

13 March 2023

Diaceutics PLC
("Diaceutics" or "the Company")

Update regarding Silicon Valley Bank
Request for temporary suspension from trading on AIM

[Diaceutics PLC](#) (AIM: DXRX), a leading technology and solutions provider to the pharmaceutical industry, today provides an update in relation to its exposure to Silicon Valley Bank ("SVB"), through both its Silicon Valley Bank US ("SVB US") and Silicon Valley Bank UK Limited ("SVB UK") subsidiaries.

On 10 March 2023, US financial regulators announced that they had closed SVB US and taken control of its deposits. On the same day, the Bank of England subsequently announced its intentions to place SVB UK into a bank insolvency procedure.

The Board welcomes the Federal Reserve's announcement on 12 March that it will make available additional funding to eligible depository institutions to help assure banks have the ability to meet the needs of all their depositors. The Company is in the process of exploring the impact of this announcement on its ability to access cash balances from the relevant accounts in the immediate term. The Board further recognises, and is encouraged by, the messages of potential support from the UK government for those companies, such as Diaceutics, holding deposits with SVB UK.

As of 9 March 2023, the Company held £22.2m in cash and cash equivalents (31 December 2022: £19.8m). Of this balance, approximately £22.0m was held in SVB accounts, an ongoing requirement of its Revolving Credit Facility, with the majority (£19.8m) held at SVB UK.

Despite immediate efforts by the Company to move available funds to other banks before SVB was closed, these transactions remain pending and the Company has been unable to access any of its funds held by SVB. This is a rapidly evolving situation and the Board remains hopeful that the funds held with SVB will become available, however it recognises that there is a risk that this may take time to resolve and full or partial recovery above the insurance limits may not materialise.

The restricted access to the funds has a significant impact on the Company's liquidity position and has led to material uncertainty over its ability to service certain working capital requirements in the short term. The Company has therefore requested that the listing of the Company's ordinary shares on AIM be temporarily suspended while it continues to seek access to its deposits held with SVB and also explores other funding options, including both equity and non-dilutive financing.

The strategy update to accelerate investment into the business, as announced on 26 January 2023, has now been paused, and the Company has commenced measures to manage cash outflow with the intention to remain at least cash flow neutral until cash reserves are adequately restored.

The Company, which was cash flow breakeven in the 2022 financial year has continued to trade in line with Board expectations. It continues to benefit from a strong forward order book, as reported at the end of 2022, and current trade receivables of £3.7m, with receipts due to the Company throughout the coming months.

The Company has a blue-chip global pharma customer base, including all top 20 pharma companies in the US and Europe. The Board anticipates its customers have little direct exposure to SVB and therefore minimum impact with ongoing commercial relationships with the Company.

The Company will make further announcements in due course.

Peter Keeling, Diaceutics' Chief Executive, commented:

"We are working swiftly to ensure the financial resilience of the business, in the face of these unprecedented events. We continue to trade strongly, expanding our relationships with customers while growing our considerable new business pipeline of opportunities and a strong debtor and order book. We hope to be in a position to lift the suspension of our shares as soon our funding position is secured."

This announcement contains inside information for the purposes of Article 7 of Regulation (EU) 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("MAR"), and is disclosed in accordance with the Company's obligations under Article 17 of MAR. The person responsible for making this announcement on behalf of the Company is Nick Roberts, Chief Financial Officer.

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About Diaceutics

At Diaceutics we believe that every patient should get the opportunity to receive the right test and the right therapy to positively impact their disease outcome. We provide the world's leading pharmaceutical and life science companies with solutions and technology for the commercialisation of their precision medicines, enabled by the proprietary DXRX platform.

DXRX is the world's first diagnostic commercialisation platform for precision medicine, utilising a global network of affiliate laboratories to deliver multiple pipelines of real-world healthcare data insights, advisory services and innovative platform enabled solutions.

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