £2.4m (2018: £1.5m). The Group continued to deliver more products to more clients in a more efficient way. Further investment in key hires in the organisation and global expansion into key client countries further develops our client offering and builds future capacity within our delivery model. Operating profit before exceptional items increased 49% to £2.1m (2018: £1.4m). Balance sheet closed strongly with a cash position at year end £11.7m (2018: £2.1m).

### **Our people and culture**

Our capabilities in 2019 have been boosted, in particular, by the arrival of 49 new employees who are domain specialists in the precision testing and healthcare data field. As of 31 December we had a total of 111 employees, based in 19 different countries with a focus on the US and EU5 (five largest pharma markets in the European Union), China and Japan. Our integrated matrix of skills from the pharma, diagnostic, laboratory, big data and clinical worlds is a key differentiator for us and is "right-skilled" for the complex needs of the precision testing ecosystem.

Many of our team carry personal stories of how and where the fragmented diagnostic ecosystem has negatively impacted on their friends and relatives giving them a unique first-hand understanding of the importance of the Diaceutics' mission.

Our leadership team continues to develop the structures for scale. At an organisational level there has been a focus on training, onboarding and performance management. At a departmental level there has been an expansion of the laboratory liaison and data analytics teams as well as the introduction in 2019 of a dedicated 8 strong global sales team and 17 strong innovation team.

As the business grows, we continue to align the team with appropriate incentives and training to ensure we maintain our leadership position in the precision test commercialisation space.

### **Board and governance**

At the time of IPO we established the Board and governance structures suitable for a fast growing AIM-quoted company. Our three Executive directors are supported by three experienced Non-Executive directors with a breadth of experience in technology, healthcare and public markets,

financial and governance.

### **Outlook**

Diaceutics is well placed to provide its pharma clients with a global diagnostic commercialisation capability at a time when the marketplace is entering a growth phase. In particular 2020 anticipate the launch of its SaaS Nexus platform which is designed to support multi-year engagements with an increasing number of therapy brands to support their diagnostic needs.

The Board would like to thank the Diaceutics team, alongside our clients, laboratory partners, service providers and advisors for their advocacy towards Diaceutics' mission across 2019.

**Ms J Goonewardene**

Chair

15 March 2020

### **Chief Executive Review**

2019 was another formative year for Diaceutics on its way to provide the pharma industry with a comprehensive and global diagnostic commercialisation capability. Across 2019, 36 pharma companies utilised our services in over 41 different countries. We provided data analytics and implementation services to 53 therapy brands which is essential for patients seeking timely access to precision therapy. In addition to delivering strong growth and profitability in 2019.

Diaceutics raised its first external equity through an IPO on AIM in March 2019. Despite the backdrop of Brexit deadlines, we were delighted with the interest and support we received from our investing employees and new institutional investors. Through an oversubscribed share placing we raised a gross £17m which allows us to complete the Nexus product roadmap to market and continue to lead the global diagnostic commercialisation space.

Specifically our IPO was seen as essential in achieving three major goals:

1. To provide sufficient capital to grow the business in line with the increasing demands from its pharma clients identified at the time including further expansion to key markets in Asia
2. To increase the quantity of patient testing information flowing into its global real world evidence datalake
3. To integrate its method, data, laboratory and pharma relationships into our Software as a Service platform with the working title of Nexus

Prior to IPO in March of 2019, Diaceutics had invested some £20m over the previous 13 years on the foundations for a successful healthcare platform - building the essential datalake, databasing 2,500+ global laboratories, building our laboratory liaison team in all the top launch markets, and becoming a trusted supplier to 26 pharma companies.

How did we perform against our IPO goals?

### **Growing the business**

Our operational planning has been designed to address the long term building blocks required to scale in step with the needs of the highly complex precision diagnostic commercialisation marketplace. Whilst the Diaceutics offering has matured over the previous 14 years, 2019 saw the yield of our investment strengthening specific building blocks which will carry the Company towards a comprehensive global diagnostic commercialisation solution. This is at a time when the regulators are increasing the requirement for diagnostic testing and the marketplace is accelerating the adoption of precision medicine. Specifically, these include:

- In 2019 we added new project management and business development teams to support greater scale, brought recruitment in house, developed a 15 strong senior leadership forum from across all the disciplines to ensure seamless operational communication as we grow. In addition, we rolled out a two-week intensive onboarding program to accelerate operational impact and a comprehensive performance management framework to support the development and retention of our people.
- Operationally we added the experience of a further 149 projects during 2019, with 95 in data and analytics and 34 in implementation services, working with 53 therapy brands (19% increase in projects over 2018) bringing our track record in precision testing services to over 650 projects. We boosted our ranks to 111 passionate professionals to help our clients scale and engineer around the failures of the diagnostic ecosystem.
- We expanded our laboratory liaison team who are now working with the leading cancer labs across 30 countries including all 15 of the "first launch" markets for the pharma industry.
- Our Asia team has expanded from 1 to 11 now covering China, South Korea, Japan, Singapore and India.

### **Increased the power of our Real World Data-Lake**

We have continued to expand our real world data and analytics to provide global insights for global therapy brands. Of particular note over the past 12 months has been the further development of some 37 Diagnostic Deductive Pathways™ (DDPs). These are based on clinical best practice and guidelines, from our datalake and provide deep diagnostic disease level insight in key cancers, allowing us to develop future smart data products.

As Diaceutics moves towards a comprehensive global diagnostic commercialisation solution for its pharma clients, it will be enabled by the increasing depth and breadth of its real world patient testing data lake. At the end of 2019 Diaceutics had amalgamated over 227 million real world patient records from multiple sources and key precision testing markets into the data lake, providing visibility over some 298 different diseases and real world testing trends from 35 countries.

From this reservoir of global data our analytics team over the past 12 months had leveraged proprietary algorithms to further develop a series of diagnostic pathways for some 37 of the key cancers. Additionally, the use of machine learning to complete data gaps enables high confidence ratio analyses and algorithm based projections about disease progression at a granular level.

#### **Building Nexus as an Integrated Platform**

In October 2019 we published our sixth Pharmaceutical Readiness Report. This report highlights the increasing dependency that pharma pipelines have on an efficient precision testing market and the need to bring forward better solutions to ensure test and therapy commercialisation remain in step. The report was widely read by our pharma clients, laboratory partners and other diagnostic companies and set out the rationale for an integrated platform to solve the increasingly complex precision testing ecosystem. It is this provision of an integrated platform to bring together key stakeholders to improve the precision testing ecosystem which is at the heart of our Nexus product development. Significant progress has been made since IPO to ensure Nexus stage one launch by Q4 2020. Specifically, a dedicated 17 person software and innovation team are, at year end, solely focused on the Nexus platform build with 44% of stage one completed as of 31 December 2019. Key components of the platform deployed internally, supporting the improved gross margin, were already introduced in Q4 2019.

Once launched, Nexus is expected to enable real time access to the Diagnostic Deductive Pathways™ for our pharma clients to directly mine, interrogate, analyse and project the diagnostic pathway placing them in a better position to introduce the right therapy to the right patient at the right time. Furthermore, Nexus is expected to interact with our 2500+ global laboratory database and 21 strong laboratory liaison team in 15 countries allowing us to service increasing numbers of test roll outs simultaneously delivering the scale demanded by a market reaching its tipping point.

#### **Delivering Strong Financial Performance**

Diaceutics delivered strong financial performance during 2019 with year on year growth in revenue and gross profit percentage. Revenue for 2019 increased 30% to £13.4m (2018: £10.4m). Client engagement increased at a global level and country level to 36 clients (2018: 26) and drug brand growth increased by 51% to 53 brands contracted in 2019. As announced on 13 January 2020, trading for the year was ahead of market expectations as compared with IPO guidance. The Group has a strong balance sheet following the IPO with net cash of £11.7m as at 31 December 2019.

In addition, our associated investment in artificial intelligence and machine learning, as part of Nexus, has resulted in an increased efficiency in the use of data, allowing us to delay the phasing of its acquisition and so improving net cash inflow. Outsourcing of non-core elements of the Nexus build has added to the cash position and as a result the company improved the expected closing cash position by £3m.

Client repeat business is an important metric for the Group. The Group uses a digital service to capture high level customer feedback on client engagements. The data is used to inform our continuous improvement programme, which is designed to meet and often exceed customer expectations on every engagement. The Group has recently appointed a Head of Strategic Alliances to ensure a high level of supplier relationship and retention. Underpinning this activity is the Group's desire to maintain a reputation for high standards and business conduct as we transact with some of the most demanding clients globally. A key reason for IPO was the increased transparency that comes with the public market for our clients and key stakeholders and this is underpinned by the need to act fairly between stakeholders of the company.

#### **Building the right team for the mission**

From the outset over 14 years ago, Diaceutics defined success of its mission not by its location but by the quality of the globally based precision testing skills it could attract from across the formative disciplines and stakeholders shaping precision medicine. I am pleased to say that this model has served Diaceutics well. In 2019 we added a further 49 people growing the team to 111 as of 31 December. Over 14 years we have carefully chosen a team of experts from all the critical stakeholder groups, including pharma, laboratory, diagnostic technology, data analytics, health economics and from all the key regions - US, EU, Asia and Brazil - many with advanced science and business degrees and most with deep domain knowledge of their area. Our use of a suite of seamless pan company communication tools (e.g. TEAMS 360) helps us unlock the global thinking required to address the complex precision testing space and mobilise our staff rapidly in 19 markets and supporting consultants in non-core markets. The virtual nature of the business and use of communication tools limits the environmental impact of operations and the core business output is that more patients receive better testing and treatment pathways. The positive patient impact of what we do resonates with all employees within our business.

Today Diaceutics can claim a globally based team of precision medicine domain experts with the sole mission of unlocking the power of precision testing to deliver on the promise of personalised medicine. We believe that the future success of the organisation is dependent upon the capability of the people working in the Group. Our accredited leadership program seeks to develop managers into future leaders. In addition we provide a comprehensive range of benefits for employees, such as Private Health Insurance and life Insurance. The Group operates a Share Incentive Plan for all staff.

It is recognised that culture is crucial to the ability of the Group to achieve its corporate objectives. Culture is a real emphasis from day one of onboarding and permeates throughout the organisation. We have ensured that everybody is invested in and benefits from the Diaceutics vision. Specific ongoing development training is aligned to these cultural behaviours and there are regular initiatives to maintain, reinforce and continuously develop the Diaceutics Culture.

#### **Promising Outlook**

Diaceutics' research has identified over 3,000 Phase 2/3 clinical trials supporting approximately 1,000 drug brands which could include a biomarker in their therapy label if they achieve approval. This contrasts with only 173 FDA approved precision medicine drugs on the market as at December 2018 and foretells of a precision medicine tipping point sometime in 2021 to 2025 timeframe as the FDA approves more therapies dependent upon a biomarker than not. Consequently, all key areas served by Diaceutics, namely precision medicine, oncology, data analytics and laboratory

testing are benefitting from a period of substantial growth. Yet despite this transformation many pharma companies require external expert support for their companion diagnostic commercialisation strategies upon which their drug brands are dependent.

Whilst Diaceutics fills this gap for an increasing number of pharma companies and therapy brands today, in 2015 we anticipated the tipping point and recognised the challenges and responsibilities which scaling our business model would require. Our successful fund raising has helped us accelerate our market preparedness with deeper data and implementation capabilities to support global therapy brands.

Our investments across 2019 to improve our analytics and implementation services are strategically aligned with the development roadmap for the Group's products. As the patient journey becomes more complicated and the pharma business model transforms to precision medicine, we are positioned to capture significant market share.

We look forward to enabling more patients access the right therapy through better testing in 2020 as well as to introducing Nexus to provide the scale needed for better therapy access for all.

**Mr P Keeling**

Director

15 March 2020

**Financial Review**

This Financial Review covers the main highlights of the Group's financial performance and position for the year ended 31 December 2019. It is our first Financial Review following our listing on the AIM market of the London Stock Exchange on 21 March 2019. The gross £17.0m raised provided the stepping stone to building the future scale demanded of a group operating in a hypergrowth market. Furthermore, our investments this year have deepened the operational and strategic moat around our business setting us up for continued business growth. A focus has been placed on expanding our key account management and sales teams to manage and support business development over an expanding geographical reach. Furthermore, the raising of finance has resulted in the elimination of the Group's debt resulting in a strong balance sheet at the end of 2019 with a cash balance of £11.7m.

**Financial performance**

Diaceutics delivered solid financial growth during 2019 delivering significant year on year growth in revenue and gross profit margin. The associated investment in artificial intelligence and machine learning, underpinned as part of the investment in Nexus platform, has had a positive impact on our delivery of products and efficiencies within cost of sales. The continued expansion of our global footprint, through 2019, increased our breadth and depth of product offering and client reach, engaging 53 drug brands for clients and supporting those client deliverables in 41 countries. We also delivered strong operating profit before exceptional items of £2.1m (2018: £1.4m) and improved PBT via operational efficiencies. Cash management improved due to efficient phasing of intangible asset acquisition, lower capital development and working capital movements.

A summary of the key financial indicators for the financial year ended 31 December 2019 are outlined in the table below:

	2019	2018
	£	£
Revenue	13,442,121	10,373,180
Gross profit	10,310,663	6,801,955
Gross margin (%)	77%	66%
EBITDA	1,025,280	1,318,608
Adjusted EBITDA *	2,372,893	1,523,608
Profit before tax	497,324	877,264
Profit before tax (%)	4%	8%

\* Adjusted EBITDA is stated before exceptional costs

**Revenue**

During 2019 we delivered revenue of £13.4m (2018: £10.4m) which represents 30% year on year growth. This was underpinned by increasing our client base to 36 clients (2018: 26). The increase in the breadth of client base in conjunction with revenue growth within key clients represents an increased spread of client revenue. Only two clients had greater than 10% of revenue (2018: three clients greater than 10% revenue).

Our improved product offering and increase in global operations has resulted in improved drug brand engagement with 53 brands contracted in 2019 (2018: 35). Brand engagement is an important forward indicator of revenue as more than 50% of revenue is based on brand revenue stickiness over multiple years.

Of particular note too was the year on year growth of our revenues in all three core regions, with US revenue growth of 15%, EU revenue growth of 29% and Asia revenue growth of 105%.

**Gross Margin**

Gross margin has increased to 77% from 66% in 2018. Several key drivers impacted this positive variance. The first was the investment and build of the Nexus platform which supported advancing efficiencies in our data products which represented 72% of total revenue for 2019. Further efficiencies were made through improved data cost as a result of the mix of work permitting delayed phasing of its acquisition. Staff utilisation increased as a result of a continued focus on staff efficiency and standardisation of product delivery.

**Expenses**

Administration costs comprising operational support, sales and marketing and administration expenses totalled £8.4m (2018: £5.5m), increased by 52% and reflects the investment in global expansion. We are now delivering for our clients in 41 countries globally and the expansion costs associated with this growth include finance, legal and regulatory, and employment. In addition, increased investment in expanding our business development teams at a global and country level continues to build opportunities for future client engagement.

#### Exceptional Expenses

Exceptional IPO related costs of £1.3m (2018: £0.2m) were reflected in the profit and loss account. These costs relate to corporate restructuring, legal and associated broker fees for the execution of the IPO. An additional £1.0m of IPO costs (2018: £Nil) were offset against the share premium account in the balance sheet.

#### Tax

The consolidated income tax charge for the period of £0.1m represents the provision for corporate income taxes due in the Republic of Ireland (£0.2m) and the United States of America (£0.1m) net of adjustments with respect to prior periods of £0.2m. The corporate income tax charges are calculated after R&D tax incentives which are expected to be available in the UK and the Republic of Ireland.

The adjustments with respect to prior periods arose due to prudent assumptions relating to the deductibility of certain costs being taken in the prior period and the Group finalising calculations of R&D tax incentives after the financial statements were finalised.

The Group has a net deferred tax credit of £0.1m which is primarily comprised of a credit in the UK of £0.4m net of a charge in the USA of £0.3m. These movements were mostly driven by the recognition of tax losses in the UK and the utilisation of tax losses in the USA.

Deferred tax assets and liabilities have been recognised as they arise with the exception of a potential asset of £0.1m (2018: £0.1m) which has not been recognised in a subsidiary company. The Group estimates that tax losses of £3.4m will be available for future utilisation in the UK and Singapore, resulting in deferred tax asset of £0.6m. A deferred tax liability of £0.5m arises due to the Group capitalising certain R&D costs which remain deductible in the current period for corporate income tax purposes.

#### Finance Costs

Interest costs of £0.2m (2018: £0.3m) relate to a director loan, external loans and banking facilities, all of which were repaid during the first half of 2019. Included in this is a £0.1m (2018: £Nil) charge related to the early retirement of the Whiterock loan facility.

#### EBITDA and Adjusted EBITDA and PBT

Our focus on managing efficiencies at a gross profit level and costs overall has contributed to a strong adjusted EBITDA, excluding exceptional costs, of £2.4m (2018 £1.5m).

The PBT for the year was £0.5m (2018: £0.9m); whilst the Adjusted PBT, excluding exceptional costs, improved to £1.8m (2018: £1.1m).

#### Balance Sheet

At 31 December 2019, the Group has a strong balance sheet reflecting net assets of £20.1m (2018: £2.6m).

#### Intangible assets

To support the development of our Diagnostic Deductive Pathways™, Nexus platform and new enterprise resource planning system (ERP), we invested £2.8m.

Investment of £0.85m in specific biomarker data in the period supported the data expansion in the number of patients in the data lake to 227m patient test records. Global real world data is becoming a core ingredient in the pharma models as they seek greater return on investment within their R&D pipelines.

Capital development expenditure incurred in the period was £1.7m (2018: £0.6m) and relates to capitalised development hours supporting the build of Nexus and the completion of key milestones. The commercial launch of Nexus is set for Q4 2020, as planned.

#### Net cash

	2019	2018
	<i>£m</i>	<i>£m</i>
Cash	11.7	2.1
Loans and bank facilities	-	(3.3)
Net Debt	<u>11.7</u>	<u>(1.2)</u>

Loans and banking facilities were extinguished during the year - £1.1m was repaid to Whiterock Capital Partners and £2.1m was repaid to Silicon Valley Bank (SVB). A £2.5m working capital facility from SVB was unused at 31 December 2019.

Other financial liabilities, not included above, relate to convertible loan notes and the change in fair value of embedded derivatives. These are not expected to have a cash impact in the future.

#### Cash flows

Net cash outflow from operations reduced by 34% to £0.6m (2018 £1.0m) driven by efficiency of working capital from improved debtor collection and receipt. Excluding exceptional costs, net cash from operations for 2019 is positive £0.7m as compared to an outflow of £1.0m for 2018. Investment in intangible assets totalled £2.8m (2018: £1.0m).

#### Profit per share

Basic earnings per share is 0.62 pence (2018: 1.41 pence).

Basic adjusted earnings per share is 2.46 pence (2018: 1.86 pence).

#### Dividend

In line with the statement set out in the Company's IPO Admission Document, no dividend has been proposed for the year ended 31 December 2019 (2018: Nil).

#### Mr P White

Director

15 March 2020

#### Group Profit and Loss Account for the year ended 31 December 2019

	Notes	2019 £	2018 £
<b>Revenue</b>	3	13,442,121	10,373,180
Cost of sales		<u>(3,131,458)</u>	<u>(3,571,225)</u>
<b>Gross profit</b>		10,310,663	6,801,955
Administrative expenses		(8,388,161)	(5,520,124)
Other operating income	4	<u>165,532</u>	<u>124,097</u>
<i>Operating profit before exceptional items</i>		2,088,034	1,405,928
Exceptional items	5	<u>(1,347,613)</u>	<u>(205,000)</u>
<b>Operating profit</b>		740,421	1,200,928
Finance income		2,628	-
Finance costs	6	<u>(245,725)</u>	<u>(323,664)</u>
<b>Profit before tax</b>		497,324	877,264
Income tax expense	7	<u>(99,443)</u>	<u>(244,957)</u>
<b>Profit for the financial year</b>		<u>397,881</u>	<u>632,307</u>

All results relate to continuing operations.

#### Group Statement of Comprehensive Income for the year ended 31 December 2019

	2019 £	2018 £
<b>Profit for the financial year</b>	397,881	632,307
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translation of foreign operations	<u>(159,271)</u>	<u>13,715</u>
<b>Total comprehensive income for the year, net of tax</b>	<u>238,610</u>	<u>646,022</u>

#### Earnings per share for the year ended 31 December 2019

		2019 pence	2018 pence
Basic	8	0.62	1.41
Diluted	8	0.62	1.41
Basic adjusted	8	2.46	1.86
Diluted adjusted	8	<u>2.45</u>	<u>1.86</u>

**Group Balance Sheet  
as at 31 December 2019**

	Notes	2019 £	2018 £
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets	9	3,760,811	1,210,613
Property, plant and equipment		133,604	73,994
Deferred tax asset		55,737	62,849
		<u>3,950,152</u>	<u>1,347,456</u>
<b>Current assets</b>			
Trade and other receivables		6,634,893	4,389,272
Cash at bank and in hand		11,720,223	2,073,661
Income tax receivable		65,768	-
		<u>18,420,884</u>	<u>6,462,933</u>
<b>TOTAL ASSETS</b>		<u>22,371,036</u>	<u>7,810,389</u>
<b>EQUITY AND LIABILITIES</b>			
Equity share capital		139,166	208
Share premium		17,335,407	99,994
Treasury shares		-	(3)
Capital redemption reserve		-	108,850
Translation reserve		19,590	178,861
Profit and loss account		2,637,924	2,241,551
<b>TOTAL EQUITY</b>		<u>20,132,087</u>	<u>2,629,461</u>
<b>Non-current liabilities</b>			
Trade and other payables		-	180,862
Financial liabilities	10	-	1,065,475
		-	<u>1,246,337</u>
<b>Current liabilities</b>			
Trade and other payables		2,131,449	1,191,126
Financial liabilities	10	107,500	2,715,809
Income tax payable		-	27,656
		<u>2,238,949</u>	<u>3,934,591</u>
<b>TOTAL LIABILITIES</b>		<u>2,238,949</u>	<u>5,180,928</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>22,371,036</u>	<u>7,810,389</u>

**Mr P White**  
Director  
15 March 2020

**Group Statement of Changes in Equity  
for the year ended 31 December 2018**

	Equity share capital	Share premium	Treasury shares *	Capital redemption reserve	Translation reserve	Profit and loss account	Total equity
--	-------------------------	------------------	----------------------	----------------------------------	------------------------	----------------------------	-----------------

	£	£	£	£	£	£	£
<b>At 1 January 2018</b>	<b>208</b>	<b>99,994</b>	<b>(13)</b>	<b>108,850</b>	<b>165,146</b>	<b>1,503,550</b>	<b>1,877,735</b>
Profit for the year	-	-	-	-	-	632,307	632,307
Other comprehensive income	-	-	-	-	13,715	-	13,715
Total comprehensive income for the year	-	-	-	-	13,715	632,307	646,022
<i>Transactions with owners, recorded directly in equity</i>							
Issue of shares from Treasury	-	-	10	-	-	(10)	-
Share based payments	-	-	-	-	-	405,920	405,920
Equity dividends paid	-	-	-	-	-	(300,216)	(300,216)
Total transactions with owners	-	-	10	-	-	105,694	105,704
<b>At 31 December 2018</b>	<b>208</b>	<b>99,994</b>	<b>(3)</b>	<b>108,850</b>	<b>178,861</b>	<b>2,241,551</b>	<b>2,629,461</b>

**Group Statement of Changes in Equity  
for the year ended 31 December 2019**

	Equity share capital £	Share premium £	Treasury shares * £	Capital redemption reserve £	Translation reserve £	Profit and loss account £	Total equity £
<b>At 31 December 2018</b>	<b>208</b>	<b>99,994</b>	<b>(3)</b>	<b>108,850</b>	<b>178,861</b>	<b>2,241,551</b>	<b>2,629,461</b>
Profit for the year	-	-	-	-	-	397,881	397,881
Other comprehensive expense	-	-	-	-	(159,271)	-	(159,271)
Total comprehensive (expenses)/income for the year	-	-	-	-	(159,271)	397,881	238,610
<i>Transactions with owners, recorded directly in equity</i>							
Cancellation of Treasury shares	(3)	-	3	-	-	-	-
Reorganisation of shares	2,050	(2,050)	-	-	-	-	-
Bonus issue of shares	87,951	(87,951)	-	-	-	-	-
Conversion of loan notes	4,223	1,225,222	-	-	-	(25,902)	1,203,543
Issue of shares on Placing	44,737	16,100,192	-	(108,850)	-	-	16,036,079
Share based payment	-	-	-	-	-	24,394	24,394
Total transactions with owners	138,958	17,235,413	3	(108,850)	-	(1,508)	17,264,016
<b>At 31 December 2019</b>	<b>139,166</b>	<b>17,335,407</b>	<b>-</b>	<b>-</b>	<b>19,590</b>	<b>2,637,924</b>	<b>20,132,087</b>

\* Treasury shares are presented separately in order to show the movements on these shares in each year. The balance as at each year end is deducted from retained earnings in calculating distributable profits.

**Group Statement of Cash Flow  
for the year ended 31 December 2019**

	Notes	2019 £	2018 £
<b>Operating activities</b>			

Profit before tax	497,324	877,264
<i>Adjustments to reconcile profit before tax to net cash flows from operating activities</i>		
Net finance costs	243,097	323,664
Amortisation of intangible assets	246,426	80,588
Depreciation of property, plant and equipment	38,433	37,092
Research and development tax credits	(157,000)	(122,533)
Increase in trade and other receivables	(2,325,622)	(2,557,896)
Increase in trade and other payables	825,237	35,744
Share based payments	24,394	405,920
<b>Cash used in operations</b>	<b>(607,711)</b>	<b>(920,157)</b>
Tax paid	(21,971)	(33,881)
<b>Net cash outflow from operating activities</b>	<b>(629,682)</b>	<b>(954,038)</b>
 <b>Investing activities</b>		
Interest received	2,628	-
Purchase of intangible assets	(2,827,797)	(1,046,420)
Purchase of property, plant and equipment	(99,016)	(61,211)
<b>Net cash outflow from investing activities</b>	<b>(2,924,185)</b>	<b>(1,107,631)</b>
 <b>Financing activities</b>		
Borrowing costs	(248,302)	(301,576)
Repayment of borrowings	(3,450,976)	(554,439)
Draw down of funds	105,968	1,751,640
Issuance of convertible loan notes	850,066	452,568
Equity dividends paid	-	(300,216)
Issue of shares	16,036,097	10
<b>Net cash inflow from financing activities</b>	<b>13,292,853</b>	<b>1,047,987</b>
 <b>Net increase/(decrease) in cash and cash equivalents</b>	<b>9,738,986</b>	<b>(1,013,682)</b>
Net foreign exchange losses/gains	(92,424)	18,460
Cash and cash equivalents at 1 January	2,073,661	3,068,883
<b>Cash and cash equivalents at 31 December</b>	<b>11,720,223</b>	<b>2,073,661</b>

## Notes to the Group Financial Statements for the year ended 31 December 2019

### 1. Basis of Preparation

This consolidated financial information has been prepared on a going concern basis and in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union and the Companies Act 2006 applicable to companies reporting under IFRS. This financial information has been prepared under the historical cost convention. The accounting policies are consistent with those of the annual financial statements for the year ended 31 December 2018.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. Judgements in applying accounting policies and key sources of estimates and uncertainty are disclosed in the notes.

The financial statements are presented in sterling.

The financial information included in this preliminary announcement does not constitute statutory accounts of the Group for the years ended 31 December 2019 and 31 December 2018. Statutory accounts for 2018 have been delivered to the Registrar of Companies. The auditors have reported on those accounts; their report was (i) unqualified, (ii) did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

### 2. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for income and expenditure during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The Group's only assets/liabilities that are significantly impacted by key sources of estimation uncertainty are the Group's intangible assets. The assessment of useful life of data purchases required estimation over the period in which that data will be utilised.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

**3. Revenue**  
**Revenue stream**

	2019	2018
	£	£
Implementation services	3,707,157	2,312,035
Data	<u>9,734,964</u>	<u>8,061,145</u>
	<u>13,442,121</u>	<u>10,373,180</u>

**Geographical area**

	2019	2018
	£	£
USA	5,631,503	4,906,514
UK	744,157	102,501
Europe	5,030,932	4,373,526
Asia and Rest of World	<u>2,035,529</u>	<u>990,639</u>
	<u>13,442,121</u>	<u>10,373,180</u>

**4. Other operating income**

	2019	2018
	£	£
Government grants	8,532	1,564
Research and developments credits	<u>157,000</u>	<u>122,533</u>
	<u>165,532</u>	<u>124,097</u>

**5. Exceptional items**

	2019	2018
	£	£
IPO related costs	<u>1,347,613</u>	<u>205,000</u>

The Group incurred costs of £2,596,887 of transaction costs and other IPO related costs as a result of the application made to the London Stock Exchange for all the issued and to be issued Ordinary share capital to be admitted to trading on AIM. £1,347,613 (2018: £205,000) has been included within operating profit and £1,044,274 (2018: £Nil) was offset against the Share Premium account in accordance with IAS 32 'Financial Instruments'

**6. Finance costs**

	2019	2018
	£	£
External loans	179,256	251,347
Revolving credit facilities	39,712	27,214
Change in fair value of embedded derivatives	23,325	22,088
Directors' loans	<u>3,432</u>	<u>23,015</u>
	<u>245,725</u>	<u>323,664</u>

**7. Income tax expense**

	2019	2018
	£	£
Current income tax	92,331	180,894
Deferred tax	<u>7,112</u>	<u>64,063</u>
Total tax charge	<u>99,443</u>	<u>244,957</u>

The tax assessed for the year differs from the effective standard rate of corporation tax in the UK of 19.00% (2018: 19.00%). The differences are reconciled below:

	2019	2018
	£	£
Profit before tax	<u>497,324</u>	<u>877,264</u>
Tax using the UK corporation tax rate of 19.00% (2018: 19.00%).	94,491	166,680
<i>Effects of:</i>		
Tax rates in foreign jurisdictions	(5,490)	(31,674)
Non-deductible expenses	140,366	143,741
Share based payments	(11,617)	-

Non-taxable income	-	(6,151)
Impact of change in tax rates	41,959	-
Research and development	(27,139)	-
Deferred tax not recognised	1,553	4,688
Adjustments in respect of previous years	<u>(134,680)</u>	<u>(32,327)</u>
Total tax charge	<u>99,443</u>	<u>244,957</u>

## 8. Earnings per share

Basic earnings per share are calculated based on the profit for the financial year attributable to equity holders divided by the weighted average number of shares in issue during the year. The weighted average number of shares for all periods presented has been adjusted for the above reorganisation and bonus issue of shares undertaken on 13 March 2019 prior to the admission of the company to the AIM market of the London Stock Exchange.

Adjusted earnings per share are calculated based on the Profit for the financial year adjusted for exceptional items as disclosed in Note 5. Diluted earnings per share is calculated on the basic earnings per share adjusted to allow for the issue of ordinary shares on the assumed conversion of the convertible loan notes and employee share options.

### Profit attributable to shareholders

	2019	2018
	£	£
Profit for the financial year	397,881	632,307
Exceptional costs	1,347,613	205,000
Tax impact of exceptional costs	<u>(171,166)</u>	
Adjusted profit for the financial year	<u>1,574,328</u>	<u>837,307</u>

### Weighted average number of shares to shareholders

	Number	Number
Shares in issue at the end of the year	<u>69,583,077</u>	<u>20,762</u>
Weighted average number of shares in issue	64,069,906	44,898,142
Weighted average number of treasury shares	<u>(49)</u>	<u>(685)</u>
Weighted average number of shares for basic and adjusted earnings per share	64,069,857	44,897,457
Effect of dilution of Convertible Loan Notes	1,773	713
Effect of dilution of Share Options	97,650	-
Weighted average number of shares for diluted earnings per share	<u>64,169,280</u>	<u>44,898,170</u>

### Earnings per share

	Pence	Pence
Basic	<u>0.62</u>	<u>1.41</u>
Diluted	<u>0.62</u>	<u>1.41</u>
Basic adjusted	<u>2.46</u>	<u>1.86</u>
Diluted adjusted	<u>2.45</u>	<u>1.86</u>

## 9. Intangible assets

	Patents and trademarks £	Datasets £	Development expenditure £	Software £	Total £
<b>Cost</b>					
At 1 January 2018	963,348	278,319	205,783	-	1,447,450
Foreign exchange translation	15,235	-	-	-	15,235
Additions	<u>38,880</u>	<u>157,962</u>	<u>606,578</u>	-	<u>803,420</u>
At 31 December 2018	<u>1,017,463</u>	<u>436,281</u>	<u>812,361</u>	-	<u>2,266,105</u>
Foreign exchange translation	(51,739)	(950)	(26,295)	-	(78,984)
Additions	<u>88,871</u>	<u>850,657</u>	<u>1,674,841</u>	<u>209,778</u>	<u>2,824,147</u>
At 31 December 2019	<u>1,054,595</u>	<u>1,285,988</u>	<u>2,460,907</u>	<u>209,778</u>	<u>5,011,268</u>

### Amortisation

At 1 January 2018	944,417	16,095	-	-	960,512
Foreign exchange translation	14,392	-	-	-	14,392
Charge for the year	<u>16,465</u>	<u>64,123</u>	-	-	<u>80,588</u>
At 31 December 2018	<u>975,274</u>	<u>80,218</u>	-	-	<u>1,055,492</u>
Foreign exchange	(50,986)	(475)	-	-	(51,461)
Charge for the year	<u>52,588</u>	<u>113,062</u>	<u>77,765</u>	<u>3,011</u>	<u>246,426</u>
At 31 December 2019	<u>976,876</u>	<u>192,805</u>	<u>77,765</u>	<u>3,011</u>	<u>1,250,457</u>
<b>Net book value</b>					
At 31 December 2019	<u>77,719</u>	<u>1,093,183</u>	<u>2,383,142</u>	<u>206,767</u>	<u>3,760,811</u>
At 31 December 2018	<u>42,189</u>	<u>356,063</u>	<u>812,361</u>	-	<u>1,210,613</u>

Intangible assets relate to patents, trademarks and datasets which are recorded at cost and amortised over their useful economic life which has been assessed as 2 to 3 years. Development expenditure relates to an asset under construction and as such no amortisation has been applied. Amortisation will apply when the asset is commercialised.

#### 10. Financial liabilities

	2019	2018
	£	£
<b><i>Creditors: falling due within one year</i></b>		
External loans	-	381,423
Fair value of embedded derivatives	-	34,093
Directors' loans	-	86,008
Revolving credit facilities	-	1,751,640
Convertible loan notes	<u>107,500</u>	<u>462,645</u>
	<u>107,500</u>	<u>2,715,809</u>
	2019	2018
	£	£
<b><i>Creditors: falling due after more than one year</i></b>		
External loans	-	806,332
Directors' Loans	-	259,141
	<u>-</u>	<u>1,065,475</u>

#### 11. Subsequent events

The Group hosts a four-day Group meeting for all staff at least biennially to ensure that the Group's corporate plans and goals are communicated and discussed. The next meeting was scheduled to take place in Tenerife at the start of March 2020. However, following the confirmation of the COVID-19 virus in Tenerife and other regions, the meeting was cancelled.

Under IAS10, outbreak of COVID-19 is considered a non-adjusting post balance sheet event and so £125,097 is held as a Prepayment in the Group balance sheet in relation to non-refundable, committed spend at 31 December 2019.

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact [rns@lse.com](mailto:rns@lse.com) or visit [www.rns.com](http://www.rns.com).

END

FR MZGMFMKVGZZ