

**Diaceutics PLC - Half Year Results**

**Diaceutics reports 32% growth in revenue and reaffirms full year outlook**

*66% growth in recurring revenues to £4.6 million, representing 47% of revenues in H1 2023*

*Order book growth of 43% to £24.1 million providing good forward visibility*

*Four enterprise-wide engagements secured by end H1 2023*

*Core DXRX platform adoption by large pharma customers driving business momentum*

*Daily alerts launched for DXRX Signal enabling pharma clients to identify patients previously not receiving the most appropriate treatment due to lack of timely data*

*Diaceutics becoming the primary commercialisation partner for pharma launching precision medicines, with 21 of the top 30 global pharma companies as Diaceutics' customers*

*First of its kind virtual lab conference was successfully held in July 2023 - labs on the DXRX platform grows to 900*

*Strong balance sheet with cash of £17.9 million - fully funded to execute significant growth plans*

*Peter Keeling stepping down as CEO - will remain with the Company to advance corporate development*

*Ryan Keeling appointed as CEO Designate*

**Belfast and London, 26 September 2023 - Diaceutics PLC (AIM: DXRX)**, a leading technology and solutions provider to the pharmaceutical industry, today announces continued strong performance and growth across its business and its unaudited half year results for the six months ended 30 June 2023.

**H1 2023 Financial Highlights:**

	H1 2023	H1 2022	Change
Revenue	£9.9m	£7.5m	+32%
Platform based revenue	83%	76%	+7 ppts
Recurring revenue percentage of overall revenue	47%	37%	+10 ppts
Gross Profit	£8.7m	£6.3m	+38%
Gross Profit Margin	88%	84%	+4 ppts
EBITDA	-£0.2m	£0.3m	-£0.5m
Loss before tax	-£2.0m	-£1.1m	-£0.9m
Cash inflow from operations	£0.7m	£3.3m	-£2.6m
Net cash	£17.9m	£20.4m	-£2.5m
Order book*	£24.1m	£10.2m	+£13.9m

- Revenue for the six months to 30 June 2023 increased 32% to £9.9 million (H1 2022: £7.5 million), 25% on a constant currency basis
- Recurring revenue grew 66% to £4.6 million and represents 47% of revenues in the period (H1 2022: £2.8 million and 37% of revenue in the period)
- 43% increase in order book\* at 30 June 2023 to £24.1 million, up from £16.9 million at December 2022, with £6.8 million of the order book expected to be realised in H2 2023
- Recurring revenue now represents 94% or £22.7 million of the order book
- EBITDA loss of -£0.2 million in line with accelerated investment strategy announced in January 2023
- Cash at 30 June 2023 was £17.9 million (31 December 2022: £19.8 million), reflecting the acceleration in platform and data investment

**H1 2023 Operational Highlights:**

- Diaceutics worked with 50 therapies in H1 2023, up 22%, across 37 customers (H1 2022: 41 therapies across 34 customers)
- Four enterprise-wide engagements secured by 30 June 2023 with a total contract value of \$20.1 million to deliver insight data solutions for up to three years across 25 pharma therapies. An enterprise-wide engagement is characterised by a customer deploying the DXRX platform across three or more of the precision medicines in their portfolio
- DXRX Signal product enhanced and now providing daily alerts. This ground-breaking innovation will provide Diaceutics' customers with even more timely data to identify patients who would benefit from their therapies and improve their commercial success. For patients, it means their chances of receiving the optimal therapy within the window of effectiveness is significantly improved
- DXRX Signal has identified over 46,000 potential US patients so far in 2023 for its pharma customers
- Data tokenisation, which involves the joining of testing and treatment data integral to new products being launched, completed and on track to be launched in H2 2023 - this will deliver enhanced patient insights and value to customers
- First of its kind virtual lab conference was successfully held in July 2023, targeted at US labs and physicians, driving better platform network engagement and recruitment with over 1,000 labs and

- physicians in attendance. A European conference event is set to be launched in H1 2024
- 49 labs added to the DXRX platform, taking the total to 900 across 44 countries, increasing DXRX global platform reach with further recruitment expected from the virtual lab events in H2 2023
- Experienced Non-Executive Director, Graham Paterson, joins the Board as a Non-Executive Director and Audit and Remuneration Committees' chair on 1 October 2023

**Peter Keeling, CEO of Diaceutics commented:**

*"As our pharma customers continue to evolve their investment to precision medicines, we are extremely well positioned to deliver the data insights and lab network they need to find patients in need of appropriate therapies. We are pleased to report that the strong momentum we enjoyed in 2022 has continued into 2023 and delivered a very positive first half performance, with recurring revenue and order book growth, continued expansion of our lab network and therapy brand growth in line with our strategic roadmap. Pharma companies are increasingly recognising the importance of utilising our data technology and lab network to significantly improve their commercial success.*

*"Most encouraging is the positive feedback we continue to receive from our clients as they increasingly use the DXRX platform to support the digital commercialisation of therapies delivered to patients in need worldwide. We remain confident in our proven growth strategy and ability to perform and deliver future growth as we continue to hit our key milestones for the DXRX platform expansion and introduce new products to profile and target suitable patients."*

**Planned CEO Transition**

The Company this morning announced separately details of its planned CEO transition. Having co-founded the Company and spent 18 years as its CEO, Peter Keeling has informed the Board of his intention to step back as CEO of Diaceutics on 1 January 2024. He will continue to serve on the Board as an Executive Director, to support the CEO transition. Thereafter, Peter's primary focus will be to accelerate the corporate development of Diaceutics. This will further strengthen Diaceutics leadership position as the primary partner for pharmaceutical companies as they seek to commercialise the new generation of precision therapeutics across a range of disease areas over the coming months and years.

Peter Keeling co-founded Diaceutics in 2005 and has led the growth of the Company from a niche consulting service provider to a high margin, high growth diagnostic commercialisation platform. The Company now serves 21 of the top 30 global pharma companies, with 161 people across Europe and North America and a network of 900 laboratories worldwide. Peter also led the Company's public listing in 2019.

Ryan Keeling, current Chief Innovation Officer, has today been appointed CEO Designate and will become CEO on 1 January 2024. Ryan joined Diaceutics in 2006 and became a member of the Board on IPO in 2019. His current responsibilities as Chief Innovation Officer will be split between the Chief Commercial Officer and Chief Data Officer during the transition period.

Ryan is an expert in the commercialisation of diagnostics and associated technology, with over 17 years' experience in the field. He is the architect of the Company's data capabilities and DXRX platform, leading the development and commercialisation of the Group's technology, including its proprietary data lake. During his tenure with Diaceutics, Ryan has underpinned the Company's growth, holding the key roles of Chief Commercial Officer, Chief Operating Officer and most recently, Chief Innovation Officer where he has led the Group's product innovation, with a near term focus on the development of DXRX.

**Outlook**

We observed the pharmaceutical industry spending cautiously during H1 2023, predominately attributed to general uncertainties around macroeconomic and political pressures, particularly reorganisations and drug pricing policies. Despite this, Diaceutics has seen continued strong demand from new customers and renewals of its insight and engagement solutions leading to order book growth and increases in recurring revenues.

The market opportunity available to Diaceutics is significant, larger than ever and continues to grow at pace as global pharma accelerates the shift to precision medicine to improve patient access, capture lost revenue and increase profitability. The successes of 2023 to date and the significant momentum achieved across the period serve to validate the Group's growth strategy, with trading in line with management expectations. The Board is confident that Diaceutics can continue to execute its growth strategy and seize the market opportunity as we become the primary commercialisation partner for pharma companies launching precision medicines, and today reaffirms its full year outlook.

**Analyst Presentation**

A webinar presentation for analysts will be held at 10.00 am on Tuesday, 26 September 2023 via the London Stock Exchange's SparkLive platform. Those wishing to attend can register using the following link:

<https://www.iseqissuerservices.com/spark/Diaceutics/events/3e138a9b-2f9d-4adf-b5e0-790cb1f39b49>

**Investor Presentation**

Peter Keeling (CEO), Nick Roberts (CFO) and Ryan Keeling (CEO Designate) will also provide a live presentation relating to the Company's results via the Investor Meet Company platform on Tuesday 26 September 2023 at 4.30 pm. The presentation is open to all existing and potential shareholders and registration can be completed via the following link:

<https://www.investormeetcompany.com/diaceutics-plc/register-investor>

*\*Order book is the value of future contracted revenue not yet recognised*

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 pharma and biotech companies with an end-to-end commercialisation solution for precision medicines through data analytics, scientific and advisory services enabled by our platform DXRX - The Diagnostics Network®.

**Strategic and Operational Review**

**Business and Strategic Overview**

We have continued to build on the momentum from 2022 with encouraging financial and operational progress in the six months to 30 June 2023. The successes in the period have underpinned a strong financial performance which includes revenue growth of 32% to £9.9m, improved visibility of revenues with 47% now recurring and significant order book growth of 43% to £24.1 million, providing excellent forward visibility; these all support our sustainable growth as we continue to deliver against our strategic roadmap.

Growth during the period has been driven by a number of factors including the increased adoption of our DXRX platform by large pharma customers. A key pillar of the platform is our extensive lab network. In the six months to 30 June 2023, we have added 49 labs to the platform network, taking the total to 900, and we also launched the first of two virtual lab conferences in July 2023. These virtual events deliver specialist thought leadership content to labs and physicians, driving better platform network engagement and recruitment, and allowing us to continue to leverage the platform network as a key differentiator and growth accelerator.

We remain committed to investing in the expansion of our unique assets and key value drivers: our partner network, data repository, and platform product offering. During H1 2023 we have made good progress against our accelerated investment strategy; we have expanded the partner network, enhanced the value of the data repository and successfully launched a number of new capabilities on the DXRX platform. We continue to ensure that the customer is at the centre of everything we do and that we are ideally positioned to capitalise on the increasing precision medicine market and grow Diaceutics' presence within our customers' commercialisation strategy budgets.

The Group's therapy brand engagement remains consistently strong with Diaceutics working with 50 therapies in H1 2023 (up 22%) across 37 customers (H1 2022: 41 brands across 34 customers).

Customer centricity is fundamental to our growth strategy, and we are embedding our customer centricity framework across the organisation. The investment in this strategy includes developing processes to capture the voice of our customers and having dedicated customer account teams to promote integrated cross-functional working. These enable continuous customer focused improvements and seamless delivery of our solutions. We have been delighted with the feedback we have had to date from our customers as a result of this framework, with exceptionally strong engagement and feedback.

Overall, we are pleased with the progress made against the strategic milestones set out in our accelerated investment strategy at the beginning of 2023 and this progress is summarised in the milestone tracker below:

<b>Accelerated investment strategy - milestones set for 2023</b>	<b>Progress and impact in 2023</b>
Secure best-in-class organic revenue growth of between 20-25%.	Revenue growth of 32% with underlying constant currency growth of 25% (H1 2022: 25% with CCY growth of 18%).
Transition of business onto the DXRX platform and increase the value of multi-year recurring revenue contacts.	83% of revenue derived from the DXRX platform (H1 2022: 76%). Recurring revenue grew 66% to £4.6 million and represents 47% of revenues in the period (H1 2022: £2.8 million and 37% of revenue in the period). Order book increased 43% to £24.1 million (H1 2022: £10.2 million).

Secure additional enterprise-wide* engagements.	Secured 4 enterprise-wide engagements across 25 therapies (as at 31 December 2022: 2 engagements across 8 therapies).
Enrich data and product offerings Invest in platform scale and capability.	DXRX Signal product enhanced in H1 2023 and launched in H2 2023 providing daily alerts. Tokenisation and joining of testing and treatment data completed and on track to be launched in H2 2023.
Accelerate growth and engagement of the laboratory network and platform-based community.	We expanded our lab network to include 900 laboratories across 44 countries (as at 31 December 2022: 851 across 38 countries). Launched first virtual lab conference in July 2023 targeted at US labs and physicians with 1,018 participants.
Expand the number of therapy brands generating revenue and the average revenue per brand.	We worked with 50 brands during the period with an average revenue per brand of £198,000 (H1 2022: 41 brands at an average of £184,000 per brand) - 8% increase in revenue per brand.
Transform our customer experience and service.	Added 4 Vice Presidents, enhancing strength and depth of senior management, bolstering industry expertise and facilitating a sharper emphasis on operational success. Added 10 employees (inc. VPs) to take the total to 161 at 30 June 2023 and reorganised customer experience and service staff into 9 core customer centric account teams, creating a more efficient and effective structure to support our strategy.

\* An enterprise-wide engagement is characterised by a customer deploying the DXRX platform across three or more of the precision medicines in their portfolio

### Three Unique Assets: Investing in our Value Drivers

We have made good progress against our accelerated investment strategy. Seven of eight core insight and engagement platform solutions now available on the DXRX platform, of which, four are available as recurring revenue contracts. As we continue to execute against our roadmap, we expect to continue converting our solutions to our recurring revenue contract model and innovating in our product offering, ensuring that they are platform based, and target our customer needs increase recurring revenues. Ultimately, we anticipate 70% of our revenue will be platform-based and recurring by 2025, with peak adoption expected to reach around 80% by 2028.

We are pleased to report that strong progress has been made across the Group's unique asset value drivers detailed below.

#### DXRX Partner Network

Labs that are better equipped and well-informed have the capacity to significantly impact the diagnostic and treatment journey for patients. Leveraging our extensive partner lab network, we offer various multi-year lab engagement modules to our pharmaceutical and biotech clients, with the goal of enhancing patient diagnostic and treatment experiences.

The number of labs on the DXRX platform has continued to increase with 49 joining in the past six months, bringing the total to 900 across 44 countries, increasing the DXRX global platform reach and enhancing our data supply chain and disease coverage.

Diaceutics continues to position itself as a thought leader in the space and we were pleased to host a first of its kind virtual lab conference in July 2023. Targeted at delivering specialist content to US labs and physicians, this event was aimed at driving better platform network engagement and recruitment, which was successfully achieved with over 1,000 labs and physicians attending on the day and that number continues to grow as further labs access the archived conference recordings. Following the success of the conference, we are pleased to build on this with the launch of a European equivalent in H1 2024 and will report on the accelerated engagement and recruitment of labs as a result of these events at the end of the year.

#### DXRX Data

The Group's unrivalled depth of data continues to consolidate its competitive advantage and serves as a key driver of new client and therapy brand acquisition. During the period, new testing and treatment patient records were added, further widening the Group's competitive moat as it establishes itself as the primary commercialisation partner for pharma and biotech companies launching precision medicine.

As the number of patient records on the platform continues to increase, so too does the requirement for automation and the application of machine learning and AI within our systems. In order to enhance patient insights and the value we can deliver to customers; we have completed the tokenisation of our entire dataset and are on track to launch tokenised data products in H2 2023. The tokenisation of our testing data allows us to join it with other data sets, such as treatment data, which considerably enhances the patient insights and value to customers. We have also embedded natural language processing technology into our platform data capabilities which helps us to accelerate the processing and enrich the quality of the insights derived from the vast amount of data received on a daily basis.

#### DXRX Platform Products

In line with our strategic investment strategy, we have continued to develop and expand our product offering in the DXRX platform. These developments allow Diaceutics to further embed within our customers' commercialisation efforts and take full advantage of the current opportunity to expand our portion of the customer budget.

Enhancements made to the DXRX Signal product have continued to resonate well with clients and our recently launched daily signal capability now provides customers with even more timely data to identify patients who would benefit from therapies and improve their commercial success.

Available only through the Diaceutics' platform, DXRX Signal utilises our partner network data to identify physicians with a patient who has tested positive for a specific biomarker of interest, which may be eligible for therapy. This signal is seamlessly integrated within a customers' operations within as little as 48 hours of the positive test result. From this, they are able to target that physician with a well-informed engagement before a treatment decision has been made so that they can offer a more effective drug or therapy sooner; a key goal for all involved in precision medicine.

For patients, it means their chances of receiving the optimal therapy within the window of effectiveness is significantly improved. So far in 2023, DXRX Signal has identified over 46,000 potential US patients that may not have otherwise been recognised as suitable candidates for treatment with personalised medicines. The updated version of Signal is very important to Diaceutics and its customers, as having early access to the diagnostic data will mean that patients not only get the most appropriate treatment, but also will potentially start on that treatment earlier. In H1 2023 six of seven DXRX Signal customer contracts renewed for another 12 months (an 86% renewal rate, albeit on low volumes). The one customer contract non-renewal was for a single therapy brand and as a result of the customer ceasing commercialisation spend on that asset. DXRX Signal now supports in excess of 30 therapy brands.

#### **Capitalising on a Growing Market Opportunity**

The global precision medicine market continues to grow at pace and is estimated to increase at 11.5% CAGR to \$175.6bn by 2030 (*Precedence Research: Precision Medicine Market Size, Share, Report 2022 to 2030*). Through strategic investment and developments in our network, data, products and people, Diaceutics is better placed than ever to grow alongside the market as a whole and capitalise on this significant opportunity.

Precision medicines currently represent 51% of oncology medicine annual sales. However, pharma is losing over 50% of potential patients due to suboptimal diagnosis practices, meaning that patients do not receive the most effective medicines. The reality of this was evidenced in the jointly published November 2022 Diaceutics Practice Gaps study in the peer reviewed JCO Precision Oncology, which found that 64% of non-small cell lung cancer patients in the US in 2019 did not receive access to the medicines most suitable to them, and therefore did not benefit from personalised medicine treatment.

This hurdle in the diagnostic process is both harmful for patients not receiving the most suitable diagnosis and treatments for their illness, and for pharma who are currently seeing up to an estimated \$5bn of lost precision medicine oncology sales over the lifecycle of a therapy. Diaceutics' unique network, data and product assets are ideally positioned to meet both of these needs and ensure that patients receive the right treatment at the right time.

We are well positioned to capitalise on this growing marketing opportunity as the pharma industry becomes increasingly aware of the need to understand the diagnostic infrastructure and the communication between lab and physician and physician and prescribing. This is hugely valuable for us, and we continue to develop innovative commercialisation solutions for pharma and biotech.

We have evidenced that pharma is willing to spend in excess of \$6 million over the therapy lifetime addressing these opportunities and are confident that ultimately this should be US\$10-15 million per brand to maximise the addressable patient treatment population.

Diaceutics has already established itself as a trusted partner to pharma, and to date we have identified over 46,000 potential patient candidates who are not yet being offered precision medicines and bridging this gap for both patients and pharma.

We have made good progress towards capitalising on this opportunity, working across 50 therapies in H1 2023 with 37 customers, up 22% on H1 2022 and increasing the value of addressable lifetime therapy brand spend secured with 33 brands with lifetime brand spend over \$1 million. As we continue to consolidate our position as a trusted partner to pharma and execute against our strategic investment program, we are confident in further capitalising on the significant opportunity available to us within the market.

#### **Our Team**

Diaceutics' commitment to its people is at the centre of what we do, in our drive to ensure that every patient receives the right test at the right time, and in how we work to achieve that goal. Our successes to date would not be possible without the hard work and dedication of our team for which we sincerely grateful.

We continue to invest in our team to ensure we remain both an attractive, and enjoyable, place to work for current and future employees. In H1 2023, we have added four Vice Presidents to enhance the strength and depth of the senior management team, bolster our industry expertise, and in turn facilitate our business' emphasis on operational success. Our customer centric growth strategy led to us reorganising our customer experience and service staff into 9 core customer account teams and we continue to add people and skills in key roles to facilitate the company's growth and scale plans for 2024 and beyond, adding six new employees in H1 2023.

From 1 October 2023, experienced Non-Executive Director, Graham Paterson, will be appointed to the Board of Diaceutics as a Non-Executive Director. Graham brings extensive leadership and board experience to Diaceutics and we look forward to working with him as we progress on the next stage of our growth journey. At the same time, Charles Hindson will be stepping down from his position as a Non-Executive Director at Diaceutics. The Board thanks Charles for his hard work, dedication and much valued counsel during the past four years and wishes him all the best in his future endeavours.

In addition, we have today announced that CEO, Peter Keeling, has informed the Board of his intention to step back from his role as CEO of Diaceutics on 1 January 2024. Peter will continue to serve on the Board as an Executive Director, to support the CEO transition. Thereafter, Peter's primary focus will be to accelerate the corporate development of Diaceutics. This will further strengthen Diaceutics leadership position as the primary partner for pharmaceutical companies as they seek to commercialise the new generation of precision therapeutics across a range of disease areas over the coming months and years.

We are delighted that Ryan Keeling, current Chief Innovation Officer, has today been appointed CEO Designate and will become CEO on 1 January 2024. Ryan joined Diaceutics in 2006 and became a member of the Board on IPO in 2019. Ryan is the architect of the Company's data capabilities and DXRX platform, leading the development and commercialisation of the Group's technology, including its proprietary data lake. During his tenure with Diaceutics, Ryan has held the key roles of Chief Commercial Officer, Chief Operating Officer and most recently, Chief Innovation Officer, where he has led the Group's DXRX product innovation.

#### **Financial Review**

We are pleased to report that despite the challenging macroeconomic trading conditions impacting all sectors, Diaceutics has delivered a strong financial performance in the first six months of 2023, the fifth consecutive period of growth for the Group. With strong cash reserves of £17.9 million at 30 June 2023, the Company enters the second half of the year reaffirming its full year outlook as it continues to pursue its accelerated investment strategy and drive to become the primary precision medicine commercialisation partner to the global pharma and biotech industries.

#### **Revenue Growth and Order Book Visibility**

Our comprehensive suite of data driven insight and engagement solutions, designed to serve the precision medicine commercialisation requirements of pharma and biotech companies, have continued to experience strong organic growth in H1 2023. Revenue for the period grew 32% to £9.9 million (H1 2022: £7.5 million), a 25% increase on a constant currency basis. The strong revenue growth continues to be maintained whilst transitioning a significant proportion of customer products and contracts to recurring revenue, which saw £4.6 million (47%) of recurring revenues in the period, up 66% from £2.8 million and 37% in H1 2022.

Revenue growth has been especially strong within the platform-based insight and engagement solutions, growing 44% to £8.2 million. Platform based solutions now represent 83% of all revenues (up from 76% for the comparative period), a transition which has been achieved in just two and a half years since the platform launch and tracking roughly a year ahead of management's expectations. Advisory service revenues were £1.7 million in the year, down slightly on the comparative period (H1 2022: £1.8 million).

During H1 2023, we observed a slowing in pharmaceutical industry spending, predominately discretionary spend, which was attributed to general uncertainties around macroeconomic and politics pressures, particularly drug pricing policies. These pressures materialised as lower spending across the shorter-term strategic consultancy services, impacting our advisory service business, but demand remained strong for forward contracted platform-based insight and engagement solutions which are more embedded into pharma go-to-market commercialisation critical pathways.

The Total Contract Value (TCV) secured by way of sales in the period was £16.9 million and was slightly ahead of the value of contracts secured in the comparative period (H1 2022: £16.5 million). The quality of TCV was aided by the Company's continued progress towards securing enterprise-wide engagements, which is characterised by a customer deploying the DXRX platform across three or more of the precision medicines in their portfolio.

The success in securing enterprise-wide engagements has continued to build future visibility through a multi-year recurring revenue order book. By 30 June 2023 the Company had secured four enterprise-wide engagements with a TCV of \$20.1 million and delivering insight data solutions for up to three years across 25 pharma therapies. The order book at 30 June 2023 grew to £24.1 million, representing 43% growth in the period (£16.9 million at 31 December 2022), with around £6.8 million expected to be realised as revenue in H2 2023 and giving the business around 70% visibility of the full year consensus revenue number at the mid-year point. Recurring revenue now represents 94% or £22.7 million of the future order book.

The Group's customer base is heavily weighted towards blue chip pharma companies, with 83% of revenue generated by customers based in the USA (H1 2022: 72%). The Group worked with a total of 37 customers during the H1 2023 (H1 2022: 34) across 50 therapies (H1 2022: 41). Diaceutics has increased its average revenue per brand for the first six months of 2023 to £198,000, up from £184,000 in H1 2022, and continues to increase the value of addressable lifetime therapy brand spend secured with 33 therapy brands with lifetime spend over \$1 million (26 therapy brands as at 31 December 2022).

The Group continues to expect a higher weighting of revenue, and therefore profitability, in the second half of the financial year. In 2022 the revenue weighting first vs. second half of the year was 38:62 compared to 43:57 in 2021. This weighting has historically been driven by pharma customers' propensity to spend more of its allocated annual budget in the second half of the year, particularly quarter four, as it reaches the end of its own budget and financial years. Although we see this second half revenue weighting reducing in future years as a result of the Company's shift to recurring revenue contracts, the strong growth rates experienced by the Company and lower level of spend observed by pharma in H1 2023 means that this second half revenue weighting trend is expected again for the 2023 full year.

#### Gross Profit and Margins

The gross profit for the first six months of 2023 increased 38% to £8.7 million (H1 2022: £6.3 million). The gross margin for H1 2023 was 88%, up four percentage points from the gross margin in H1 2022 of 84%. The increase in margin was primarily the result of sales mix with a higher concentration of revenue generated from platform-based solutions and a reduction in lower margin pass-through costs associated with some engagement solution deliverables.

#### EBITDA and Loss Before Tax Performance

In line with expectations, the Company generated an EBITDA loss of £0.2 million, lower than the comparative period profit of £0.3 million. The EBITDA loss reflects the impact of the Company's planned accelerated investment strategy which predominately materialised as increased headcount and people related costs in H1 2023 (headcount up to 161 vs. 138 in H1 2022) as well as a higher proportion of platform development costs expensed during the period and foreign exchange losses from strengthening GBP.

The loss before tax increased from £1.1 million in H1 2022 to £2.0 million in H1 2023. This was a result of the increasing operating loss (see commentary on EBITDA above) as well as an increase in amortisation costs which rose by approximately £0.5 million in the period, with the increasing amortisation costs being the result of the capitalisation of internal development costs in prior years and increasing data purchasing costs.

The intensity of development costs being capitalised will continue to curtail over the coming years, instead being expensed to the income statement. Data acquisition costs will continue to increase as additional opportunities are identified to acquire data through our lab network and existing data supply chain and to accelerate the depth and breadth of our data repository. Increasing the total data acquisition spend in future years is a key strategic goal and driver of both growth and value, and as a result, the total level of amortisation will continue to rise as a result of this capitalised spend.

#### Reconciliation of Operating Loss to EBITDA

	<b>2023</b>	<b>2022</b>
	<b>£m's</b>	<b>£m's</b>
Operating Loss	(2.2)	(1.1)
Depreciation & Amortisation	2.0	1.4
EBITDA	(0.2)	0.3

#### Financial Strength

At 30 June 2023, the Company reported a strong net asset position of £41.1 million (31 December 2022: £42.5

million).

Cash at 30 June 2023 was £17.9 million (31 December 2022: £19.8 million), reflecting the acceleration in investment announced in the January 2023 Strategy Update, and the Company has sufficient financial resources in place to fully execute its ambitious growth plans.

During the year, the Company continued to invest in the development of its platform technology, with £1.9 million of a total platform development spend for H1 2023, of which £0.8 million was capitalised in the year (H1 2022: £1.8 million of a total platform development spend of which £1.4 million was capitalised). As planned and set out in the accelerated investment strategy, total platform development costs have increased on comparative periods as the business looks to accelerate the development of the platform products, capability and scale. However, the proportion of development costs which are capitalised has decreased as the platform reaches maturity. Data expenditure, which is capitalised and amortised over the period of its use, has increased around double over H1 2023 to £1.8 million compared with £0.9 million in H1 2022. In line with the strategy, the increase in spend will enhance our proprietary data repository through expanding the geographical coverage, the frequency of the data received and the disease coverage.

The free cash flow (Net cash inflow from operating activities less capital expenditure less the payment of lease liabilities) for H1 2023 was an outflow of £2.3 million (H1 2022: inflow £0.8 million). Cash received operating activities for H1 2023 was £0.7 million (H1 2022: £3.3 million), demonstrating the Company's ability to continually generate cash from its operating activities, and which has only reversed back to a free cash outflow in H1 2023 as a result of the enhanced investment in data and lower proportion of capitalised platform development costs.

Based on the increasing cost of servicing debt and the low probability of forecast utilisation the Company's Revolving Credit Facility (RCF), the Company has not renewed the £4 million facility that ended in July 2023. The Company retains strong relationships with its primary banking partners and is satisfied that it can arrange an RCF of equal or greater quantum if required.

## Condensed Profit and Loss Account for the six months ended 30 June 2023

		<i>Six months to</i>	<i>Six months to</i>	<i>Year ended</i>
		<i>30 June 2023</i>	<i>30 June 2022*</i>	<i>31 December</i>
		<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>2022</i>
	<i>Notes</i>	<i>£000's</i>	<i>£000's</i>	<i>(audited)</i>
				<i>£000's</i>
<b>Revenue</b>	2	<b>9,924</b>	7,528	19,504
Cost of sales		<b>(1,224)</b>	(1,221)	(2,763)
<b>Gross profit</b>		<b>8,700</b>	6,307	16,741
Administrative expenses		<b>(10,873)</b>	(7,466)	(16,280)
Other operating income	3	<b>7</b>	96	114
<b>Operating (loss)/profit</b>		<b>(2,166)</b>	(1,063)	575
Finance Income		<b>253</b>	-	111
Finance costs		<b>(42)</b>	(68)	(122)
<b>(Loss)/profit before tax</b>		<b>(1,955)</b>	(1,131)	564
Income tax credit	4	<b>470</b>	364	160
<b>(Loss)/profit for the financial period</b>		<b>(1,485)</b>	(767)	724

All activities in the current and prior periods relate to continuing operations.

\*The Group has restated the classification of amortisation of intangible assets for the period ending 30 June 2022 to conform with the current year presentation. Further details of this reclassification are detailed in note 13 to these financial statements.

## Condensed Statement of Comprehensive Income

For the the six months ended 30 June 2023

	<i>Six months to</i> <b>30 June 2023</b> <i>(Unaudited)</i> <b>£000's</b>	<i>Six months to</i> <b>30 June 2022</b> <i>(Unaudited)</i> <b>£000's</b>	<i>Year ended</i> <b>31 December 2022</b> <i>(audited)</i> <b>£000's</b>
<b><i>(Loss)/profit for the financial period</i></b>	<b>(1,485)</b>	<b>(767)</b>	<b>724</b>
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of foreign operations	(121)	639	440
<b><i>Total comprehensive (loss)/profit for the period, net of tax</i></b>	<b>(1,606)</b>	<b>(128)</b>	<b>1,164</b>

All activities in the current and prior periods relate to continuing operations.

## Earnings per share

for the six months ended 30 June 2023

	<i>Note</i>	<i>Six months to</i> <b>30 June 2023</b> <i>(Unaudited)</i> <b>Pence</b>	<i>Six months to</i> <b>30 June 2022</b> <i>(Unaudited)</i> <b>Pence</b>	<i>Year ended</i> <b>31 December 2022</b> <i>(audited)</i> <b>Pence</b>
Basic	6	<b>(1.76)</b>	(0.91)	0.86
Diluted	6	<b>(1.76)</b>	(0.91)	0.84

## Condensed Balance Sheet

as at 30 June 2023

	<i>Notes</i>	<b>30 June 2023</b> <i>(Unaudited)</i> <b>£000's</b>	<b>30 June 2022</b> <i>(Unaudited)</i> <b>£000's</b>	<b>31 December</b> <b>2022</b> <i>(Audited)</i> <b>£000's</b>
<b>ASSETS</b>				
<b><i>Non-current assets</i></b>				
Intangible assets	7	<b>16,070</b>	14,189	15,222
Right of use assets		<b>1,257</b>	1,339	1,333
Property, plant and equipment	8	<b>737</b>	704	759
Deferred tax asset		<b>96</b>	99	46
		<b>18,160</b>	16,331	17,360
<b><i>Current assets</i></b>				
Trade and other receivables	9	<b>9,164</b>	7,290	9,209
Income tax receivable		<b>917</b>	1,519	1,846
Cash and cash equivalents		<b>17,880</b>	20,388	19,841
		<b>27,961</b>	29,197	30,896
<b>TOTAL ASSETS</b>		<b>46,121</b>	45,528	48,256
<b>EQUITY AND LIABILITIES</b>				
<b><i>Equity</i></b>				
Equity share capital	12	<b>169</b>	169	169
Share premium		<b>37,126</b>	37,125	37,126
Treasury shares		<b>(293)</b>	(255)	(263)
Translation reserve		<b>17</b>	337	138
Profit & loss account		<b>4,040</b>	3,574	5,344
<b>TOTAL EQUITY</b>		<b>41,059</b>	40,950	42,514
<b><i>Non-current liabilities</i></b>				
Leasehold liability		<b>1,132</b>	1,284	1,205

Provision for dilapidations		88	-	79
Deferred tax liability		341	424	706
		<u>1,561</u>	<u>1,708</u>	<u>1,990</u>
<b>Current liabilities</b>				
Trade and other payables	10	3,365	2,740	3,628
Leasehold liability		128	130	124
Income tax payable		8	-	-
		<u>3,501</u>	<u>2,870</u>	<u>3,752</u>
<b>TOTAL LIABILITIES</b>		<u>5,062</u>	<u>4,578</u>	<u>5,742</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>46,121</u>	<u>45,528</u>	<u>48,256</u>

## Condensed Statement of Changes in Equity for the six months ended 30 June 2023

	Equity share capital £000's	Share premium £000's	Treasury shares £000's	Translation reserve £000's	Profit and loss account £000's	Total equity £000's
<b>At 1 January 2022</b>	<u>168</u>	<u>36,864</u>	<u>(165)</u>	<u>(302)</u>	<u>4,084</u>	<u>40,649</u>
Loss for the period	-	-	-	-	(767)	(767)
Other comprehensive loss	-	-	-	639	-	639
Total comprehensive loss for the period	-	-	-	639	(767)	(128)
<i>Transactions with owners recorded directly in equity</i>						
Share based payment	-	-	-	-	257	257
Treasury shares	-	-	(90)	-	-	(90)
Conversion of convertible loan notes	1	133	-	-	-	134
Exercise of warrants	-	129	-	-	-	129
Total transactions with owners	<u>1</u>	<u>262</u>	<u>(90)</u>	<u>-</u>	<u>257</u>	<u>430</u>
<b>At 30 June 2022 (unaudited)</b>	<u>169</u>	<u>37,126</u>	<u>(255)</u>	<u>337</u>	<u>3,574</u>	<u>40,951</u>
Profit for the period	-	-	-	-	1,491	1,491
Other comprehensive loss	-	-	-	(199)	-	(199)
Total comprehensive profit for the period	-	-	-	(199)	1,491	1,292
<i>Transactions with owners recorded directly in equity</i>						
Share based payments	-	-	-	-	279	279
Treasury Shares	-	-	(8)	-	-	(8)
Total transactions with owners	-	-	(8)	-	279	271
<b>At 31 December 2022 (audited)</b>	<u>169</u>	<u>37,126</u>	<u>(263)</u>	<u>138</u>	<u>5,344</u>	<u>42,514</u>
	Equity share capital £000's	Share premium £000's	Treasury shares £000's	Translation reserve £000's	Profit and loss account £000's	Total equity £000's
<b>At 1 January 2023</b>	<u>169</u>	<u>37,126</u>	<u>(263)</u>	<u>138</u>	<u>5,344</u>	<u>42,514</u>
Loss for the period	-	-	-	-	(1,485)	(1,485)
Other comprehensive loss	-	-	-	(121)	-	(121)
Total comprehensive loss for the period	-	-	-	(121)	(1,485)	(1,606)
<i>Transactions with owners recorded directly in equity</i>						
Share based payment	-	-	-	-	181	181
Treasury shares	-	-	(30)	-	-	(30)
Total transactions with owners	-	-	(30)	-	181	151

## Condensed Statement of Cash Flows for the six months ended 30 June 2023

	Notes	Six months to 30 June 2023 (Unaudited) £000's	Six months to 30 June 2022 (Unaudited) £000's	Year ended 31 December 2022 (audited) £000's
(Loss)/profit before tax		(1,955)	(1,131)	564
<i>Adjustments to reconcile profit before tax to net cash flows from operating activities</i>				
Net finance (income)/costs		(211)	68	11
Amortisation of intangible assets	7	1,774	1,193	2,704
Depreciation of right to use asset		78	73	157
Depreciation of property, plant and equipment	8	81	70	147
Research and development tax credits		-	(75)	(86)
Decrease/(increase) in trade and other receivables		45	778	(1,594)
(Decrease)/increase in trade and other payables		(265)	293	1,266
Unrealised currency translation gain		-	193	-
Share based payments		181	257	536
<b>Cash generated from operations</b>		<b>(272)</b>	<b>1,719</b>	<b>3,705</b>
Tax received		970	1,545	1,391
<b>Net cash inflow from operating activities</b>		<b>698</b>	<b>3,264</b>	<b>5,096</b>
<b>Investing activities</b>				
Purchase of intangible assets		(2,885)	(2,324)	(4,684)
Purchase of property, plant and equipment		(61)	(56)	(186)
Finance interest received		253	-	111
<b>Net cash outflow from investing activities</b>		<b>(2,693)</b>	<b>(2,380)</b>	<b>(4,759)</b>
<b>Financing activities</b>				
Borrowing costs		(13)	(35)	(59)
Leasehold repayments		(98)	(49)	(163)
Purchase of treasury shares	12	(30)	(90)	(98)
Issue of shares on exercise of a warrant	12	-	129	129
<b>Net cash outflow from financing activities</b>		<b>(141)</b>	<b>(45)</b>	<b>(191)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(2,136)</b>	<b>839</b>	<b>146</b>
Net foreign exchange movements		175	(126)	20
Opening cash and cash equivalents		19,841	19,675	19,675
<b>Closing cash and cash equivalents</b>		<b>17,880</b>	<b>20,388</b>	<b>19,841</b>

## Notes to the Condensed Financial Statements for the six months ended to 30 June 2023

### 1. Summary of significant accounting policies

#### **Basis of preparation**

The condensed financial statements have been prepared in accordance with the recognition and measurement requirements of UK adopted International Accounting Standard 34, 'Interim Financial Reporting'.

The condensed financial statements should be read in conjunction with the Group's last annual

consolidated financial statements as at and for the year ended 31 December 2022. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements.

The condensed financial statements have been prepared under the historical cost convention, except for the fair value of certain financial instruments which are further detailed in note 11.

The same accounting policies, presentation and methods of computation have been followed in these condensed financial statements as were applied in the preparation of the Group's financial statements for the year ended 31 December 2022.

These condensed financial statements do not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006. Statutory accounts for the year ended 31 December 2022 were approved by the Board of Directors and have been delivered to the Registrar of Companies. The audit report on those accounts was unqualified, did not draw attention to any matters by way of emphasis and did not contain any statement under section 498(2) or (3) of the Companies Act 2006.

There have been no significant related party transactions in the period which have materially affected the financial position or performance of the Company, or changes to related party transactions in the period which were disclosed in the prior annual report.

***Critical accounting judgements and key sources of estimation uncertainty***

In preparing these condensed financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements and are summarised below.

***Sources of estimation uncertainty***

<b>Source of estimation uncertainty</b>	<b>Description</b>
Useful economic life (UEL) of intangible assets	The assessment of UEL of data purchases and platform require estimation over the period in which these assets will be utilised and is based on information on the estimated technical obsolescence of such assets and latest information on commercial and technical use. The platform has been assessed to have a UEL of 10 years, platform algorithms six years and data four years.
Impairment of assets	The assessment of the recoverable amount of property plant and equipment, intangible assets and right-of-use assets is made in accordance with IAS 36 Impairment of Assets. The Group performs an annual review in respect of indicators of impairment, and if any such indication exists, the Group is required to estimate the recoverable amount of the asset. Following this assessment, no impairment indicators were present at 31 December 2022. The Group's policy is to test non-financial assets for impairment annually, or if events or changes in circumstances indicate that the carrying amount of these assets may not be recoverable. The Group has considered whether there have been any indicators of impairment during the six-month period to 30 June 2023 which would require an impairment review to be performed. Based upon this review, the Group has concluded that there are no such indicators of impairment as 30 June 2023.
Discount rate	Application of IFRS 16 requires the Group to make significant estimates in assessing the rate used to discount the lease payments in order to calculate the lease liability. The incremental borrowing rate depends on the term, currency and start date of the lease and is determined based on a series of inputs including the Group commercial borrowing rate.
Attrition rate	In the calculation of Share Based Payments and related costs charge an assessment of expected employee attrition is used based on expected employee attrition and where possible actual employee turnover from the inception of the share option plan.

*Critical accounting judgements*

Accounting policy	Description of critical judgement
Revenue	With respect to revenue recognition, where the input method is used to determine recognition over time, a key source of estimation will be the total budgeted hours to completion for comparison with the actual hours spent.
Deferred tax	In assessing the requirement to recognise a deferred tax asset, management carried out a forecasting exercise in order to assess whether the Group will have sufficient future profits on which the deferred tax asset can be utilised. This forecast required management's judgment as to the future performance of the Group.
Intangible assets	The Group capitalises costs associated with the development of the DXRX platform and data lake. These costs are assessed against IAS 38 Intangible Assets to ensure they meet the criteria for capitalisation.

**Going Concern**

The financial performance and balance sheet position at 30 June 2023 along with a range of scenario plans to 31 December 2025 has been considered, applying different sensitivities to revenue. Across these scenarios, including at the lower end of the range, there remains significant headroom in the minimum cash balance over the period to 31 December 2024 and therefore the Directors have satisfied themselves that the Group has adequate funds in place to continue to meet its obligations as they fall due.

**2. Revenue and segmental analysis**

For all periods reported the Group operated under one reporting segment but revenue is analysed under three separate products/service lines.

*a) Revenue by major product/service line*

	<i>Six months to 30 June 2023</i>	<i>Six months to 30 June 2022</i>	<i>Year ended 31 December 2022</i>
	<i>£000's</i>	<i>£000's</i>	<i>£000's</i>
Insight Solutions (Data)	6,989	4,798	12,653
Engagement Solutions (Tech enabled services)	1,251	910	2,227
Advisory Services (Professional services)	1,684	1,820	4,624
	<u>9,924</u>	<u>7,528</u>	<u>19,504</u>

*b) Revenue by geographical area*

	<i>Six months to 30 June 2023</i>	<i>Six months to 30 June 2022</i>	<i>Year ended 31 December 2022</i>
	<i>£000's</i>	<i>£000's</i>	<i>£000's</i>
North America	8,261	5,424	14,454
UK	195	222	561
Europe	1,115	1,348	2,696
Asia and rest of world	353	534	1,793
	<u>9,924</u>	<u>7,528</u>	<u>19,504</u>

*c) Revenue by timing of recognition*

	<i>Six months to 30 June 2023</i>	<i>Six months to 30 June 2022</i>	<i>Year ended 31 December 2022</i>
	<i>£000's</i>	<i>£000's</i>	<i>£000's</i>
Point in time	2,464	3,685	9,370
Over time and input method	7,460	3,843	10,134
	<u>9,924</u>	<u>7,528</u>	<u>19,504</u>

The receivables, contract assets and liabilities in relation to contracts with customers are as follows:

	<i>Six months to 30 June 2023</i>	<i>Six months to 30 June 2022</i>	<i>Year ended 31 December 2022</i>
	<i>£000's</i>	<i>£000's</i>	<i>£000's</i>
<b>Contract assets</b>			
Accrued revenue	3,370	3,109	2,582
<b>Contract liabilities</b>			
Deferred revenue	1,283	379	411

**Order book**

The aggregate amount of the transaction price allocated to product and service contracts that are partially or fully unsatisfied as at the reporting date ('order book') are as follows:

	<b>2023</b> <b>£000's</b>	<b>2024</b> <b>£000's</b>	<b>2025+</b> <b>£000's</b>	<b>Total</b> <b>£000's</b>
Platform based products and services	6,300	7,816	9,510	23,626
Advisory services	453	-	-	453
	<u>6,753</u>	<u>7,816</u>	<u>9,510</u>	<u>24,079</u>

### 3. Other operating income

	<i>Six months to 30 June 2023</i> <i>£000's</i>	<i>Six months to 30 June 2022</i> <i>£000's</i>	<i>Year ended 31 December 2022</i> <i>£000's</i>
Government grants	7	19	28
Research and developments credits	-	77	86
	<u>7</u>	<u>96</u>	<u>114</u>

### 4. Income tax

Income tax expense is recognised at an amount determined by multiplying the profit before tax for the interim reporting period by management's best estimate of the weighted-average annual income tax rate, adjusted for the tax effect of certain items recognised in full in the interim period. As such, the effective tax rate in the condensed financial statements may differ from management's estimate of the effective tax rate for the annual financial statements.

The Group's consolidated effective tax rate in respect of continuing operations for the six months ended 30 June 2023 was 24.1% (six months ended 30 June 2022: 32.2%).

The difference to the corporation tax rate of 23.52% reflects UK Research & Development credits under the SME R&D tax regimes of £82,000, disallowable expenses of £9,000, £58,000 movement in deferred tax not recognised, £43,000 of higher rate taxes, prior period adjustments totalling a credit of £35,000 and a credit of £4,000 arising as a result of the impact of the change in the future UK tax rate on the Group's deferred tax assets.

UK corporation tax is calculated at 23.52% (2022: 19%) of the taxable profit or loss for the period. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions. In the March 2021 budget, it was announced that the UK tax rate will increase to 25% from 1 April 2023. This will have a consequential effect on the group's future tax charge. The deferred tax asset is recognised on the basis that the Group has forecasted sufficient profits on which the deferred tax asset will be utilised in future periods.

Tax losses carried forward amount to £1,678,000 (H1 2022: £1,998,000) within Diaceutics PLC, £266,000 in Diaceutics Inc and £96,000 in Diaceutics Ireland. The Group has tax losses carried forward arising in subsidiary undertakings. Due to the uncertainty of the recoverability of the tax losses within these subsidiaries, a potential deferred tax asset of £402,000 (H1 2022: £277,000) has not been recognised. All other deferred tax assets and liabilities have otherwise been recognised as they arise.

### 5. EBITDA

	<i>Six months to 30 June 2023</i> <i>£000's</i>	<i>Six months to 30 June 2022</i> <i>£000's</i>	<i>Year ended 31 December 2022</i> <i>£000's</i>
Operating (loss)/profit:	(2,165)	(1,063)	575
Adjusted for:			
Depreciation and amortisation	1,933	1,336	3,008
<b>EBITDA</b>	<u>(232)</u>	<u>273</u>	<u>3,583</u>

### 6. Earnings per share

The calculation of the basic and diluted earnings per share is based on the following data:

*Earnings attributable to shareholders*

	<b>Six months to 30 June 2023 £000's</b>	<b>Six months to 30 June 2022 £000's</b>	<b>Year ended 31 December 2022 £000's</b>
Earnings for the purposes of basic and diluted earnings per share being net (loss)/profit attributable to owners of the Company	<u>(1,485)</u>	<u>(767)</u>	<u>724</u>

**Number of shares**

	<b>Six months to 30 June 2023 Number</b>	<b>Six months to 30 June 2022 Number</b>	<b>Year ended 31 December 2022 Number</b>
Ordinary Shares in issue at the end of the period	<u>84,472,431</u>	<u>84,472,431</u>	<u>84,472,431</u>
Weighted average number of shares in issue	<b>84,472,431</b>	84,242,344	84,357,387
Less Treasury Shares	<u>(245,729)</u>	<u>(133,000)</u>	<u>(207,791)</u>
Weighted average number of shares for basic earnings per share	<b>84,226,702</b>	84,109,344	84,149,596
Effect of dilution of Convertible Loan Notes	-	503	-
Effect of dilution of share options and warrants granted	<b>2,646,772</b>	1,766,949	1,939,925
Weighted average number of shares for diluted earnings per share	<u><b>86,873,474</b></u>	<u>85,876,796</u>	<u>86,089,521</u>

*Earnings and diluted Earnings per share*

	<b>Six months to 30 June 2023 Pence</b>	<b>Six months to 30 June 2022 Pence</b>	<b>Year ended 31 December 2022 Pence</b>
Basic	<b>(1.76)</b>	(0.91)	0.86
Diluted	<u><b>(1.76)</b></u>	<u>(0.91)</u>	<u>0.84</u>

**7. Intangible assets**

	<b>Patents and trademarks £000's</b>	<b>Datasets £000's</b>	<b>Development expenditure £000's</b>	<b>Platform £000's</b>	<b>Software £000's</b>	<b>Total £000's</b>
<b>Cost</b>						
<b>At 1 January 2022</b>	<b>1,144</b>	<b>4,849</b>	<b>216</b>	<b>9,727</b>	<b>562</b>	<b>16,498</b>
Foreign exchange	32	163	3	222	1	421
Transfer from Development expenditure to Platform	-	-	(959)	959	-	-
Additions	-	853	1,387	-	-	<b>2,240</b>
<b>At 30 June 2022</b>	<b>1,176</b>	<b>5,865</b>	<b>647</b>	<b>10,908</b>	<b>563</b>	<b>19,159</b>
Foreign exchange	27	65	1	79	-	172
Transfer from Development expenditure to Platform	-	-	(1,442)	1,442	-	-
Additions	1	1,316	972	-	155	<b>2,444</b>
<b>At 31 December 2022</b>	<b>1,204</b>	<b>7,246</b>	<b>178</b>	<b>12,429</b>	<b>718</b>	<b>21,775</b>
Foreign exchange	(33)	(190)	(8)	(168)	(1)	<b>(400)</b>
Transfer from Development expenditure to Platform	-	-	(923)	923	-	-
Additions	-	1,843	753	-	289	<b>2,885</b>
<b>At 30 June 2023</b>	<b>1,171</b>	<b>8,899</b>	<b>-</b>	<b>13,184</b>	<b>1,006</b>	<b>24,260</b>





Amortisation	<i>Patents and trademarks</i>	<i>Datasets</i>	<i>Development expenditure</i>	<i>Platform</i>	<i>Software</i>	<i>Total</i>
	<i>£000's</i>	<i>£000's</i>	<i>£000's</i>	<i>£000's</i>	<i>£000's</i>	<i>£000's</i>
At 1 January 2022	1,085	1,692	-	721	179	3,677
Foreign exchange	32	47	-	21	-	100
Charge for the period	20	605	-	513	55	1,193
<b>At 30 June 2022</b>	<b>1,137</b>	<b>2,344</b>	<b>-</b>	<b>1,255</b>	<b>234</b>	<b>4,970</b>
Foreign exchange	27	30	-	14	1	72
Charge for the period	21	708	-	599	183	1,511
<b>At 31 December 2022</b>	<b>1,185</b>	<b>3,082</b>	<b>-</b>	<b>1,868</b>	<b>418</b>	<b>6,553</b>
Foreign Exchange	(34)	(69)	-	(33)	(1)	(137)
Charge for the period	14	953	-	650	157	1,774
<b>At 30 June 2023</b>	<b>1,165</b>	<b>3,966</b>	<b>-</b>	<b>2,485</b>	<b>574</b>	<b>8,190</b>
<b>Net book value</b>						
<b>At 30 June 2023</b>	<b>6</b>	<b>4,933</b>	<b>-</b>	<b>10,699</b>	<b>432</b>	<b>16,070</b>
At 31 December 2022	19	4,164	178	10,561	300	15,222
At 30 June 2022	39	3,521	647	9,653	329	14,189

## 8. Property, plant and equipment

	<i>Leasehold</i>		<i>Total</i>
	<i>Office equipment</i>	<i>improvements</i>	
	<i>£000's</i>	<i>£000's</i>	<i>£000's</i>
<b>Cost</b>			
<b>At 1 July 2022</b>	<b>540</b>	<b>478</b>	<b>1,018</b>
Foreign exchange translation	3	-	3
Additions	76	54	130
<b>At 31 December 2022</b>	<b>619</b>	<b>532</b>	<b>1,151</b>
Foreign exchange translation	(2)	-	(2)
Disposals	(11)	-	(11)
Additions	61	-	61
<b>At 30 June 2023</b>	<b>667</b>	<b>532</b>	<b>1,199</b>
<b>Depreciation</b>			
<b>At 1 July 2022</b>	<b>274</b>	<b>40</b>	<b>314</b>
Charge for the period	52	26	78
<b>At 31 December 2022</b>	<b>326</b>	<b>66</b>	<b>392</b>
Foreign exchange translation	(2)	-	(2)
Disposals	(9)	-	(9)
Charge for the period	53	28	81
<b>At 30 June 2023</b>	<b>368</b>	<b>94</b>	<b>462</b>

**Net book value**

<b>At 30 June 2023</b>	<b>299</b>	<b>438</b>	<b>737</b>
At 31 December 2022	293	466	759
At 30 June 2022	266	438	704

**9. Trade and other receivables**

	<b>30 June 2023</b>	<b>30 June 2022</b>	<b>31 Dec 2022</b>
	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
Trade receivables	<b>4,698</b>	3,331	5,792
Accrued revenue	<b>3,370</b>	3,109	2,582
Other receivables	<b>222</b>	132	207
Prepayments	<b>845</b>	718	628
Derivative asset - Foreign currency forward contract	<b>29</b>	-	-
	<b>9,164</b>	7,290	9,209

**10. Trade and other payables**

	<b>30 June 2023</b>	<b>30 June 2022</b>	<b>31 Dec 2022</b>
	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
<b><i>Creditors: falling due within one year</i></b>			
Trade payables	<b>287</b>	239	759
Accruals	<b>1,325</b>	1,629	1,996
Other tax and social security	<b>418</b>	337	423
Deferred revenue	<b>1,283</b>	379	411
Other Payables	<b>52</b>	-	39
Derivative liability - Foreign currency forward contract	-	156	-
	<b>3,365</b>	2,740	3,628

**11. Financial instruments**

	<b>30 June 2023</b>	<b>30 June 2022</b>	<b>31 Dec 2022</b>
	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
<b>Financial assets at cost</b>			
Trade receivables	<b>4,698</b>	3,331	5,792
Other receivables	<b>222</b>	132	207
Cash at bank and in hand	<b>17,880</b>	20,388	19,841
<b>Financial liabilities at cost</b>			
Trade payables	<b>(287)</b>	(239)	(759)
Leasehold liability	<b>(1,260)</b>	(1,414)	(1,329)
<b>Financial assets/(liabilities) at fair value</b>			
Derivative financial instrument - Foreign currency forward contract	<b>29</b>	(156)	-

***Derivative financial instrument - Foreign currency forward contract***

The group has entered into a number of foreign currency derivative contracts during the period. The nominal value of the Group's forward contracts is £3,200,000 (2022: £1,896,000) principally to sell US Dollars.

The foreign currency forward contracts are categorised as level 2 within the fair value hierarchy.

The Group's foreign currency forward contracts are not traded in active markets. These contracts have been fair valued using observable forward exchange rates and interest rates corresponding to the maturity of the contract. The effects of non-observable inputs are not significant for foreign currency forward contracts.

Fair value measurement on these derivatives as at the period end are £29,000 (30 June 2022: -£156,000).

**12. Share capital**

	<b>30 June 2023</b>	<b>30 June 2022</b>	<b>31 Dec 2022</b>
	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
<b>Allotted, called up and fully paid</b>			
84,472,431 (June 2022 and Dec 2022: 84,472,431) Ordinary shares of £0.002 each	<b>169</b>	169	169

No warrants exercised during the period (01 January 2023 - 30 June 2023).

Warrant balance of 177,915 with an exercise price of £0.76 will potentially provide the Company with proceeds of £135,215.

Treasury shares are shares in Diaceutics PLC that are acquired and held by the Diaceutics Employee Share Trust for the purpose of issuing shares under relevant employee share option plans.

### 13. Change in accounting policy

At the end of 2022, the Directors have voluntarily changed the accounting policy in respect of presentation of amortisation of intangible assets on the face of the Group Profit and Loss account. The Group has made a decision to disclose the amortisation of intangible assets in administrative expenses instead of Cost of sales.

The change was implemented to better align Diaceutics' Group Profit and Loss account presentation with peers in the pharma tech industry, allowing investors and analysts to benchmark the Group's results more readily. This has resulted in the H1 2022 gross profit and gross profit margin increasing. Operating profit and profit before and after tax for the H1 2022 reporting period have not changed. Accordingly, the prior year comparatives have been restated to reflect this change in accounting policy.

The following table summarises the impact of change in accounting policy on the Group's Profit and Loss account as at 30 June 2022 for each of the financial statement lines affected. Please note that there is no impact on the Group Statement of Comprehensive Income, Group Statement of Financial Position, Group Statement of Cash Flow and as at 30 June 2022.

	<i>As reported</i>		<i>As restated</i>
	<i>30 June 2022</i>	<i>Adjustments</i>	<i>30 June 2022</i>
	<i>£000's</i>	<i>£000's</i>	<i>£000's</i>
<b>Revenue</b>	7,528	-	7,528
Cost of sales	(2,414)	1,193	(1,221)
<b>Gross profit</b>	5,114	1,193	6,307
Administrative expenses	(6,273)	(1,193)	(7,466)
Other operating income	96	-	96
<b>Operating loss</b>	(1,063)	-	(1,063)
Finance Income	-	-	-
Finance costs	(68)	-	(68)
<b>Loss before tax</b>	(1,131)	-	(1,131)
Income tax credit	364	-	364
<b>Loss for the financial period</b>	(767)	-	(767)

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