RNS Number : 3495I
Diaceutics PLC
13 May 2025

Diaceutics FY 2024 Results

Revenue growth of 39% on a constant currency basis to £32.2 million in FY 2024

Record FY 2024 Adjusted EBITDA growth of 50% to £4.2 million*

Very strong commercial momentum delivered in FY 2024 has continued into 2025 to date

Order book of £24.9 million and ARR of £16.8 million at 31 December 2024 provides good visibility for continued strong growth in 2025

23% growth in number of customer therapeutic brands working with and three new customer enterprise-wide engagements added in FY 2024

Successfully launched PMx solution

Strong balance sheet with cash of £12.7 million

Increased sales presence in US during FY 2024 and opened US HQ in January 2025

New York, Belfast and London, 13 May 2025 - Diaceutics PLC (AIM: DXRX), a leading technology and solutions provider to the pharma and biotech industry, today announces the continued strong performance and growth across its business for the year ended 31 December 2024.

Ryan Keeling, Diaceutics' Chief Executive Officer, commented: *"I am extremely pleased to report that 2024 was another strong year of performance and continued growth across our business. The investments we have made in sales and product innovation are showing returns ahead of plan and the team have executed well. This continued growth demonstrates the significant value our customers place on our solutions, reflected by the increasing number of therapeutic brands we are working with, and enterprise-wide engagements secured to date. We are mindful of the current macro-economic uncertainty and we are closely monitoring how this could impact our customers, but our strong commercial progress, delivered over the past two years during our accelerated investment in the business, has provided us with the solid foundation required to continue our impressive organic growth, and we expect to return to profitability in 2025."*

Financial Highlights:

- Very strong financial and commercial momentum delivered in FY 2024 including successful launch of PMx solution, which has continued into 2025
- Order book of £24.9 million at 31 December 2024 (£26.5 million at 31 December 2023) and Annual Recurring Revenue (ARR) of £16.8 million at 31 December 2024 (£13.7 million at 31 December 2023) provides good revenue visibility to support continued strong growth in 2025
- Revenue grew 36% to £32.2 million in FY 2024 (FY 2023: £23.7 million)
- Strong growth in Adjusted EBITDA to £4.2 million (FY 2023: £2.8 million)
- Strong balance sheet with cash of £12.7 million at 31 December 2024 and £15.8 million at 31 March 2025

	2024 £000's	2023 £000's	Change
Revenue	32,158	23,699	+36%
Revenue growth constant currency basis	39%	19%	+20 ppts
Annual Recurring Revenue (ARR)**	16,801	13,662	+23%
Net Revenue Retention (NRR)**	109%	not reported	-
Order book	24,930	26,517	-6%
Order book visibility for next 12 months	17,715	12,334	+44%
Gross profit	28,270	19,706	+43%
Gross profit margin	88%	83%	+5 ppts
Adjusted EBITDA*	4,206	2,802	+50%
Adjusted EBITDA margin	13%	12%	+1 ppt
EBITDA*	2,259	1,754	+29%
EBITDA margin	7%	7%	-
Loss before tax	(1,908)	(2,438)	+22%
Cash and cash equivalents	12,744	16,667	-24%

Commercial Highlights:

- Continued progress across our key value drivers and expansion of our team
- Secured three new multi-year enterprise-wide engagements in FY 2024 with a total ARR of £4.3 million
- Total of seven enterprise-wide engagement customers working with Diaceutics during 2024 across 32 therapeutic brands, with a total ARR of £10.6 million as at 31 December 2024 (four enterprises with a total ARR of £7.0 million at 31 December 2023).
- First commercialization partner engagement (PMx) signed and worth £4.3 million over first 18 months to December 2025. This was subsequently superseded in March 2025 where the total contract value was enhanced up to £13.0 million including autorenewal extensions to September 2028.
- DXRX Signal identified more than 600,000 patients in 2024 across the US
- Enhanced platform scale and capabilities, including cutting edge AI continues to improve customer experience and service
- Diaceutics is working with 18 of the top 20 global pharma companies (FY 2023: 17 of top 20)
- Diaceutics worked with a total of 52 customers and 85 therapeutic brands in FY 2024, an increase of 18% and 23% respectively (FY 2023: 44 customers and 69 therapeutic brands)
- Increased sales presence in US during FY 2024 including opening US HQ in January 2025 to accelerate future growth plans

April 2025 YTD Trading & Outlook:

- Strong commercial momentum delivered in FY 2024 has continued into 2025 with the Total Contract Value of sales for April 2025 YTD up 93% to £18.7 million, revenue up 35% to £8.4 million and cash of £13.7 million as at 30 April 2025
- Trading in 2025 to date is on track to deliver the Company's return to profitability in FY 2025
- The precision medicine market opportunity is significant and growing, with 48 new therapeutic brands receiving FDA approval in 2024, up 71% on 28 in 2023***
- We are closely monitoring the current macro-economic uncertainty in the US and how this could impact our customers
- The success of the Company's current strategy and financial strength provide the Board with confidence that the growth & profitability targets for 2025 are on track to be delivered

Analyst Presentation:
A webinar presentation for analysts and investors will be held at 1400 BST (0900 EDT) on Tuesday, 13 May 2025. Those wishing to attend can register their interest using the following link:

https://us06web.zoom.us/webinar/register/WN_tH4xZK9CR4iL4FkvLAW0bw

Investor Meet Company Presentation:
A webinar presentation for investors will be held via the Investor Meet Company platform at 1530 BST (1030 EDT) on Tuesday, 13 May 2025. 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

** EBITDA is earnings before interest, tax, depreciation and amortisation. Adjusted EBITDA removes share-based payment charges and once-off exceptional items.*

***Annual Recurring Revenue (ARR) is the value of recurring subscription revenue at a specific point in time that is expected to be recognised from contracts over the next twelve months. Net Revenue Retention (NRR) is the net percentage increase in customer ARR over twelve months.*

**** Source: Precision Medicine Online - Precision Medicine in 2024: Field at a 'Tipping Point' From Niche to Mainstream.*

Enquiries:
Diaceutics PLC

Ryan Keeling, Chief Executive Officer — Tel: +44 (0)28 9040 6500
Nick Roberts, Chief Financial Officer — investorrelations@diaceutics.com

Canaccord Genuity Limited (Nomad & Broker) — Tel: +44 (0)20 7523 8000

Simon Bridges, Andrew Potts, Harry Rees

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®.

Prior to publication the information communicated in this announcement was deemed by the Company to constitute inside information for the purposes of article 7 of the Market Abuse Regulations (EU) No 596/2014 as amended by regulation 11 of the Market Abuse (Amendment) (EU Exit) Regulations No 2019/310 ('MAR'). With the publication of this announcement, this information is now considered to be in the public domain. The person responsible for making this announcement on behalf of the Company is Nick Roberts, Chief Financial Officer.

Chair's review

Leading with purpose. Delivering with impact.

Credibility: the foundation of our success

I'm delighted to reflect on another year, our twentieth as a business, where our team has delivered on our financial and strategic goals, with passion, purpose and diligence. Given the exceptionally high expectations of our customers, trust and credibility are not just buzzwords for Diaceutics; they are deeply embedded in our culture and critical to our continued success.

By continuing to create innovative solutions that simplify the complex challenges our customers face and by navigating geopolitical and global health crises, we have earned our reputation as an honest, resilient and insightful partner - not just another service provider.

I'm confident that our ability to adapt, evolve and anticipate customer needs, while staying true to our mission - to give more patients access to the right tests and therapies when they need them - will remain a cornerstone of our future success for the next twenty years and beyond.

Our commitment to governance and social responsibility

Our credibility is fundamentally rooted in strong governance and a deep sense of social responsibility. Since our inception, we've worked diligently to align our governance structures with the high standards expected by our diverse stakeholders - from customers and shareholders to the entire Diaceutics team. This alignment has brought a high level of transparency and accountability that reinforces our position as a trusted and reliable partner.

Our approach to governance is anchored in effective risk management, ensuring that we remain resilient in an ever-changing world. Initiatives such as recent board changes, monthly town halls, all-company meetings, and robust leadership structures contribute to decision-making that is purposeful, transparent, and inclusive across the organization.

During 2023 and 2024, we made several strategic leadership enhancements to support our continued growth. I transitioned from CEO to Chair of the Board. To further strengthen the Board, Cheryl MacDiarmid joined with significant frontline experience in Pharma commercialization, Jordan Clark, Chief Data Officer, was promoted to the Board, adding deep expertise in AI-driven data insights, and Graham Paterson was appointed Senior Independent Director (SID). Together, the team's collective experience ensures we are well-equipped to meet the evolving needs of our Pharma customers and Lab partners while continuing to nurture our unique company culture.

From vision to expanded ambition

Over the past two decades, as our expertise and credibility have grown, so too has our ambition. We realized early on that we could do more than simply advise pharma on how diagnostics can bring value through better data, improve return on investment, and deliver more effective treatments to patients. The real opportunity to make the biggest impact was in building and managing the solutions ourselves.

A turning point towards this opportunity came when a significant cohort of pharma companies - faced with the task of fixing the gaps in patient testing - began asking, "Who is actually going to fix this?" At that moment, we saw that Diaceutics wasn't just an informed voice in the conversation - we were best placed to lead the change. The trust we had built became our capital; we had earned permission to think bigger.

These initial conversations with leaders from the heart of pharma and diagnostics have ultimately led to Diaceutics' defining offering; a powerful integrated commercialization solution that has the needs of our customers, their patients, and the wider evolving industry at its core. It demonstrates not only the scale of our ambition but also our readiness to lead a movement that is reinventing drug commercialization for the benefit of all.

Built for what's next

Looking ahead, I feel both confident and energized about the long-term future. As the industry increasingly recognizes the essential role diagnostics play in guiding treatment decisions and expanding access to therapies, Diaceutics stands uniquely prepared - not by chance, but by design - to lead this transformation.

From the very beginning, Diaceutics was purposefully structured to anticipate and enable a future where every patient benefits from a tailored diagnostic journey. While our leadership in oncology and rare diseases is well established, we are already expanding this impact across neurology, cardiovascular disease, and infectious diseases; helping unlock diagnostic pathways that have, until now, been underdeveloped.

Innovation has always been embedded in our DNA. Over the next five years, our mission is clear: to continue innovating at the cutting edge of precision medicine as it becomes the predominant commercialization model, delivering greater value to our customers and, most importantly, improving outcomes for patients. We will do so while protecting the strong governance and financial discipline that have underpinned our success for the past two decades.

At Diaceutics, innovation at the front line of our customer needs is not just a goal - it's a culture. It's a space where bold thinking is encouraged, creativity is nurtured, and our team is empowered to push boundaries. We've spent the last twenty years building the capabilities, credibility, and culture to reshape therapy commercialization - putting the Company in the right place at the right time. Now we begin to unlock what's *really* possible.

We recognize that the first few months of 2025 has introduced some significant economic uncertainties as policies and historical norms shift, particularly for the pharmaceutical industry and in the US which represents the Company's biggest customer and geographical concentration. The Board and management team do not currently expect a direct impact from the recent tariff announcements. That said, the degree to which tariffs or other regulatory changes increase uncertainty and impact global business confidence negatively, is likely to be more important than any direct consequences of the tariffs themselves. However, we continue to monitor the risks and opportunities that may arise from economic changes, and we are confident we have the ability and agility to manage all eventualities. We remain confident in the unique and differentiated value we bring to our customers - unlocking more life for patients. The Board believes that the current strategy and financial strength of the Company is robust and can sustain any short-term disruptions to established market conditions and that the Company's growth prospects remain strong.

CEO's review

Powering ahead

Our transformational journey continues…

Delivering on our promises

After my first full year as CEO, I'm pleased to report that we've made significant progress against plan and are recording our fourth consecutive year of hitting, or exceeding, our ambitious targets.

Thanks to our extraordinary people, 2024 has been a year of successful execution, commercial acceleration, and strong financial performance and growth for our business. With a clear focus and a commitment to our purpose - accelerating access to innovative treatments for those who need them most - we have made significant progress during 2024, with the investments to date clearly positioning us as a tech-driven business with high recurring revenues.

While we continue to invest with prudence, the progress in 2024 sees our intensive investment phase in the rearview mirror as we target a return to profitability in 2025.

A standout milestone was the launch of our integrated commercialization partner agreement (PMx), and the signing of our first contract, the culmination of years of dedicated effort. This achievement underscores our ability to provide customers with end-to-end commercialization solutions that address unmet needs, whilst continuing to perform and driving our future growth.

Our first PMx contract was signed in August 2024 and was worth £4.3 million over the first 18 months. This was subsequently superseded in March 2025 when the therapy was licensed to Partner Therapeutics, who retained our PMx commercialisation solution and extended the term. The new contract saw the total contract value increase to £13.0 million, including £1.5m realized under the previous contract, and the end date including auto renewal clauses extended out to September 2028.

We are excited about being able to offer our customers this fundamentally better way to commercialize their innovative treatments so that more patients can benefit from the right testing and the most appropriate therapy for their needs. In 2024 our DXRX Signal solution identified over 600,000 patients who could be treated by our pharma customer therapies.

2024 also saw significant investments in our sales and marketing functions. I'm delighted to see that these efforts, which will continue into 2025, are already delivering results. Early commercial traction has exceeded expectations, translating into immediate top-line growth.

Another crucial advancement has been the diversification of our sales channels, including a series of successful commercial data partnerships that pave the way for an accelerated and scalable route to market. This initiative has enabled us to supplement our core sector growth with strategic collaborations that expand Diaceutics' US commercial reach through data marketplaces and partner sales channels in a co-selling model. In 2024, these sales channels delivered £1.1 million of new revenue, to new customers, and commercializing previously untapped segments of our data asset. We continue to incubate and grow these channels in 2025 and beyond.

Strong leadership

The exceptional performance and dedication of our leadership team has been instrumental in driving our success. In 2024, we financially outperformed our peers and the market, proving the resilience of our strategy in a challenging macroeconomic environment. Our Board and senior leadership's strategic direction, laser-focused on maintaining proximity to customers and deep market understanding, have allowed us to remain agile, make well-informed investments, and maintain our strong performance and growth trajectory.

Investment in talent and culture

As we approach our milestone twentieth anniversary, our people remain at the heart of our success and 2024 was a year of significant investment in talent. We welcomed Sandra Blake as our Chief People Officer, a key addition that reflects our commitment to maintaining our purpose-driven culture and leveraging the skills and passion of our people. Additionally, we made strategic hires-particularly in the US-to enhance our commercial capabilities and also opened the doors at our new US office, in New Jersey. The rapid and decisive recruitment of key VP-level executives in 2024 had a tangible impact on our performance, enabling us to execute our commercial strategy more effectively and putting us in a strong position to accelerate and grow in the US market.

Meet our new senior managers

Sandra Blake, Chief People Officer
Kerri Donaldson, promoted to VP Customer Operations
Amie McNeice, VP Marketing
Ken Ruppel, VP Scientific & Medical Services
Marianna Sciortino, promoted to VP Sales
Madeline Brown, promoted to VP Chief of Staff
Gosia Leitch, VP Engagement Solutions
Scott Phillips, VP Real World Data.

A focus on our purpose continues to be a core strength that drives engagement and performance. Our ongoing investment in culture, consistent communication of our strategic goals and KPIs, and sound leadership, ensure that every team member understands how their contributions ladder up to our broader success.

A key structural enhancement at the beginning of my tenure as CEO was the establishment of the CEO Office, including the appointment of a VP Chief of Staff. This move has been a significant enabler for both strategic execution and organizational agility, allowing me to remain deeply connected to the operational and commercial realities of the business as we grow and scale.

Performing and growing in a dynamic market

The healthcare and diagnostics landscape continues to evolve, presenting significant opportunities for our business, particularly in the US. Our research tells us that up to 60 per cent of therapies being developed are precision medicines or diagnostically-informed treatments. Our unique capabilities, including our AI-driven technology and platform, proprietary global lab network and targeted physician engagement, integrate to give us a powerful commercialization solution. We stand positioned to capture an expanding market opportunity. By leveraging these assets and capabilities effectively, we are continuously driving greater adoption of our solutions and strengthening our competitive edge.

This is most readily demonstrated in the three enterprise-wide engagements secured in 2024, one of which was a PMx contract, taking the number of enterprise-wide engagements to seven and the ARR of these to £10.6 million.

Precision Medicine > Diagnostically Powered Therapies

The therapy market currently described by pharma and biotech as *precision medicine* is both significant and expanding, with 48 new precision therapeutic brands receiving FDA approval in 2024-up 71% from 28 approvals in 2023. Within this category, we are proud to count 18 of the world's top 20 pharma companies as clients, having supported 56 of their brand teams to successfully commercialize innovative treatments during 2024 alone. In total, we work with 85 "on-market" brands currently labeled as precision medicines-approximately a third of the total precision medicine portfolio.

Yet this is only the beginning.

While the continued growth of labeled precision medicine offers meaningful expansion potential, an even greater opportunity lies in the broader universe of *diagnostically powered therapies*-those therapies whose success depends on diagnostic insight, even if not currently classified under the precision medicine banner. We are actively expanding into this larger market, supporting both "on-market" and clinical-stage therapies across central nervous system, cardiovascular, autoimmune, and infectious disease areas-where diagnostic intelligence is fast becoming critical to treatment access, reimbursement, and patient outcomes. We believe that this market could consist of up to 1,000 diagnostically powered therapies by 2030.

Maximizing our lab network

Our lab network remains a key differentiator, both as a source of valuable data and as a critical enabler of our products and services. While historically the focus has been on expanding the number of laboratories in the network, we have now reached a point of stability that allows us to optimize and maximize its value. Moving forward, we expect a strategic refinement of the network, with a particular emphasis on strengthening our presence in the US, where we see the greatest growth potential.

Scaling and enhancing our capabilities

One of the most significant investments we made in 2023 and 2024 has been the scaling of our data capabilities. We are particularly excited about the potential of multi-modal data insights to further strengthen our ability to integrate disparate datasets. Our unique multi-modal data insights engine transforms fragmented, siloed data into actionable intelligence that drives commercialization success for our customers. Unlike traditional data sources that capture only part of the patient journey, this approach integrates diagnostic, insurance claims, laboratory, and electronic medical record data to capture the full patient journey - from biomarker testing through to treatment decisions.

Developing our tech platform: seamless integration and enhanced user experience

"It's not just about giving our customers data, it's about how we bring it together so they can derive insight and directionality from it. It's now less about data wrangling and more about customers using data to really drive their businesses."

We have successfully built an infrastructure that allows us to provide data-driven insights at scale without adding significant resource burdens. The strategic application of AI in 2024 has played a pivotal role in enhancing our ability to automate processes, innovate products, and deliver superior service to our customers. Our unique, AI-driven tech platform has continued to evolve through 2024, with a strong emphasis on customer-led development, including the integration of our platform into customer tech stacks, which delivers significant resource economies to our customers and enhances our "stickiness" as a trusted partner.

Our team continues to provide expert insights and enable customers to derive new value from our data. Our advisory team has proven to be a key differentiator for Diaceutics in the marketplace and we continue to benefit from the analysis they provide.

Additionally, we have made significant progress in data visualization and dashboarding capabilities, making it easier for customers to extract actionable insights from multi-modal data. We remain committed to the idea that our business is not just about giving customers data, it's about how our proprietary AI tech stack brings it together so that they can derive insight and directionality from it. The latest enhancements not only improve user experience but also reinforce our unique value proposition in the market; transforming complexity and unlocking possibility for those we serve at every stage of therapy development, right to the last and most important; the patient.

By providing our customers with access via our tech platform to a uniquely unified and powerful data engine, we create the ideal conditions to achieve a successful transition to a high recurring revenue model.

Balancing growth and financial discipline

As we look ahead, we remain committed to accelerating growth - both through organic expansion and strategic mergers, acquisitions and/or partnerships. We see significant untapped potential in our business and recognize the opportunities that selective inorganic growth can bring.

At the same time, we are mindful of maintaining a disciplined approach and are committed to striking a careful balance between investing for future growth and delivering strong financial results to our shareholders. As ever, this requires prudent decision-making to ensure we meet our commitments while seizing opportunities that will create sustainable long-term value.

2025 and beyond

"Much like the path walked so far, the roadmap ahead is one of disciplined execution"

A continued focus on performance, growth and profitability

As we look to 2025, our primary objectives remain clear: from delivering sales and revenue targets and growing our bottom line, to accelerating commercial success, further embedding our technology and expertise into customer workflows, fostering strategic partnerships and ensuring patients get the right tests and treatments.

AI is playing an increasingly significant role in the business and we are seeing considerable benefits from our agentic AI solution and our emerging multimodal data offering. With all of this we remain focused on our recurring revenue model, and our US expansion, which will remain key priorities, supported by continued investment in talent and infrastructure.

April 2025 YTD trading

The first four months of 2025 have seen us carry over the very strong momentum from 2024 and capitalise on the expanding opportunity in front of us.

Strong demand for our DXRX insight and engagement solution products are driven by customer success. Total contract value of sales closed in April 2025 YTD grew 93% to £18.7 million, revenue grew 35% to £8.4 million and cash was £13.7 million as at 30 April 2025. Our 2025 YTD Adjusted EBITDA is performing in line with management expectations.

Looking to the future

"With a clear vision, a dynamic team, and a commitment to staying close to our customers, we are well-positioned to unlock the opportunities that lie ahead.

We have started 2025 with good momentum despite the uncertain economic climate. The leadership team is highly focused on delivering against our strategic objectives and we are confident in our ability to drive continued performance and growth. With a clear strategic vision, a dynamic team, and a strong focus in staying close to our customers, we remain well-positioned to unlock the opportunities ahead.

We recognize that the first few months of 2025 have introduced some significant economic uncertainties, especially in our key US market. We remain vigilant to these, actively seeking market intelligence from our people, customers, suppliers and other stakeholders, and are ready to quickly react to any risks or opportunities that may materialize.

We are closely monitoring the current macro-economic uncertainty in the US and how this could impact our customers. The success of the Company's current strategy and financial strength, and the sustained positive momentum in 2025 to date, serve to validate the Group's growth strategy and provide the Board with confidence that the growth and profitability targets for 2025 are on track to be delivered.

We are focused on 2025 and the delivery of:

- **Continued revenue expansion**, particularly in high-margin recurring revenue solutions. Notwithstanding the current US pharma economic uncertainties, we will target 25% year-on-year revenue and annual recurring revenue growth.
- **Discipline and focus**, ensuring that investment is targeted at high-return opportunities, AI technology is continually deployed to allow rapid innovation at scale, and costs are managed through strong processes.
- **Operational scalability**, leveraging the AI and technology infrastructure we built in 2023 - 2024 to deliver increasing returns and margins, targeting growth in EBITDA and breakeven profit before tax.

Our strategy remains unchanged. It's about execution; getting out, continuing to scale efficiently, and using our world class commercialization expertise to bring a highly differentiated offering to an increasing number of customers, *at scale*.

CFO's review

Unlocking the next phase of success

2024: A year of growth, transformation, and continued financial discipline

2024 has been a defining year for our financial performance, marked by sustained revenue performance and growth, an increasingly robust recurring revenue model, and a continued commitment to financial discipline. This success has been achieved against a backdrop of a complex and changing macroeconomic landscape.

Despite these external pressures, our financial results have outperformed our peers and the market, demonstrating our continuing ability to execute on our strategy with precision and reliability. We strive for consistency; setting clear expectations, whether strategic or financial, and ensure we deliver on them. Looking ahead to 2025, we aim to maintain our growth, balancing careful investment in future growth with a sharp focus on profitability and cash flow management.

Strong results in a dynamic market

KPIs and Alternative Performance Measures (APMs)

	2024 £000's	2023 £000's	Change
Revenue	32,158	23,699	+36%
Revenue growth constant currency basis*	39%	19%	+20 ppts
Annual Recurring Revenue (ARR)*	16,801	13,662	+23%
Net Revenue Retention (NRR)*	109%	not reported	-
Order book	24,930	26,517	-6%
Order book visibility for next 12 months	17,715	12,334	+44%
Gross profit	28,270	19,706	+43%
Gross profit margin	88%	83%	+5 ppts
Adjusted EBITDA*	4,206	2,802	+50%
Adjusted EBITDA margin*	13%	12%	+1 ppt
EBITDA*	2,259	1,754	+29%
EBITDA margin*	7%	7%	-
Loss before tax	(1,908)	(2,438)	+22%
Cash and cash equivalents	12,744	16,667	-24%

* Alternative Performance Measure

Alternative Performance Measures ('APMs')

In measuring and reporting financial information, the management team reviews APMs such as EBITDA, adjusted EBITDA, revenue growth on a constant currency basis, annual recurring revenue, and net revenue retention - all of which are not defined measures under financial reporting standards.

We believe that these measures, when considered in conjunction with defined financial reporting measures, provide management and stakeholders with a broader understanding of the performance of the business.

Operating profit is the financial reporting measure under IFRS most comparable to EBITDA and adjusted EBITDA. EBITDA is defined as earnings before interest, tax, depreciation and amortisation. The Directors may make certain adjustments to EBITDA, for nonrecurring or noncash items, to derive adjusted EBITDA, both measures of which they consider more readily reflect of the Group's underlying trading performance, enabling better comparisons to be made with prior periods and industry peers. A reconciliation of operating profit to EBITDA and Adjusted EBITDA are included below.

Annual Recurring Revenue (ARR) is the value of recurring subscription revenue at a specific point in time that is expected to be recognised from contracts over the next twelve months.

Net Revenue Retention (NRR) is the net percentage increase in customer ARR over a period of time and helps to measure cumulative revenue retained from existing customers by examining revenue added due to expansions and contractions for a given period.

The Directors consider ARR and NRR to be key metrics when measuring the strength and visibility of the Group's forward revenue, and of the Group's progress towards realising its near-term strategy of transitioning to a platform-based recurring revenue model.

The Directors consider and report revenue and revenue growth in the current reporting period on a constant currency basis. This approach is used because the majority of the Group's customer contracts are written in US Dollars and this can result in significant fluctuations in the Group's performance - relative to the comparative period - based on the prevailing exchange rate.

Reporting the current period revenue on a constant currency basis allows stakeholders to better understand the underlying growth of the Group's activities, before the influence of foreign currency movements.

'Order book' is defined under financial reporting standards as the aggregate amount of the revenue transaction price allocated to customer contracts that are partially or fully unsatisfied as at the year end and are not considered an APM. Order book is disclosed in the notes to the financial statements.

We continue to evolve our KPIs and APMs to highlight and evidence the financial and operational performance of the Group and its progress against strategy.

Scaling the business while strengthening predictability

One of our most significant achievements for 2024 is the sustained expansion of our revenue base. This year, revenue increased from £23.7 million to £32.2 million, representing an impressive 39% organic (constant currency) growth. This performance extends a three-year trend of consistent expansion, with a compound annual growth rate of 32% since 2021.

However, growth for Diaceutics is not just about increasing revenue. Over the last three years, we have successfully transitioned from a business that relied on one-off revenues to one that is increasingly underpinned by high quality, predictable, recurring revenue streams. In 2021, only 3% of our revenue fell into this category; by the end of 2024, that figure had grown to 53%. The shift to a recurring revenue model, underpinned by our end-to-end integrated commercialization solution (PMx) and subscription-based data license model, strengthens customer relationships and embeds us more deeply into their operations as a long-term commercialization partner. It also enhances the quality and visibility of our revenues. In other key metrics, ARR grew 23% from £13.7 million at December 2023 to £16.8 million at December 2024, and for the first time, the Group published a NRR which was 109% at December 2024.

"The shift to a recurring revenue model embeds us more deeply into customer operations as a long-term commercialization partner and enhances the quality and visibility of our revenues."

Our recurring revenue transformation naturally affects how revenue is recognized, with more income now spread across multiple quarters rather than all captured upfront. While this typically delays the initial recognition of some revenue, it creates a more robust and scalable foundation for the future and greater revenue visibility. We are focused on building a business that is not only growing rapidly, but doing so in a way that ensures sustainability and predictability.

The Total Contract Value (TCV) of sales secured in the year was £30.6 million, a slight decrease on the value of contracts secured in the prior year of £35.9 million. The lower TCV growth in 2024 highlights the importance of the Company's accelerated growth strategy, specifically the need to invest in more sales and marketing capacity and establish additional sales channels with our existing and new customers. The Group continues to see and expect a higher weighting of revenue, and therefore profitability, in the second half of the financial year. In 2024 the H1/H2 weighting was 38:62 compared to 42:58 in 2023. This weighting is driven by the pharma industry's propensity to spend more of its budget in the second half of the year, particularly the fourth quarter, as it reaches the end of its own budget and financial year.

EBITDA and profitability: building a sustainable growth model

	2024 £000's	2023 £000's
Operating loss	**(2,455)**	**(3,018)**
- Depreciation & Amortization	4,714	4,772
EBITDA	**2,259**	**1,754**
EBITDA margin	*7%*	*7%*
Adjustments for:		
- US sales tax liability	439	603
- Redundancy costs	450	-
- Legal fees for capital reduction	20	-
- Share based payment charge	1,038	445
Adjusted EBITDA	**4,206**	**2,802**
Adjusted EBITDA margin	*13%*	*12%*

Our adjusted EBITDA for 2024 is £4.2 million. This represents an adjusted EBITDA margin of 13% and growth of 50% from £2.8 million in 2023, a level that aligns with market expectations while reflecting our commitment to investing in commercial and technological capabilities through 2023 and 2024. The adjusted EBITDA in 2024 includes the add back of £0.5 million of costs related to historic US sales tax costs, now all fully resolved and settled, £0.5 million as a result of some targeted redundancies in 2024, and share-based payment charges.

While growth remains a priority, we are keenly focused on profitability. We expect 2025 will mark an inflection point, where we shift from an investment-heavy phase, to driving operational efficiency and profit at an increasing scale.

The transition to a stronger adjusted EBITDA margin in 2025 and beyond will be driven by:

- **Continued revenue expansion**, particularly in high-margin recurring revenue solutions. Notwithstanding the current US pharma economic uncertainties, we will target 25% year-on-year revenue and annual recurring revenue growth.
- **Discipline and focus**, ensuring that investment is targeted at high-return opportunities, AI technology is continually deployed to allow rapid innovation at scale, and costs are managed through strong processes.
- **Operational scalability**, leveraging the AI and technology infrastructure we built in 2023 - 2024 to deliver increasing returns and margins, targeting growth in EBITDA and breakeven profit before tax.

This approach to financial management should allow us to achieve profitability while maintaining our growth momentum.

Navigating uncertainty while delivering results

The broader market environment in 2024 presented a series of challenges, including regulatory shifts, evolving pharmaceutical budgets, and macroeconomic uncertainty. These challenges have continued into 2025.

While the US healthcare sector in particular saw disruptions due to the changing political and regulatory landscapes, our focus on pharmaceutical commercialization largely insulated us in 2024 from the budgetary tightening seen in the clinical setting. That said, while the precision and personalized medicine sectors grew, wider caution in pharmaceutical investment decisions as we enter 2025 has created a more measured market environment which we have observed in recent reports from some of the largest pharmaceutical service companies in the US.

The Group's customer base is heavily weighted towards blue-chip pharma companies, with 92% of revenue generated by customers based in the US (2023: 88%). The Group worked with a total of 52 customers during the year (2023: 44) across 85 therapies (2023: 69). The Group has increased its average revenue per customer 18% to £0.62 million, up from £0.54 million in 2023, and increased its average revenue per brand 23% to £0.42 million, up from £0.38 million in 2023.

Our historic ability to deliver strong financial performance despite these challenges underscores the resilience of our business model and the market opportunity for our solutions. We have consistently hit our financial targets, as we seek to establish a reputation as a disciplined, execution-focused business.

Maintaining financial discipline while investing for growth

From investment-led growth to profitability

Over the past two years, we embarked on a deliberate and measured investment cycle, designed to enhance our technological capabilities, expand our commercial footprint, and automate key business functions. This investment has featured a significant focus on AI and positioned us for long-term scale and efficiency, ensuring that we can grow profitably and sustainably.

By the end of 2024, this investment phase has been successfully executed, enabling a strategic shift back towards delivering profitability in 2025. We do not plan to stop our investment activities, in fact, we must continue to innovate to maintain leadership and unlock new growth opportunities, but we plan to significantly reduce the pace of investment spend growth, ensuring that our revenue growth translates into profitability and increasing shareholder value.

AI and platform investment: A transparent approach to innovation

Our commitment to innovation remains strong, with AI and platform investment totaling £3.6 million in 2024 (2023: £2.0 million). As you would expect for a technology-led company like Diaceutics, the value of development investment continues to grow as the Company continues to innovate. However, the increased investment has materialized as an expense, rather than a capital item, with only £0.4 million capitalized in 2024 vs. £1.0 million in FY 2023.

This underscores the reality that our technology has reached a high level of maturity, reducing the need for large-scale capitalization and giving our investors an accurate reflection of our robust financial position. We feel that expensing AI and platform development costs in real time provides greater visibility of our operational priorities, reinforcing our commitment to financial clarity. The Group continues to invest in data from its laboratory network, insurance claims providers, electronic health record providers and other data sources, expending £4.2 million in 2024, an increase of 18% (2023: £3.6 million).

Cash management: unlocking a new era of growth

Cash conservation and conversion as growth enablers

Cash flow is a crucial pillar of our financial strategy, and our disciplined approach to cash management has been instrumental in unlocking the company's future growth potential. In 2023 and 2024, we followed through on our commitment to a carefully managed investment cycle, with a free cash outflow of £8.0 million, in line with management's projections, and maintaining a minimum cash position of at least £12.0 million throughout this period.

At the end of 2024, our cash balance stood at £12.7 million (2023: £16.7 million), exactly in line with expectations. This approach to cash conservation sets the stage for 2025, a year in which we will focus on further scaling our business while achieving profitability and maintaining financial stability.

Cash conversion will be key in this next phase. It means we'll be focused on carefully managing our working capital, ensuring timely recovery of receivables, maintaining disciplined efficiency in payment cycles and managing foreign exchange exposures. In doing so we will ensure that we can fund future growth without relying on external financing, preserving our cash assets and potential strategic access to capital.

Investing in people to strengthen our commercial capabilities

It seems entirely right at such an important stage in our corporate story that one of the largest areas of investment in 2024 has been in our people. Our team remains the single most important driver of our success, and we have continued to recruit strategically to support our long-term ambitions.

Over the course of the year, we increased our headcount from 184 to 199 employees, with a strong emphasis on commercial roles, particularly in the US. This recruitment drive was a deliberate move to strengthen our sales and marketing capabilities, ensuring that we're able to maximize the impact of our expanding offering, and continues into 2025. Additionally, we have made key VP-level hires, further strengthening our leadership team and reinforcing our ability to execute at scale.

Our investment in people extends beyond recruitment. Training, development, compensation, and performance-based incentives all play a crucial role in ensuring that we continue to attract, retain, and develop top-tier talent. As we move into 2025, this commitment will remain central, with a particular emphasis on expanding our commercial footprint in the US market, as supported by our new US office in New Jersey.

Looking ahead to 2025: execution and profitability

As we enter 2025, our financial priorities are clear. We will continue to drive top-line growth, targeting 25% year-on-year. However, 2025 is not just about revenue growth, it's about translating our performance and growth into profitability.

The focus on our return to profitability following our accelerated investment phase over the past two years is a central financial goal for 2025, alongside preserving our cash resources, as we move from a period of investment-led expansion to one of scalable, sustainable financial performance.

At the same time, we will continue to explore opportunities for strategic acquisitions and partnerships, to supplement organic growth where they align with our long-term vision. As always, we will pursue these opportunities in a measured way, ensuring that we maintain a clear focus on execution and financial stability.

Meeting targets, driving progress

2024 has been a year of strong financial performance, considered investment, and strategic growth. We have demonstrated our ability to execute against plan, adapt to market challenges, and build a scalable, profitable business model.

As we move into 2025, our focus remains the same: set clear targets, execute against them, and continue delivering value for investors, customers, and employees alike. Through a combination of financial discipline, strong leadership, operational excellence, and strategic investment, we are well-positioned to drive the next phase of our growth journey - one that is not just about expansion but about sustained profitability and long-term success. Across the Company, there is a real sense of momentum, with our team energized by the opportunities ahead and committed to delivering lasting impact in line with our shared purpose - to help every patient get the opportunity to get the right test and most appropriate treatment as fast as possible.

Group Profit and Loss Account

for the year-ended 31 December 2024

	Note	2024 £000's	2023 £000's
Revenue	4	32,158	23,699
Cost of sales	5	(3,888)	(3,993)
Gross profit		**28,270**	**19,706**
Administrative expenses	5	(30,742)	(22,784)
Other operating income		17	60
Operating loss	5	**(2,455)**	**(3,018)**
Finance income		601	646
Finance costs		(54)	(66)
Loss before tax		**(1,908)**	**(2,438)**
Income tax credit		205	692
Loss for the financial year		**(1,703)**	**(1,746)**

Basic loss per share	(2.02)	(2.07)
Diluted loss per share	(2.02)	(2.07)

All results relate to continuing operations.

Group Statement of Comprehensive Income

for the year-ended 31 December 2024

	2024 £000's	2023 £000's
Loss for the financial year	(1,703)	(1,746)
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	**(386)**	**(378)**
Total comprehensive income for the year, net of tax	**(2,089)**	**(2,124)**

All results relate to continuing operations.

Group Statement of Financial Position

as at 31 December 2024

	Note	2024	2023
ASSETS		**£000's**	**£000's**
Non-current assets			
Intangible assets	7	15,413	15,262
Right of use assets		1,026	1,180
Property, plant and equipment		652	719
Deferred tax asset		2,000	1,143
		19,091	**18,304**
Current assets			
Trade and other receivables	8	16,043	11,367
Income tax receivable		742	6
Cash and cash equivalents		12,744	16,667
		29,529	**28,040**
TOTAL ASSETS		**48,620**	**46,344**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	10	170	169
Share premium	10	-	37,126
Treasury shares	10	(312)	(312)
Translation reserve	10	(626)	(240)
Profit and loss account	10	40,625	4,043
TOTAL EQUITY		**39,857**	**40,786**
Non-current liabilities			
Lease liability		907	1,059
Provision for dilapidation		91	88
Deferred tax liability		-	28
		998	**1,175**
Current liabilities			
Trade and other payables	9	7,611	4,237
Lease liability		153	146
Income tax liability		1	-
		7,765	**4,383**
TOTAL LIABILITIES		**8,763**	**5,558**
TOTAL EQUITY AND LIABILITIES		**48,620**	**46,344**

Group Statement of Changes in Equity

for the year-ended 31 December 2024

	Equity share capital	Share premium	Treasury shares	Translation reserve	Profit and loss account	Total equity
	£000's	£000's	£000's	£000's	£000's	£000's
At 1 January 2023	**169**	**37,126**	**(263)**	**138**	**5,344**	**42,514**
Loss for the year						
Other comprehensive loss	-	-	-	-	(1,746)	(1,746)
Total comprehensive loss for the year	-	-	-	(378)	-	(378)
	-	**-**	**-**	**(378)**	**(1,746)**	**(2,124)**
Transactions with owners, recorded directly in equity						
Share-based payment	-	-	-	-	445	445
Treasury shares	**-**	**-**	**(49)**	**-**	**-**	**(49)**
Total transactions with owners	**-**	**-**	**(49)**	**-**	**445**	**396**
At 31 December 2023	**169**	**37,126**	**(312)**	**(240)**	**4,043**	**40,786**

	Equity share capital	Share premium	Treasury shares	Translation reserve	Profit and loss account	Total equity
	£000's	£000's	£000's	£000's	£000's	£000's
At 1 January 2024	**169**	**37,126**	**(312)**	**(240)**	**4,043**	**40,786**
Loss for the year	-	-	-	-	(1,703)	(1,703)
Other comprehensive loss	-	-	-	(386)	-	(386)
Total comprehensive income for the year	**-**	**-**	**-**	**(386)**	**(1,703)**	**(2,089)**
Transactions with owners, recorded directly in equity						
Share based payment	-	-	-	-	1,020	1,020
Exercise of warrant	-	135	-	-	-	135
Issue of shares	1	-	-	-	-	1
Deferred tax credit taken directly to equity	-	-	-	-	4	4
Cancellation of share premium	-	(37,261)	-	-	37,261	-
Total transactions with owners	**1**	**(37,126)**	**-**	**-**	**38,285**	**1,160**
At 31 December 2024	**170**	**-**	**(312)**	**(626)**	**40,625**	**39,857**

Group Statement of Cash Flows

for the year-ended 31 December 2024

	Note	2024	2023
		£000's	£000's
Operating activities			
Loss before tax		(1,908)	(2,438)
Adjustments to reconcile loss before tax to net cash flows from operating activities			
Net finance costs		(547)	(580)
Amortisation of intangible assets	7	4,306	4,459
Impairment of intangible assets	7	87	-
Depreciation of right to use asset		154	153
Depreciation of property, plant and equipment		167	161
Research and development tax credits		-	(42)
Share-based payments		1,020	445
Loss on disposal of fixed asset		-	3
Increase in trade and other receivables		(4,676)	(2,158)
Increase in trade and other payables		3,374	618
Cash received from operations		**1,977**	**621**
Tax (paid)/ received		(1,326)	690
Net cash inflow from operating activities		**651**	**1,311**
Investing activities			
Purchase of intangible assets	7	(4,532)	(4,730)
Purchase of property, plant and equipment		(100)	(125)
Finance income interest received		601	646
Net cash outflow from investing activities		**(4,031)**	**(4,209)**

Financing activities			
Interest paid		(1)	(11)
Leasehold repayments		(199)	(179)
Purchase of treasury shares	10	-	(49)
Issue of shares on exercise of a warrant	10	136	-
Net cash outflow from financing activities		**(64)**	**(239)**
Net decrease in cash and cash equivalents		(3,444)	(3,137)
Net foreign exchange loss		(479)	(37)
Cash and cash equivalents at 1 January		16,667	19,841
Cash and cash equivalents at 31 December		**12,744**	**16,667**

Notes to the Group Financial Statements

for the year-ended 31 December 2024

1. General information

Diaceutics PLC (the "Company") is a public company limited by shares, incorporated, domiciled and registered in Northern Ireland. The Company's registration number is NI055207, and the registered office is First Floor, Building Two, Dataworks at King's Hall Health & Wellbeing Park, Belfast, County Antrim, Northern Ireland, BT9 6GW.

The consolidated financial statements consolidate those of the Company and its subsidiaries (together referred to as the "Group").

The principal activity of Diaceutics PLC ("the Company") and its subsidiaries (together "the Group") is data, data analytics and implementation services.

The Group has established a core suite of products and outsourced advisory services which help its Pharma customers to optimise and deliver their marketing and implementation strategies for companion diagnostics. Their mission is to design, create and implement innovative solutions that enhance speed to market and increase the effectiveness of all the stakeholders in the personalised medicine industry.

The financial statements are presented in pounds sterling.

Basis of accounting

The financial information presented in this report has been prepared using accounting policies consistent with International Financial Reporting Standards (IFRSs) as adopted by the United Kingdom and as set out in the Group's annual financial statements in respect of the year ended 31 December 2023. The financial information does not include all the information and disclosures required in the annual financial statements. The Annual Report and Financial Statements will be approved by the Board of Directors and reported on by the Auditor in due course. Accordingly, the financial information within this preliminary results statement is unaudited. The Annual Report will be distributed to shareholders and made available on the Company's website in due course. It will also be filed with the Company's annual return in the Companies House.

Going concern

The financial performance and balance sheet position at 31 December 2024 along with a range of scenario plans to 31 December 2027 has been considered, applying different sensitives 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 2027 and the Directors have satisfied themselves that the Group has adequate funds in place to continue in operational existence for the foreseeable future. Accordingly, the Group continues to adopt the going concern basis in preparing its consolidated financial statements.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 December each year. Control is achieved when the Company has power over the subsidiary, is exposed, or has rights, to returns from its involvement with the subsidiary; and has the ability to use its power to affect its returns.

The Company considers all relevant facts and circumstances in assessing whether it has control over a subsidiary, including the ability to direct the relevant activities at the time that decisions need to be made.

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Employee Benefit Trusts ('EBTs'), including the UK and Global Share Incentive Plans (SIP), are accounted for under IFRS 10 and are consolidated on the basis that the parent has control, thus the assets and liabilities of the EBT are included on the company balance sheet and shares held by the EBT in the Company are presented as a deduction from equity.

2. Accounting policies

New and amended IFRS standards that are effective for the current year

The Group has applied the following standards and amendments for the first time for their annual reporting year commencing 1 January 2024:

- Amendments to IAS 1: Classification of liabilities as current or non-current;
- Amendments to IAS 1: Non-current liabilities with covenants;
- Amendments to IAS 7: Statement of Cash Flows and IFRS 7 Financial Instruments:
- Disclosures titled Supplier Finance Arrangements; and
- Amendments to IFRS 16: Lease liability in a sale and leaseback.

There has been no material impact on our financial statements as a result of any of these changes.

New accounting standards and interpretations not yet adopted by the Group

The following new accounting standards, amendments and/or interpretations have been published and are not mandatory for 31 December 2024 reporting year. They have not been early adopted by the Group and these standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions:

- Amendments to IAS 21: Lack of exchangeability (effective date: 1 January 2025);
- IFRS 18: Presentation and disclosures in financial statements (effective date: 1 January 2027); and
- IFRS 19: Subsidiaries without public accountability: disclosures (effective date: 1 January 2027).
- Amendments IFRS 9 and IFRS 7 regarding the classification and measurement of
- Financial instruments (effective date: 1 January 2026)
- Annual Improvements to IFRS Accounting Standards - Volume 11

We are still assessing the implications of the new standards and interpretations however it is not expected to have a material impact on the Group.

Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the provision of services in the ordinary course of the Group's activities. Revenue is shown net of value-added tax and after eliminating sales within the Group.

The Group has two separate products and service lines: Insight & Engagement Solutions (Data and related information services); Scientific & Advisory Services (Professional services).

The Group's performance obligations for these revenue streams are deemed to either be the provision of specific deliverables to the customer, at or over a period of time, or subscription-based deliverables.

Revenue billed to the customer is allocated to the various performance obligations, based on the relative fair value of those obligations, and is then recognised when it transfers control of a deliverable to a customer as follows:

<u>Insight & Engagement Solutions (Data & related information services)</u>

Insight & Engagement Solutions (formerly referred to as Data) comprise access to the DXRX platform diagnostic testing data repository to utilise licensed data insight products, typically: Lab Segmentation, Physician Segmentation, Testing Rates Tracker and Physician Signal.

The contract with the customer defines the nature, quantity and price of the data license to be provided. Licenses provided under each contract are split into the identifiable and distinct performance obligations which are satisfied at or over time, depending on whether the data license deliverable has retrospective or prospective components, and if there are any data consultancy service components included. In determining the performance obligations for the data consultancy service component of the customer contract, judgment may be required in interpreting the contract wording and customer expectation of the data consultancy as a separately identifiable and distinct service if the contract is not explicit.

The transaction price associated with the performance obligation components is determined by reference to the contract and change orders. Where the contract does not determine the transaction price for performance obligations, judgement may be required to determine the transaction price. These judgements include allocating transaction prices to data consultancy services based on an adjusted market assessment approach with the residual transaction price allocated to the retrospective and prospective data license performance obligations pro-rated depending on the data license period of coverage.

Where a contract confers the customer with the right to benefit from existing data insight IP as at a specific date, as is the case for a retrospective data license, that is treated as a right to use licence and the revenue recognised at a point in time when delivered or access is enabled to the data. Where a contract confers the customer with the right to benefit from future data insight IP developments as they occur, as is the case for a prospective data license, that is treated as a right to access licence and revenue recognised on a subscription basis over the period of time that the customer has access to the data and the right to future IP developments. Revenue for data consulting services is recognised as the performance obligation milestones are satisfied.

Insight & Engagement Solution services are invoiced based on predetermined activities or milestones. Where there is a timing difference between the recognition of revenue and invoicing under a contract, a contract asset (accrued revenue) or liability (deferred revenue) is recognised.

<u>Scientific Advisory Services (Professional & Tech-Enabled Services)</u>

Scientific Advisory Services (formerly referred to as Advisory Services and Tech-Enabled Services) comprise a range of services developed to help improve patient care by accelerating the development, delivery and uptake of precision medicine, as well as a suite of services designed to solve the challenges affecting precision medicine commercialisation success at a regional and global level. Typically this includes ranges of Consulting, Strategy and Planning, Insights, Education and Content Production, Impact Assessments, Market Access studies, Lab Alerts, Lab Training, Lab Engagement and Physician Engagement.

The contract with the customer defines the nature, quantity and price of the various services to be provided. Services provided (including those provided by a third party and reimbursed by the customer) under each contract are split into the identifiable and distinct performance obligations which are satisfied over time. The Group is the contract principal in respect of both direct services and the use of third parties that support the service. The transaction price is determined by reference to the contract and change orders, including any pass-through or reimbursable expenses, adjusted to reflect the amount the Group expects to be entitled to in exchange for transferring promised goods or services to a customer.

Revenue for the identifiable and distinct services is recognised as the contract performance obligations are satisfied. The progress towards completion of Scientific Advisory Services performance obligations is measured at a point in time: where milestones specified within client contract are satisfied or based on an input measure being project costs incurred to date as a proportion of total project costs (including third party costs) at each reporting period, depending on the nature of the service obligation.

The service fees for Scientific Advisory Services are invoiced based on predetermined activities or milestones. Third party costs are invoiced to customers as they are incurred. Where there is a timing difference between the recognition of revenue and invoicing under a contract, a contract asset (accrued revenue) or liability (deferred revenue) is recognised. Significant accrued and deferred revenue can arise for the Scientific Advisory Services as a result of these timing differences.

<u>Contract assets and liabilities</u>

The Group recognises contract assets in the form of accrued revenue when the value of satisfied or part-satisfied performance obligations is in excess of the payment due to the Group, and deferred revenue when the amount of unconditional consideration is in excess of the value of satisfied or part satisfied performance obligations. Once a right to receive consideration is unconditional, that amount is presented as a trade receivable.

Changes in contract balances typically arise due to:

- adjustments arising from a change in the estimate of the cost to complete the project, which results in a cumulative catch-up adjustment to revenue that affects the corresponding contract asset or liability;
- the recognition of revenue arising from deferred revenue; and
- the reclassification of amounts to receivables when a right to consideration becomes unconditional.

Cost to obtain and fulfil contracts

Contract fulfilment costs in respect of the service line contracts are expensed as incurred.

The Group expenses pre-contract bidding costs which are incurred regardless of whether a contract is awarded.

Intangible assets

Research and development

Expenditure on research activities and patents is recognised in the profit and loss account as an expense as incurred.

Expenditure on development activities is capitalised if the product or process is technically and commercially feasible and the Group intends and has the technical ability and sufficient resources to complete development, future economic benefits are probable, and if the Group can measure reliably the expenditure attributable to the intangible asset during its development. Development activities involve design for, construction or testing of the production of new or substantially improved products or processes. The expenditure capitalised includes the cost of infrastructure and direct labour including employer national insurance. Other development expenditure is recognised in the profit and loss account as an expense as incurred. Capitalised development expenditure is stated at cost until it is brought into use. Capitalised development expenditure that is not available for use is tested for impairment annually.

Other intangible assets

Other intangible assets that are acquired by the Group are stated at cost less accumulated amortisation and accumulated impairment losses.

Amortisation

Amortisation is charged to the profit or loss on a straight-line basis over the estimated useful lives of intangible assets. Intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

- Patents and trademarks 3 years (33.3% straight line) from date of registration
- Datasets 3 years (33% straight line)
- Software 5 years (20% straight line)
- Platform 10 years (10% straight line)
- Platform algorithms 6 years (16.7% straight line)

The Group reviews the amortisation period and method when events and circumstances indicate that the useful life may have changed since the last reporting date. In 2023, the Group changed the estimated useful life of its datasets from 4 years to 3 years. The revised useful life is based on management's assessment of the period that more accurately reflect the weighted average timeframes of the data commercial and internal use cases.

Impairment

Intangible assets, property, plant and equipment, and right-of-use assets are tested for impairment at the reporting date, or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

The Group also considered the potential impact of climate change. This is an area of estimation and judgement.

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

The preparation of the Group and Company financial statements requires management to make judgements and estimates that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The Group has considered the impact of climate change on the consolidated financial statements, but has concluded that is does not have a material impact in the carrying value of assets, the useful life of assets and provisions as at 31 December 2024.

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

Source of estimation uncertainty	**Description**
Useful economic life (UEL) of intangible assets	The assessment of UEL of data purchases and platform requires estimation over the period in which these assets will be utilized, it 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 three years. In 2023, the Group changed the estimated useful life of its datasets from four years to three years. The revised useful life is based on management's assessment of the period that more accurately reflect the weighted average timeframes of the data commercial and internal use cases. The change in useful lives were accounted for prospectively. There were no changes in useful lives of other intangible assets. Further details are disclosed in note 7 intangibles.
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 and Company are required to estimate the recoverable amount of the asset. The Group has considered whether there have been any indicators of impairment during the year ended 31 December 2024 which would require an impairment review to be performed. Based upon this review, the Group has concluded

	that the Singaporean entity is to be wound down as it will not be cash generating in future. The carrying value of the intangible assets in that entity exceeded the recoverable amount. Based upon this review, the Group has recorded an impairment charge of £87,000 in respect of intangible assets held in Diaceutics Pte Limited at 31 December 2024. Further details are disclosed in note 7 - Intangible Assets. With respect to the impairment considerations of an intangible asset, significant estimates are considered within the value in use calculation. The most significant estimate is the revenue growth rate. Refer to note 7 - Intangible Assets, for details of the impairment review and sensitivity analysis.
Discount rate	Application of IFRS 16 requires the Group and Company 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 of 4.3% (2023: 4.3%).
Revenue	In revenue recognition for certain Scientific & Advisory Services where the input method is used to determine the revenue over a period of time, a key source of estimation will be the total budgeted hours to completion for comparison with the actual hours spent. Further details are disclosed in note 4 revenue and segmental analysis.
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. The attrition rate varies depending on the nature of the award, rising to a maximum 3-year rate of 16.0%.
Vesting probability and period (Group and Company)	In the calculation of Share Based Payments and related costs charge an assessment of expected probability that certain performance criteria will be met within the vesting time period and the length of the vesting period.

Critical accounting judgements

Accounting policy	**Description of critical judgement**
Revenue	In determining the performance obligations for the data consultancy service component of Insight & Engagement Solutions, judgment may be required in interpreting the contract wording and customer expectation of the data consultancy as a separately identifiable and distinct service, if the contract is not explicit. The transaction price associated with the performance obligation components of Insight & Engagement Solution services is determined by reference to the contract and change orders. Where the contract does not determine the transaction price for performance obligations, judgment may be required to determine the transaction price. These judgments include allocating transaction prices to data consultancy services based on an adjusted market assessment approach with the residual transaction price allocated to the retrospective and prospective data license performance obligations pro-rated depending on the data license period of coverage.
Deferred tax	In assessing the requirement to recognise a deferred tax asset, management carried out a forecasting exercise to assess whether the Group and Company will have sufficient future taxable profits on which the deferred tax asset can be utilised. This forecast required management's judgment as to the future performance of the Group and Company.
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.

4. Revenue and segmental analysis

Operating Segments

The Group currently operates under one reporting segment, there are no individual groups of assets generating distinct and separately identifiable cashflows. Revenue is analysed under two separate revenue streams. Revenue represents the amounts derived from the provision of services which fall within the Group's ordinary activities, stated net of value added tax. Revenue is principally generated from the DXRX platform Insight & Engagement Solutions lines, as well as the Scientific Advisory Services lines. Revenue is disaggregated by primary geographic market, timing of recognition and by product/service line. Timing of revenue recognition and product/service line are the primary basis on which management reviews the business.

Revenue

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

The following tables present the disaggregated Group revenue for the current and prior financial years:

a. Major product/service line

	2024	**2023**
	£000's	£000's

Insight & Engagement Solutions	23,117	17,150
Scientific & Advisory Services	9,041	6,549
	32,158	**23,699**

b. Timing of recognition

	2024	**2023**
	£000's	£000's
Point in time revenue recognition	15,223	9,359
Over time and input method revenue recognition	16,935	14,340
	32,158	**23,699**

c. Geographical market by customer location

	2024	**2023**
	£000's	£000's
North America	29,537	20,832
UK	547	352
Europe	1,893	2,470
Asia and Rest of World	181	45
	32,158	**23,699**

There was one customer in 2024 who had sales which exceeded 10% of total revenue accounting for £4,664,000 (14.5%) of Group revenues. In 2023 one customer had sales exceeding 10% of total revenue, accounting for £3,659,000 (15.4%) of Group revenues.

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

	2024	**2023**
	£000's	£000's
Contract assets		
Trade receivables	10,659	7,430
Accrued revenue	4,155	2,402
Contract liabilities		
Deferred revenue	237	305

Accrued revenue primarily relates to consideration for work completed but not billed at the reporting date. The contract assets are transferred to trade receivables when the rights become unconditional.

Deferred revenue primarily relates to the advance consideration received from customers. There are no significant financing components associated with deferred revenue.

There were no significant amounts of revenue recognised in the current or prior year arising from performance obligations satisfied in previous periods.

The carrying value of trade receivables and accrued revenue approximates to their fair value at the reporting date. Information about the Group's exposure to credit risks and expected credit losses for trade receivables and accrued revenue is included in note 8.

Order Book

The aggregate amount of the transaction price allocated to product and service contracts that are partially or fully unsatisfied as at the 2024 year end ('Order Book') are as follows:

	2025	**2026**	**2027+**	**Total**
	£000's	£000's	£000's	£000's
Platform-based products and services	12,943	4,891	268	18,102
Advisory services	4,772	2,056	-	6,828
	17,715	**6,947**	**268**	**24,930**

Order book as at the 2023 year end:

	2024	**2025**	**2026+**	**Total**
	£000's	£000's	£000's	£000's
Platform-based products and services	12,238	9,509	4,674	26,421
Advisory services	96	-	-	96
	12,334	**9,509**	**4,674**	**26,517**

The order book as at 31 December 2024 and 2023 includes future contracted revenue beyond 2025 and 2024 which, although subject to annual customer break clauses, the Group expects will not be exercised by customers, and the revenue and performance obligations deliverable under these contracts will be realised.

5. Operating loss

	2024	2023
	£000's	£000's
Employee benefit costs		
Wages and salaries	16,989	11,487
Social security costs	2,330	1,416
Pension costs	496	376
Benefits	309	325
Share-based payments and related costs	1,038	445
Capitalised development costs	(351)	(1,026)
Total employee benefit costs	**20,811**	**13,023**
Other cost of sales and administrative expenses		
Amortisation of intangible fixed assets	4,306	4,459
Depreciation of tangible fixed assets	167	161
Impairment of intangible fixed assets	87	-
Right-of-use depreciation	154	153
Subcontractor costs	1,052	1,060
Platform transaction value	1,680	1,892
Travel costs	949	516
Legal and professional	1,416	1,687
(Gain)/Loss on foreign exchanges	(362)	360
Other expenses	4,370	3,466
Total other cost of sales and administrative expenses	**13,819**	**13,754**
Total cost of sales and administrative expenses	**34,630**	**26,777**

Included within other expenses in 2024 is £0.5 million (2023: £0.6m) related to US sales tax costs pertaining to 2024 including a change in estimate of £0.26 million relating to prior years. These sales tax costs would usually be charged to customers, recovered and remitted to the relevant US state authorities with no impact to the costs of the Group. However, because the Group had not historically registered for sales taxes in certain states, the related costs could not be charged and recovered from customers. As such, the Group has disclosed this historic position to the relevant state authorities and settled this liability during 2024. Sales taxes arising on sales in these states are now charged to customers, recovered and remitted with no significant further impact to the costs of the Group.

6. Earnings per share

Basic earnings per share are calculated based on the profit & loss for the financial year attributable to equity holders divided by the weighted average number of shares in issue during the year.

Basic earnings per share are calculated based on the profit & loss for the financial year. Diluted earnings per share is calculated on the basic earnings per share adjusted to allow for the issue of ordinary shares on the conversion of the convertible loan notes and employee share options. In the current year there are no exceptional items and therefore there is no adjustment required to basic earnings per share or to diluted earnings per share.

Loss attributable to shareholders

	2024	2023
	£000's	£000's
Loss for the financial year	**(1,703)**	**(1,746)**

Weighted average number of shares to shareholders

	2024	2023
	Number	Number
Shares in issue at the end of the year	**84,773,888**	**84,501,390**
Weighted average number of shares in issue	84,705,590	84,478,882
Less treasury shares	(252,063)	(252,063)
Weighted average number of shares for basic and adjusted earnings per share	84,453,527	84,226,819
Weighted average number of shares for diluted earnings per share	**84,453,527**	**84,226,819**

Earnings per share	**2024**	**2023**
	Pence	Pence
Basic loss per share	(2.02)	(2.07)

Diluted loss per share	(2.02)	(2.07)

The group has outstanding share options that could potentially dilute basic earnings per share in the future. These were not included in the calculation of diluted earnings per share during the year because these are antidilutive for the period.

7. Intangible assets

	Patents and trademarks	*Datasets*	*Development expenditure**	*Platform*	*Software*	*Total*
	£000's	*£000's*	*£000's*	*£000's*	*£000's*	*£000's*
Cost						
At 1 January 2023	**1,204**	**7,246**	**178**	**12,429**	**718**	**21,775**
Transfer from development expenditure to Platform	-	-	(178)	178	-	-
Foreign exchange translation	(25)	(164)	-	(159)	(1)	(349)
Additions	-	3,554	-	918	258	4,730
At 31 December 2023	**1,179**	**10,636**	**-**	**13,366**	**975**	**26,156**
Foreign exchange translation	(38)	92	-	(58)	1	(3)
Additions	6	4,201	-	272	53	4,532
At 31 December 2024	**1,147**	**14,929**	**-**	**13,580**	**1,029**	**30,685**

	Patents and trademarks	*Datasets*	*Development expenditure**	*Platform*	*Software*	*Total*
Amortisation	*£000's*	*£000's*	*£000's*	*£000's*	*£000's*	*£000's*
At 1 January 2023	**1,185**	**3,082**	**-**	**1,868**	**418**	**6,553**
Foreign exchange translation	(26)	(64)	-	(27)	(1)	(118)
Charge for the year	15	2,944	-	1,316	184	4,459
At 31 December 2023	**1,174**	**5,962**	**-**	**3,157**	**601**	**10,894**
Foreign exchange	(38)	36	-	(13)	-	(15)
Charge for the year	5	2,835	-	1,368	98	4,306
Impairment loss	-	4	-	83	-	87
At 31 December 2024	**1,141**	**8,837**	**-**	**4,595**	**699**	**15,272**
Net book value at 31 December 2024	**6**	**6,092**	**-**	**8,985**	**330**	**15,413**
Net book value at 31 December 2023	5	4,674	-	10,209	374	15,262

*Development expenditure relates to an asset under construction and as such no amortisation has been charged. This expenditure is subject to the same annual impairment review as the other intangible assets.

Intangible assets relate to patents, trademarks, software, DXRX platform and datasets which are recorded at cost and amortised over their useful economic life which has been assessed as three to ten years.

During the year ended 31 December 2024, £Nil was transferred out of development expenditure and into the Group's DXRX platform (2023: £178,000). In 2023, the Group changed the estimated useful life of its datasets from 4 years to 3 years. The Group assesses the useful life of all assets on an annual basis.

The Group has determined that the useful life of data and platform is a significant area of estimation.

The platform has been assessed to have a useful life of 10 years based on information on the estimated technical obsolescence of such assets. However, the actual asset useful life may be shorter or longer than 10 years depending on technical innovations and other external factors. If the useful life were reduced by 2 years, the carrying amount of the asset at 31 December 2024 would reduce by £267,000 (2023: £267,000) to £8,718,000 (2023: £9,943,000). If the useful life of the asset were increased by 2 years, the carrying amount of the asset at 31 December 2024 would increase by £285,000 (2023: £267,000) to £9,270,000 (2023: £10,476,000).

On reviewing the useful life of the datasets it was determined that based on latest information on commercial and technical use, that three years represented the best estimate of the useful life of such assets, as this reflects the period over which this data can provide meaningful insights to support client projects. However, the actual asset useful life may be shorter or longer than three years depending on technical innovations and other external factors. If the useful life were 2 years, the carrying amount of the asset at 31 December 2024 would reduce by £1,475,000 (2023: £454,000) to £4,617,000 (2023: £4,220,000). If the useful life of the asset were 4 years, the carrying amount of the asset at 31 December 2024 would increase by £973,000 (2023: £993,000) to £7,065,000 (2023: £5,667,000).

These are all definite life intangible assets. The Group has considered whether there have been any indicators of impairment during the year ended 31 December 2024 which would require an impairment review to be performed. Based upon this review, the Group has concluded that the Singaporean entity is to be wound down as it will not be cash generating in future. The carrying value of the intangible assets in that entity exceeded the recoverable amount. Based upon this review, the Group has recorded an impairment charge of £87,000 in respect of intangible assets held in Diaceutics Pte Limited at 31 December 2024.

8. Trade and other receivables

	2024	**2023**
	£000's	£000's
Trade receivables	10,659	7,430
Contract assets	4,155	2,402
Other receivables	147	294
Prepayments	1,082	1,241
	16,043	**11,367**

Other receivables primarily consist of recoverable taxes and as such are considered to have low credit risk.
Trade receivables are non-interest bearing, are generally on 90-day terms and are shown net of a provision for impairment. Management's assessment was that the trade receivables are fully recoverable except for the specific provision netted against the trade receivables balance of £189,000 (2023: 175,000).

Most of our customers are large pharma; we do not foresee any credit difficulties within our customer base. The age profile of the trade receivables and contract assets are as follows:

	Total	*0-30 days*	*31-60 days*	*61-90 days*	*>90 days*
	£000's	*£000's*	*£000's*	*£000's*	*£000's*
2024	**14,814**	**14,610**	**186**	**115**	**(97)**
2023	9,832	5,864	1,472	1,635	861

The Group's contract assets as at the statement of financial position date are expected to be invoiced and received in the following year. The maturity period of these assets were less than 12 months, and given their nature, the expected credit loss allowance recognised in the period against these assets were £Nil (2023: £Nil).
The following table shows the movement in contract assets:

	2024	**2023**
	£000's	£000's
Contract assets recognised at start of the year	2,402	2,582
Revenue recognised in prior year that was invoiced in the current year	(2,402)	(2,582)
Amounts recognised in revenue in the current year that will be invoiced in future years	4,155	2.402
Balance at the end of the year	**4,155**	**2,402**

The carrying amount of trade and other receivables are denominated in the following currencies:

	2024	**2023**
	£000's	£000's
UK sterling	873	1,105
Euro	219	382
US dollar	14,800	9,762
Canadian dollars	-	73
Singapore dollars	151	45
	16,043	**11,367**

The maximum exposure to credit risk is the carrying value of each class of receivables and cash and cash equivalents. The Group does not hold any collateral as security.

9. Trade and other payables

	2024	**2023**
	£000's	£000's
***Creditors**: falling due within one year*		
Trade payables	1,217	1,065
Accruals	5,048	2,255
Other payables	66	38
Derivative financial instruments	477	-
Other tax and social security	466	471
Contract liabilities	237	305
Deferred grant income	100	103
	7,611	**4,237**

Contract liabilities of £237,000 (2023: £305,000) which arise in respect of amounts invoiced during the year for which revenue recognition criteria have not been met by the year-end. The Group's contracts with customers are typically less than one year in duration and any contract liabilities would be expected to be recognised as revenue in the following year.

The following table shows the movement in contract liabilities:

	2024	**2023**
	£000's	£000's
Contract liabilities recognised at start of the year	305	284
Amounts invoiced in prior year recognised as revenue in the current year	(305)	(284)
Amounts invoiced in the current year which will be recognised as revenue in the later years	237	305
Balance at the end of the year	**237**	**305**

The carrying amount of trade and other payables are denominated in the following currencies:

	2024	**2023**
	£000's	£000's

UK sterling	5,020	2,062
Euro	642	415
US dollar	1,935	1,587
Singapore dollar	12	43
Other	2	130
	7,611	**4,237**

10. Equity share capital

	2024	2023
	£000s	£000s
Authorised, allotted, called up and fully paid		
84,773,888 (2023: 84,501,390) Ordinary shares of £0.002 each Authorised 84,773,888. (2023: 84,501,390)	170	169
	170	**169**

During the year, the Company issued ordinary shares pursuant to share incentive schemes.

Treasury shares

Treasury shares are shares in Diaceutics PLC that are held by the Diaceutics Employee Share Trust for the purpose of issuing shares under the Diaceutics PLC SIP scheme. Shares issued to employees are recognised on a first in, first out basis.

Details	**Number of shares**		***£000's***	
	2024	**2023**	**2024**	**2023**
Acquisition of shares by the Trust	-	44,272	-	49
Closing balance	**252,063**	**252,063**	**312**	**312**

All ordinary shares rank *pari passu* in all respects including voting rights and the right to receive all dividends and other distributions, if any, declared, made or paid in respect of ordinary shares.

Capital Reduction

During the year the Directors determined that they would request shareholder and court approval for a capital reduction for Diaceutics PLC. whereby the Company's Share Premium Account would be cancelled and released to distributable reserves. The Capital Reduction was approved by shareholders at the Annual General meeting held on 24 June 2024. The Capital Reduction was sanctioned by the High Court of Justice Northern Ireland, Chancery Division on 24 October 2024 and registered with the Registrar of Companies on 4 November 2024.

The Share Reduction compromised of the cancellation of the entire amount standing to the credit of the Company's share premium account.

Reserves

Share premium account: This reserve records the amount above the nominal value received for shares sold, less transaction costs. On 25th January 2024 the warrant holder exercised their remaining 177,915 warrant shares at a price of £0.76 per share. No further warrant shares remain outstanding. The total share premium after the warrant shares were issued was £37,261,000. This balance was cancelled as part of the capital reduction on 4 November 2024.

Translation reserve: This reserve records foreign exchange differences on translation of foreign operations.

11. Board approval

This announcement was approved by the Board of Directors of Diaceutics plc on 13 May 2025.

END

FR SFSEFEEISEEI