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## H1-21 Interim Results

25<sup>th</sup> May 2021



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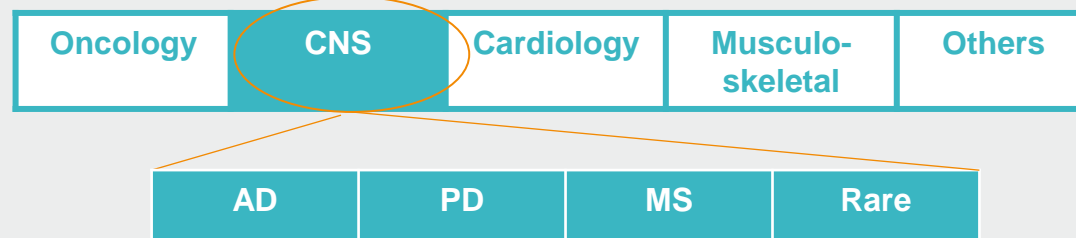
# IXICO is a CNS specialist, positioned for growth



\*Management estimate

- We estimate our CNS addressable imaging market at £120m-£150m per annum
- IXICO currently has <10% market share
- CNS market expanding due to aging population; number of people with dementia expected to triple between 2015 and 2050<sup>1</sup>
- CNS is second largest therapeutic area after oncology<sup>2</sup>
- Dementia is the only major cause of death that we can't prevent, slow down or cure<sup>3</sup>

## IXICO's area of therapeutic focus



- Imaging is increasingly deployed in CNS clinical trials
  - Safety;
  - Efficacy;
  - Stratification

- IXICO further enhancing offering in neuro imaging and emerging technologies to service this growing market
- To measure increasing numbers of biomarkers with greater accuracy for **Improved clinical trial design and increased opportunity for trial success.**

– [1] The World Alzheimer Report 2018, ADI, London; [2] PhMRA Biopharmaceutical research industry, 2016 profile; [3] World dementia council, Defeating dementia: the road to 2025

# 5-point growth strategy



01

Focus on  
delivering scale  
and operational  
excellence

02

Accelerate  
penetration  
of clinical trials  
market; diversify  
into new  
indications

03

Target early  
phase to grow  
into later clinical  
phases

04

Innovate:  
AI process  
automation  
& data analytics

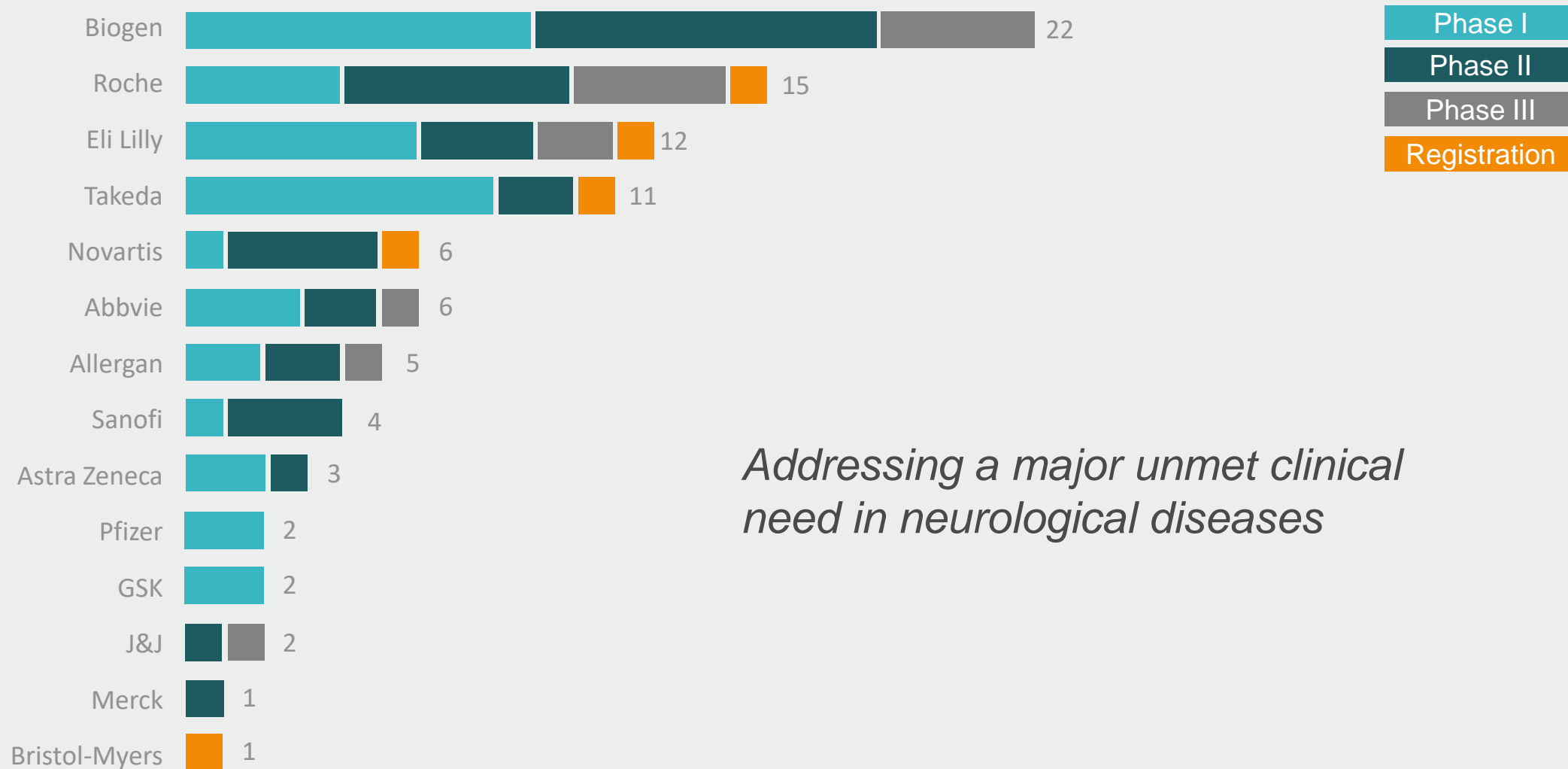
05

Enhance  
organic growth  
through  
selective  
partnerships  
and M&A

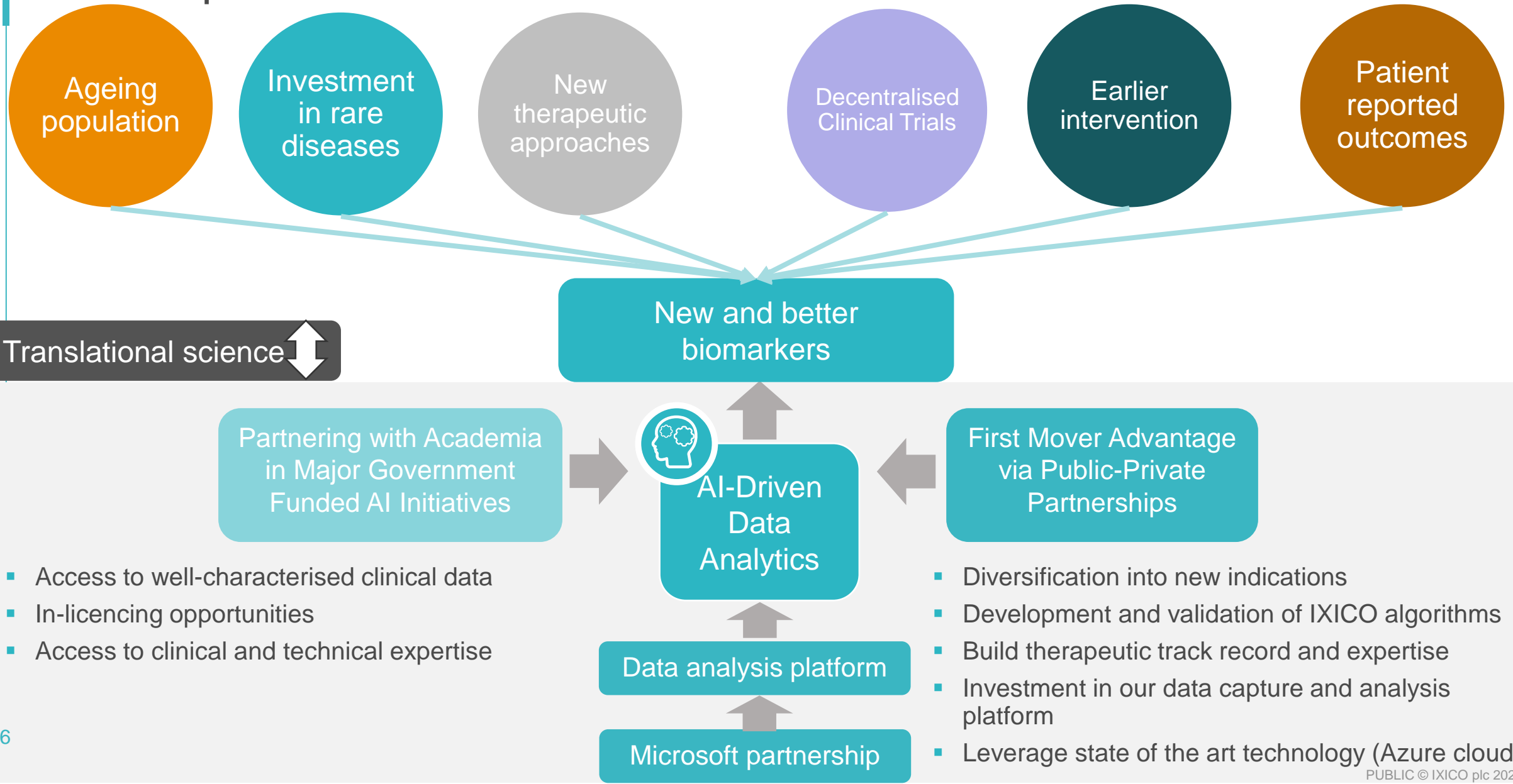


... to deliver sustained, double-digit profitable growth

# Big Pharma is investing in neuro



# Scientific collaboration is fundamental to IXICO's innovation roadmap



# Continued strong financial performance across H1-2021



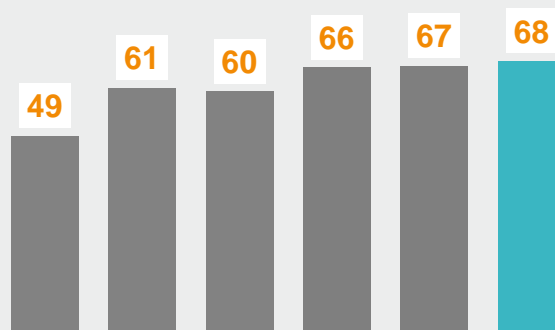
## Revenue growth (£m)



H1-16 H1-17 H1-18 H1-19 H1-20 H1-21

- 8% growth on H1-20
- Continued growth despite COVID-19
- Remain <10% estimated available market

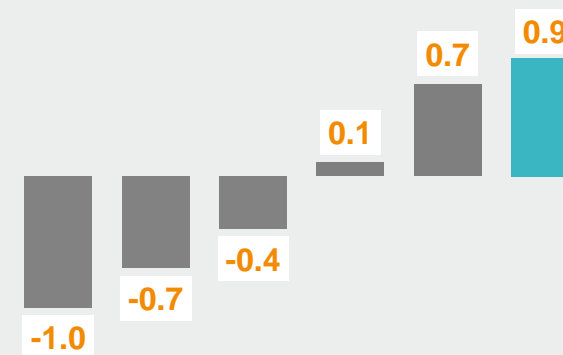
## Gross Margin (%)



H1-16 H1-17 H1-18 H1-19 H1-20 H1-21

- Strong and stable margins
- Increased data analytics on Phase III trials
- Growth driven operational leverage

## EBITDA (£m)



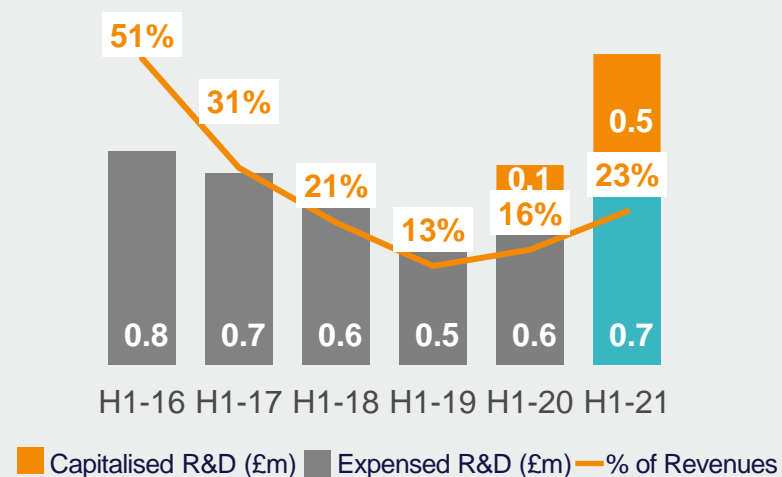
H1-16 H1-17 H1-18 H1-19 H1-20 H1-21

- £0.2m (31%) EBITDA growth
- 18% EBITDA margin
- Profits being reinvested for growth



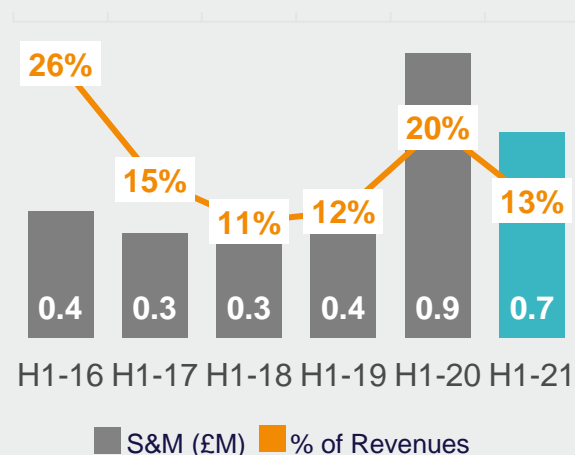
# Investing in R&D whilst managing overall cost base

## R&D expenditure (£m)



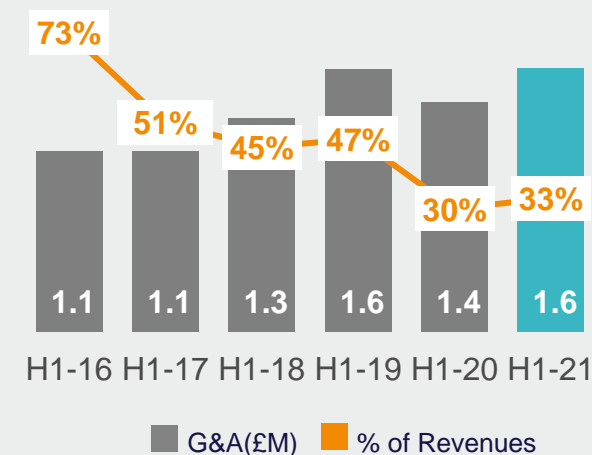
- Focused investment in R&D
- £0.5m R&D capitalised; primarily in new data analysis platform
- Underpin enhanced value provision to client CNS trials and scalability

## S&M expenditure (£m)



- Restructure of commercial team in H1-20
- COVID-19 impact on travel and conference attendance
- >£10M contracts signed year to date across diversified clients and therapeutic indications

## G&A expenditure (£m)



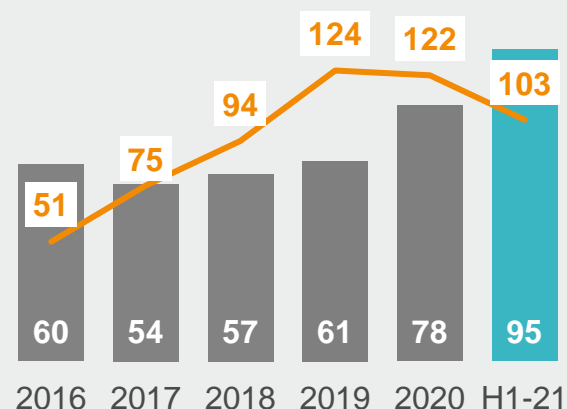
- Controlled G&A investments



# Investments for growth underpinned by order book, market opportunity and balance sheet



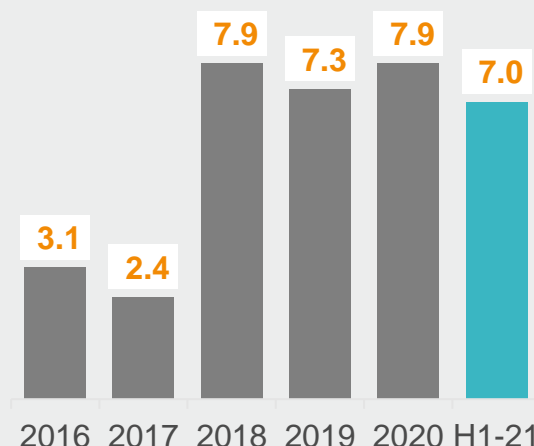
## Revenue per FTE (£'000)



■ Avg FTEs ■ Rev per FTE (£'000)

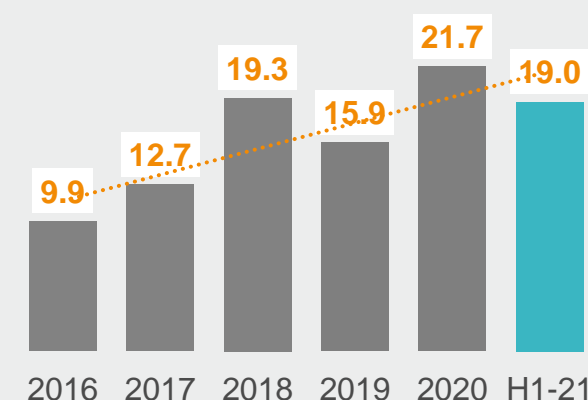
- Investment in operational & scientific capabilities
- Investment in imaging platform development
- Investing profits to support future growth

## Cash (£m)



- £0.3m operating cash outflow; timing of payables and receivables
- £0.9m investment in capital assets
- Strong cash position to support investments (debt-free)
- £1.3m increase in balance sheet (net assets) on FY20

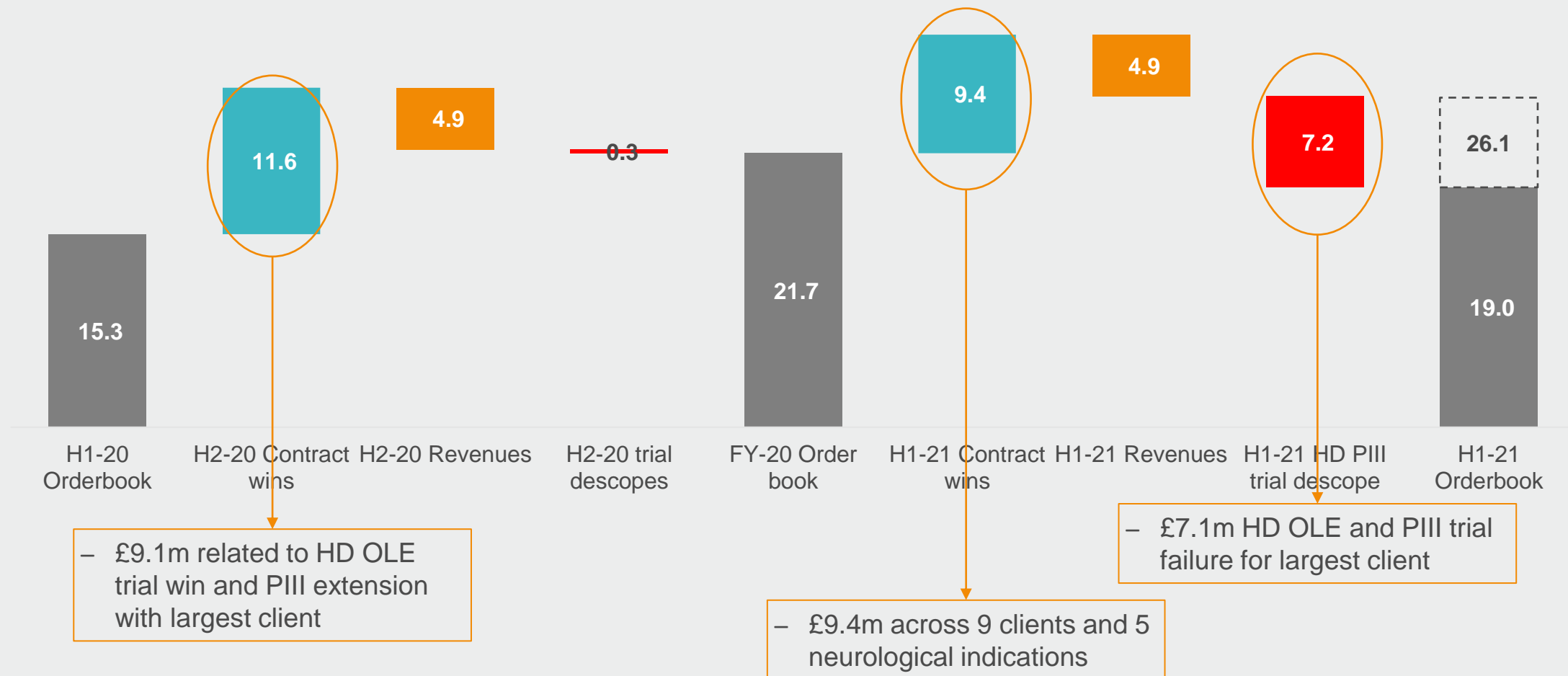
## Closing Order Book (£m)



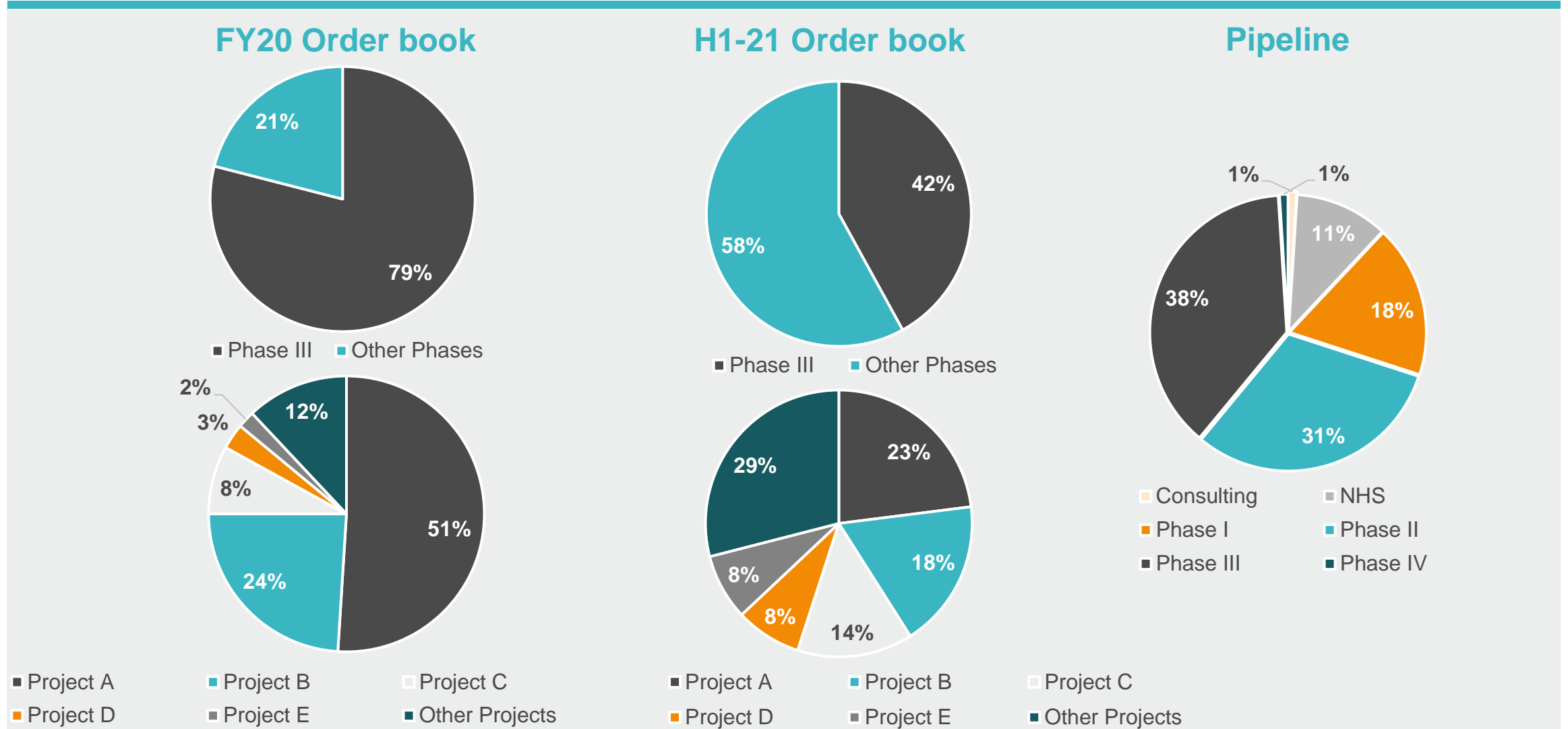
- 2018 & 2021 benefited from PIII HD study wins
- £19M order book at H1-21 reflects significant descope of PIII trials
- Growth trend absorbs >25% revenue CAGR

# Impact of largest client's trial failure partly offset by multiple new contract wins resulting in a more diversified order book

## Order book development (£m)



# Order book reflects increased diversity across trial phases and projects as pipeline is converted

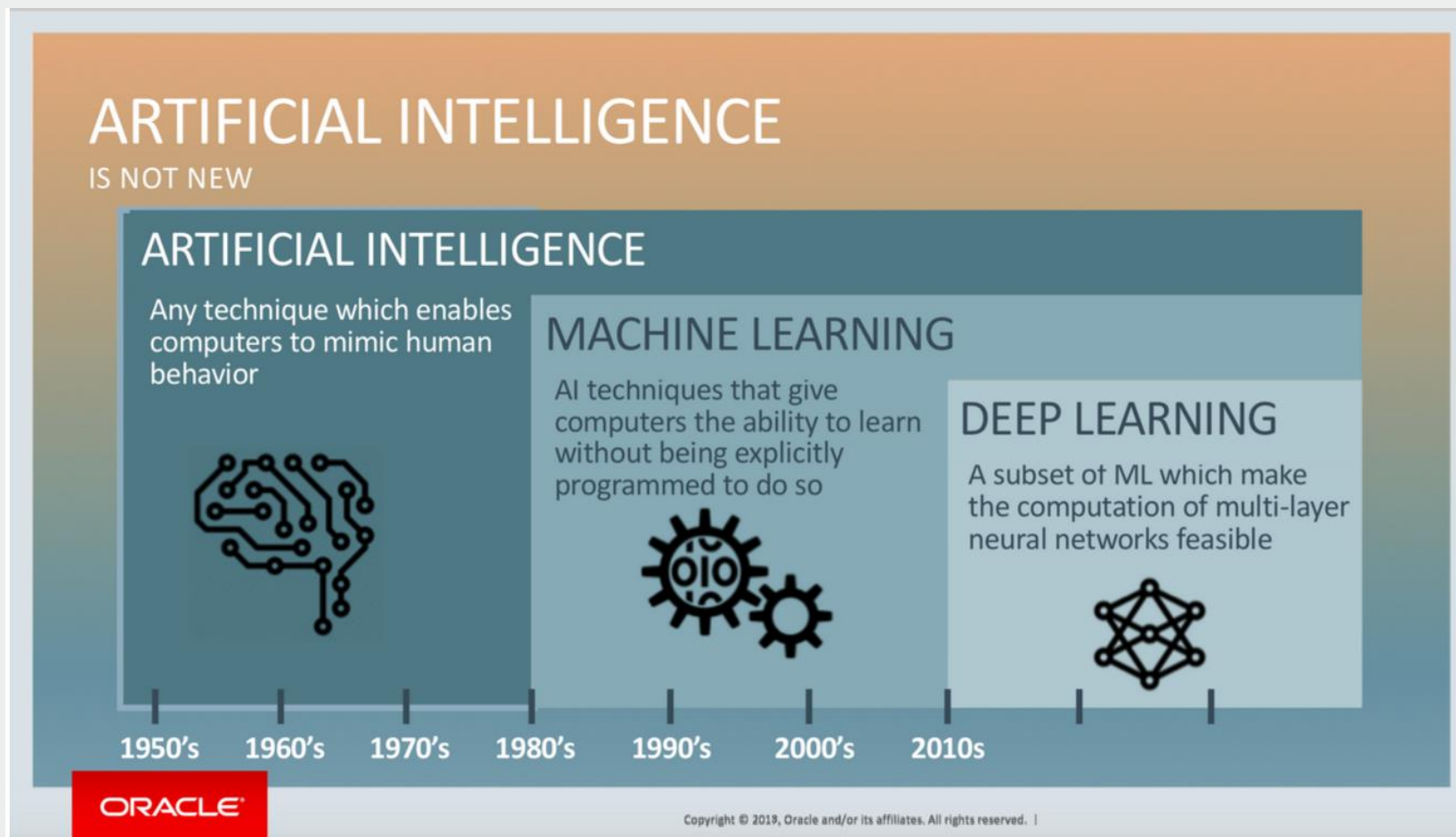


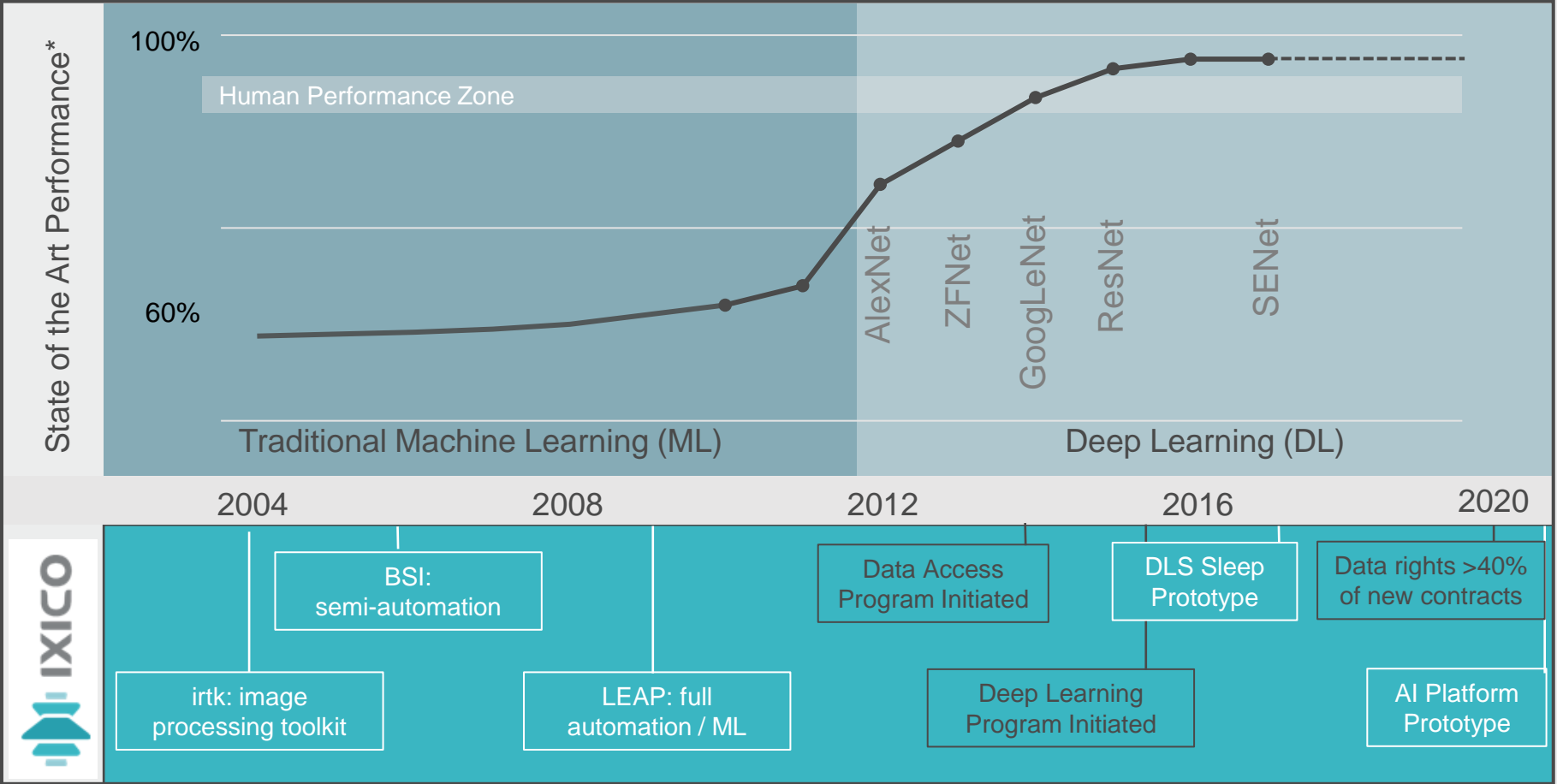
# Artificial Intelligence

AI has experienced a recent “boom” due to increases in compute power and the availability of large datasets

Deep learning is now an essential tool when dealing with data analysis

Domain know-how and contextualized data create value to solve specific problems





\* 2010-2017 data based on the annual winner of the ImageNet classification challenge ([www.image-net.org](http://www.image-net.org)). 2004-2009 extrapolation of 2010-2011 data and 2018-2020 extrapolation of 2016-2017 data.

# IXICO AI Platform: HD application

IXICO's AI Platform Enables

- Rapid prototyping
- Increased accuracy
- Optimisation for specific question
- Reduced runtime

## Rapid prototyping

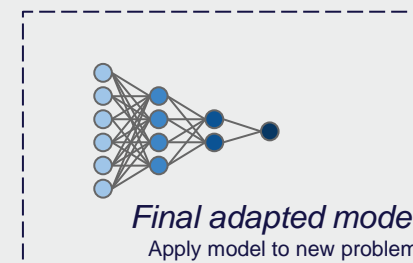
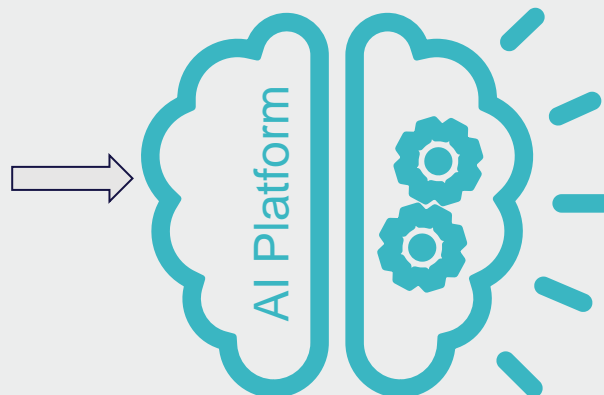
Model training per 100 datasets

AI Platform	CPU	LEAP
GPU		
0.5h	1 day	5days

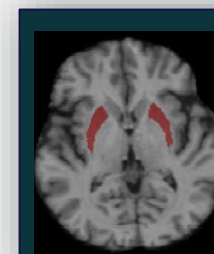
Production data



Manual segmentations



## Production



### Example: Putamen in HD

	AI Platform	P-LEAP	LEAP
QC pass	93%	80%	60%
Runtime	<1min	~1h	~1h

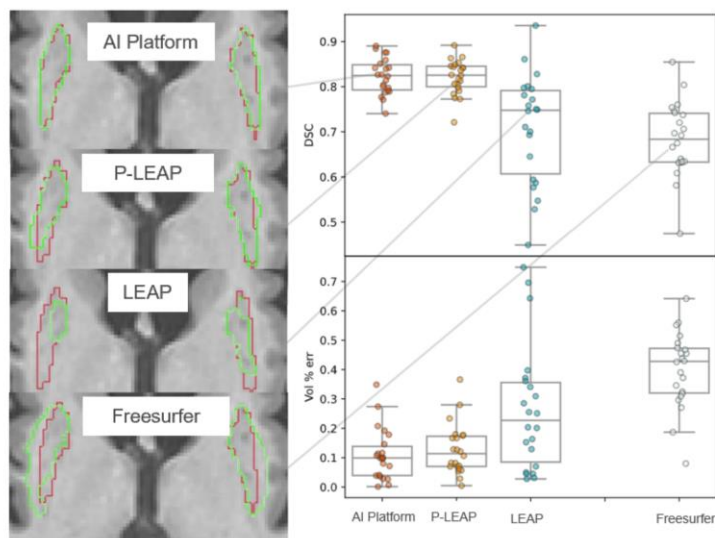
# Technical & Clinical validation

## Technical validation in collaboration with Imperial College London

### Fully-automatic AI segmentation of subcortical regions

Weatheritt J<sup>1</sup>, Joules R<sup>1</sup>, Rueckert D<sup>2</sup> & Wolz R<sup>1,2</sup>

<sup>1</sup>IXICO plc, London UK | <sup>2</sup>Department of Computing, Imperial College, London, UK



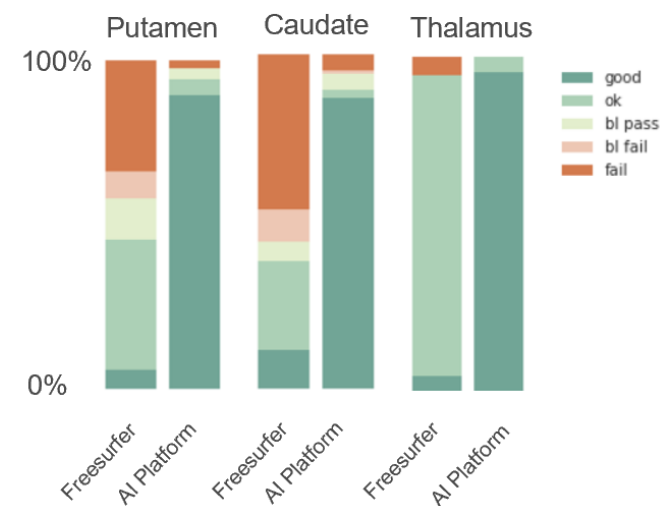
- IXICO AI platform dramatic increases usable data compared to standard analysis tools like FreeSurfer (v7.1)
  - Reducing trial sample sizes and cost
  - Increasing chances for identifying a treatment effect
- Run-time <1min compared to several hours for FreeSurfer
- Pilot completed with top 10 pharma (publication in press)
- Application to Alzheimer's disease underway with oral presentation given at 2021 ADPD (Reinwald et al, ADPD 2021)

## Clinical validation in collaboration with University College London



### 27th Annual Meeting of the Huntington Study Group Using artificial intelligence for fast, reliable, and automatic segmentation of the thalamus

Michael Reinwald\*, Eleanor B Johnson<sup>a</sup>, Rachael I Scallan<sup>a</sup>, Robin Wolz\*  
\*IXICO plc, <sup>a</sup>Institute of Neurology, University College London





# Biosensor Endpoints and Digital Biomarkers

## IXICO product utility

### Sleep

- ▶ Sleep onset latency
- ▶ Sleep duration (24h, daytime, night-time)
- ▶ Sleep efficiency
- ▶ Number of awakenings
- ▶ Wake after sleep onset
- ▶ Naps (Number, duration)
- ▶ Sleep stages
- ▶ Motor activity

### Walking

- ▶ Step time
- ▶ Stance time
- ▶ Step velocity
- ▶ Step length
- ▶ Swing time

### Circadian Rhythm

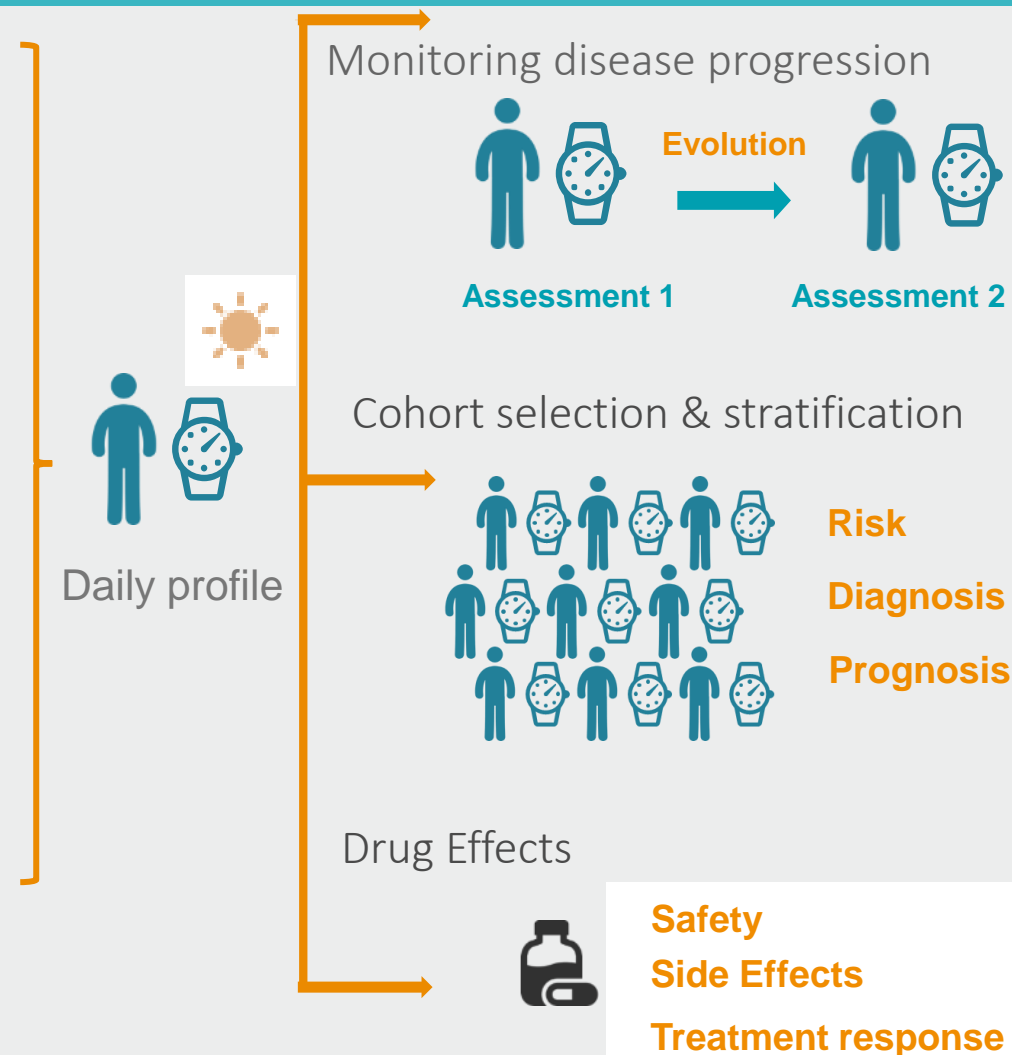
- ▶ Hour of peak activity
- ▶ Mean peak activity
- ▶ Mesor
- ▶ Acrophase
- ▶ Period
- ▶ Amplitude

### General Activity

- ▶ Activity/inactivity
- ▶ ON / OFF
- ▶ Activities of daily living

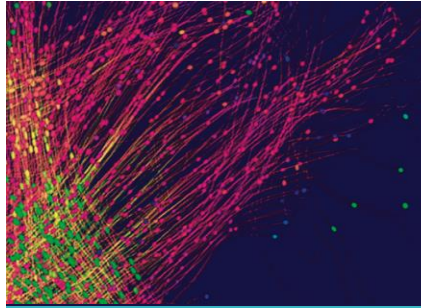
### Motor Symptoms

- ▶ Bradykinesia
- ▶ Tremor
- ▶ Arising from Chair/Bed
- ▶ Up & Go
- ▶ Postural instability
- ▶ Falls

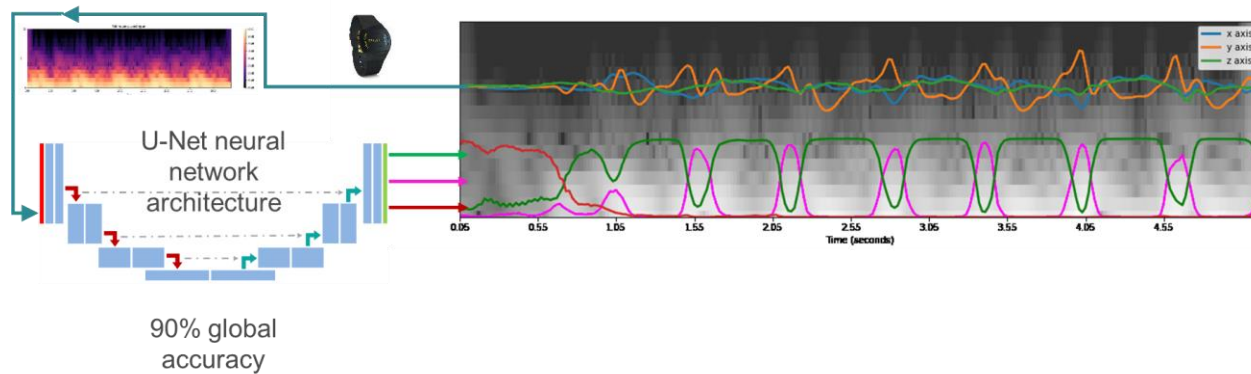


Key: Current biomarkers and biomarkers in development

# Proof of Concept: an AI Algorithm for Gait: GaitNet-2



- AI-based technology for measurement of gait from *wrist-worn* devices
- Complements commonly used technology that is focused on in-clinic assessments
- Integration enables seamless, at-home monitoring while referencing to in-clinic assessment
- Clinical validation ongoing in collaboration with Bristol University (SPHERE House)



- Heel impact detection
- Leg swing detection
- Standing

## Technical Validation

## Clinical Validation

### Endpoints:

- Number of steps
- Cadence
- Symmetry and variability
- Gait speed
- Stride length
- Swing time
- ...



Silhouette Video

Sleep & Transition from Bed

UPDRS Part III & Detailed Gait Assessment

Scripted Activities of Daily Living

PD Symptoms Experienced During Free Living



ProtoKinetics Gait Mat



e.g. bradykinesia, naps

# Focused on growth

01

Attractive long term growth markets

02

- Resilient business model
- Strong order book
- New client CNS trials evidenced by new contract wins.

03

Strong balance sheet, well-positioned for the new environment

04

Investing for medium to long term growth:

- R&D
- Technology
- Commercial

05

**Management with a proven track record of delivering growth**



# Questions

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**AIM: IXI**



# H1-21 Summary Income Statement:

## Revenue & profits continue to grow despite short term challenges



Income Statement	H1-21 (Unaudited)	H1-20 (Unaudited)	FY2020 (Audited)
	£'000	£'000	£'000
<b>Revenues</b>	<b>4,913</b>	<b>4,555</b>	<b>9,532</b>
YoY% growth	8%	33%	26%
Gross profit	3,320	3,027	6,346
<b>Gross margin %</b>	<b>68%</b>	<b>66%</b>	<b>67%</b>
Other income	224	378	606
R&D	650	631	1,309
S&M	651	906	1,579
G&A	1,604	1,382	3,208
Total operating expenses	2,905	2,919	6,096
Operating profit	639	486	856
Net profit	842	475	952
<b>EBITDA</b>	<b>883</b>	<b>675</b>	<b>1,295</b>
<b>EBITDA margin%</b>	<b>18%</b>	<b>15%</b>	<b>14%</b>

### Revenue growth

- Reduced rate of growth due to COVID-19 impact;
- Continued impact of Phase III HD studies
- Increased number of new contract wins in H1-21

### Strong gross margin

- Impact of PIII HD studies plus operating leverage

### OPEX

- Overall level of operating costs held on H1-20, but with focussed investments in building scale & capabilities.

### EBITDA

- H1-21 EBITDA margin of 18%
- Continues growth reported during FY20

### Overview

- Profitable, tech driven Company, with order book to continue to grow; short term impact expected due to largest client trial failure and lag in new trials starting due to COVID-19.
- Medium- and long-term growth prospects remain favorable.

# H1-21 Summary Balance Sheet:

Investment in capital assets and strengthened working capital position



Balance Sheet	H1-21 (Unaudited)	H1-20 (Unaudited)	FY-20 (Audited)
	£'000	£'000	£'000
<b>Tangible &amp; intangible assets</b>	<b>2,894</b>	<b>1,047</b>	<b>1,810</b>
Current assets	3,445	2,871	2,341
Cash	7,011	6,664	7,945
Current liabilities	(2,254)	(1,905)	(2,675)
<b>Total working capital</b>	<b>8,202</b>	<b>7,630</b>	<b>7,611</b>
Non-current liabilities	(707)	(130)	(302)
<b>Total net assets</b>	<b>10,389</b>	<b>8,547</b>	<b>9,119</b>
Share capital and reserves	18,822	18,504	18,501
Accumulated losses	(8,433)	(9,957)	(9,382)
<b>Total Equity</b>	<b>10,389</b>	<b>8,547</b>	<b>9,119</b>

## Tangible & Intangible assets

- Investments in infrastructure, scale and innovation
- H1-21 £1.0m intangible investment (including capitalized R&D) for future growth

## Current assets

- Growing revenues driving increases in trade debtors; no issues with collection of receivables

## Current liabilities

- Trade payables tracking growth of the Company

## Non-current liabilities

- H1-21 5.5-year lease extension on head office on favourable terms.

## Overview

- Strengthened balance sheet and working capital position with debt-free cash reserves sufficient to fund investment plans whilst managing period of low growth due to COVID-19 impact on trial delays and failure of largest client's PIII studies.

# H1-21 Summary Cashflow:

## Cash to invest in organic growth



Cashflow	H1-21 (Unaudited)	H1-20 (Unaudited)	FY-20 (Audited)
	£'000	£'000	£'000
<b>Cashflow from operating</b>	<b>(294)</b>	<b>(261)</b>	<b>1,935</b>
Cashflow from investing	(912)	(292)	(1,122)
Cashing flow from financing	263	(34)	(130)
<b>Movement in cash</b>	<b>(943)</b>	<b>(587)</b>	<b>683</b>
Opening cash	7,945	7,264	7,264
Effect of FX	9	(13)	(2)
<b>Closing cash</b>	<b>7,011</b>	<b>6,664</b>	<b>7,945</b>

### Closing cash

- £7.0m cash held to support organic growth

### Operating cash flows

- £0.3m outflows H1-21 aligned with outflows from H1-20; due to timing of receivables and payables and specific one-off cash outflows

### Investing cash flows

- Increase in investment in scale & capabilities to drive future growth

### Financing activities

- Exercise of share options created £0.3m cash inflow

### Overview

- Company continues to hold strong cash position whilst increasing investments for the medium- and long-term.



# Major shareholders (>3% holding) as at May-21

Shareholder	Date acquired	No. of Shares	Percentage allocation
BGF Investment Management	May-19	8,924,000	19%
Octopus Investments	May-18	6,408,400	13%
Gresham House	May-18	5,357,100	11%
Amati Global Investors	May-18	5,031,300	10%
CIP Merchant Capital Limited	Apr-21	3,224,500	7%
<b>Total major shareholding:</b>			<b>60%</b>

As at 24.05.21

