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## H1-21 Interim Results

25<sup>th</sup> May 2021



Giulio Cerroni  
CEO



Grant Nash  
CFO



Robin Wolz  
CSO

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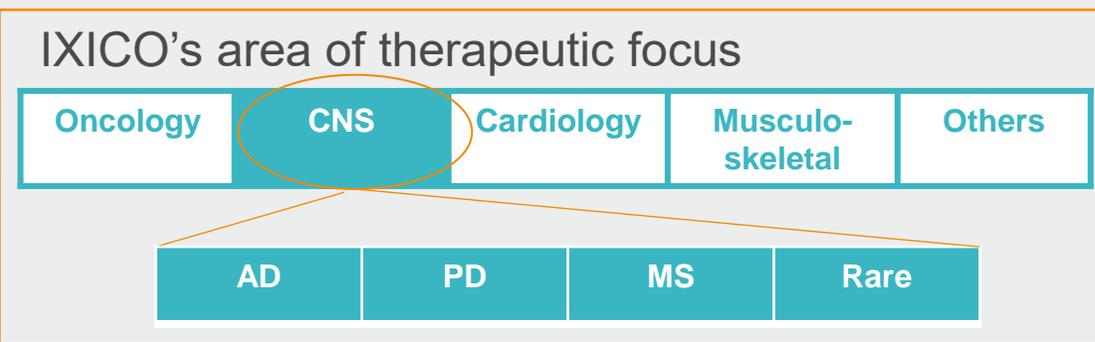
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IXICO plc is incorporated in England with registered number 3131723 and registered address 15 Long Lane, London, EC1A 9PN.

# IXICO is a CNS specialist, positioned for growth



- 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

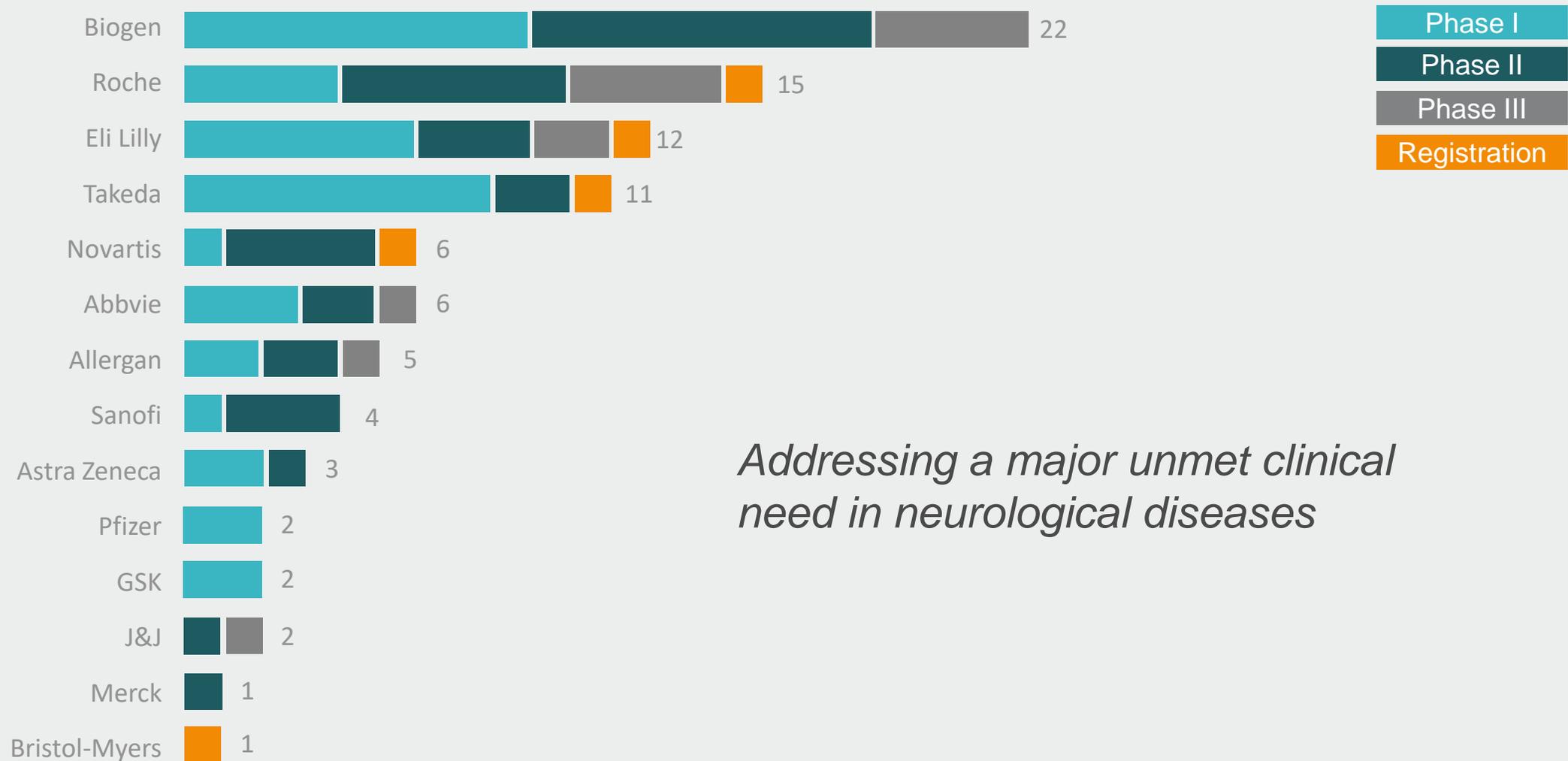
05

Enhance organic growth through selective partnerships and M&A



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

# Big Pharma is investing in neuro



*Addressing a major unmet clinical need in neurological diseases*

# Scientific collaboration is fundamental to IXICO's innovation roadmap



New and better biomarkers

Translational science

Partnering with Academia in Major Government Funded AI Initiatives



AI-Driven Data Analytics

First Mover Advantage via Public-Private Partnerships

- Access to well-characterised clinical data
- In-licencing opportunities
- Access to clinical and technical expertise

- Diversification into new indications
- Development and validation of IXICO algorithms
- Build therapeutic track record and expertise
- Investment in our data capture and analysis platform
- Leverage state of the art technology (Azure cloud)

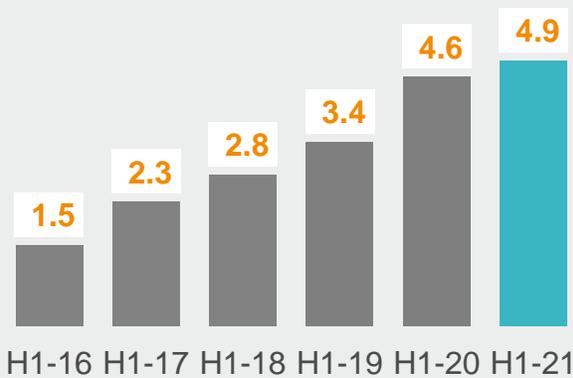
Data analysis platform

Microsoft partnership

# Continued strong financial performance across H1-2021

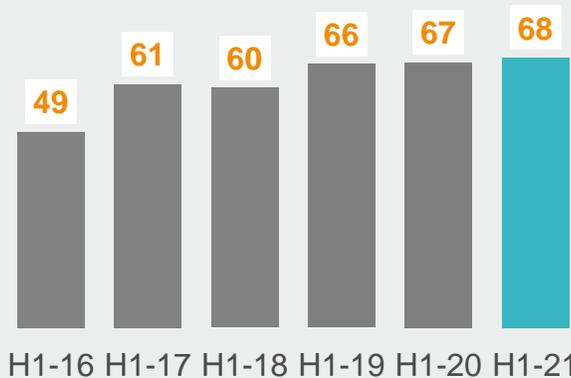


## Revenue growth (£m)



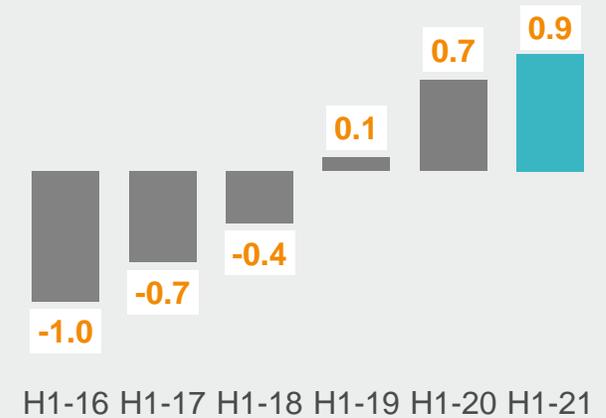
- 8% growth on H1-20
- Continued growth despite COVID-19
- Remain <10% estimated available market

## Gross Margin (%)



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

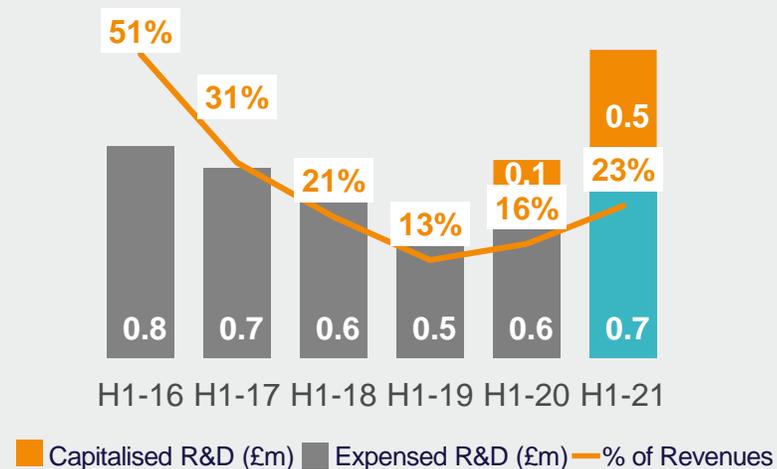
## EBITDA (£m)



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

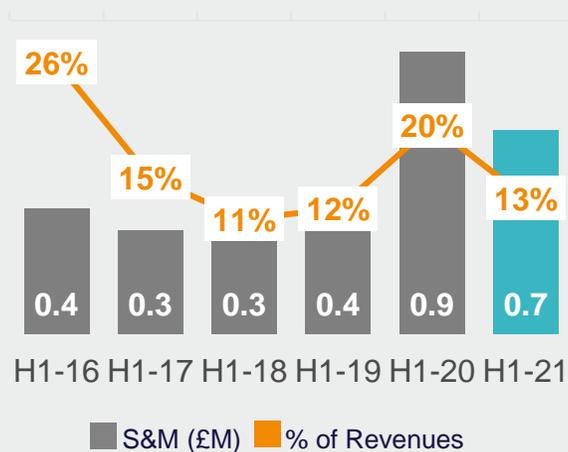
# Investing in R&D whilst managing overall cost base

## R&D expenditure (£m)



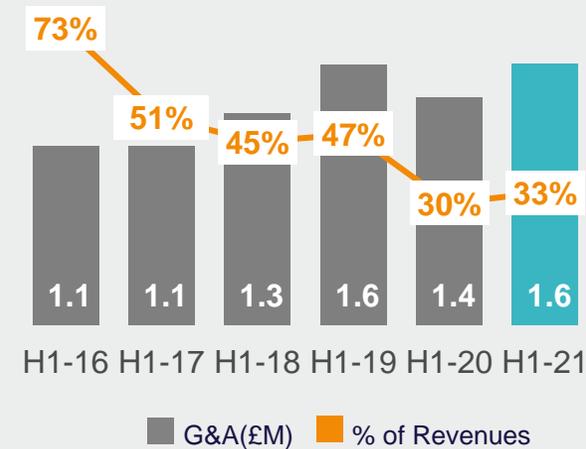
- Focused investment in R&D
- £0.5m R&D capitalised; primarily in new data analysis platform
- Underpin enhanced value provision to client CNS trials and scalability

## 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



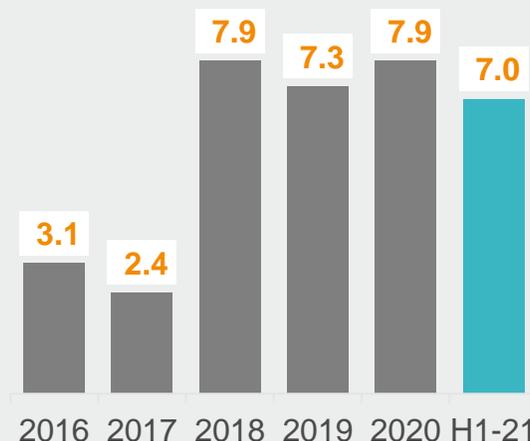
## Revenue per FTE (£'000)



■ Avg FTEs ■ Rev per FTE (£'000)

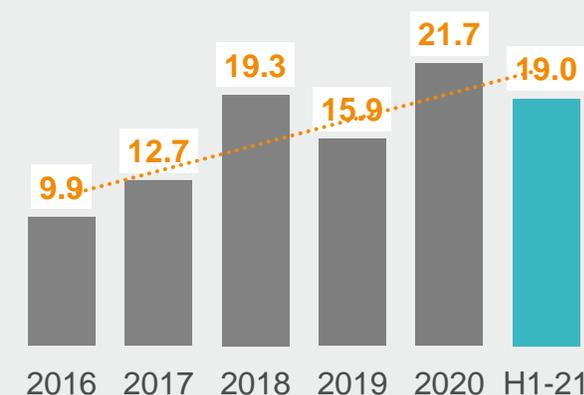
- Investment in operational & scientific capabilities
- Investment in imaging platform development
- Investing profits to support future growth

## 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

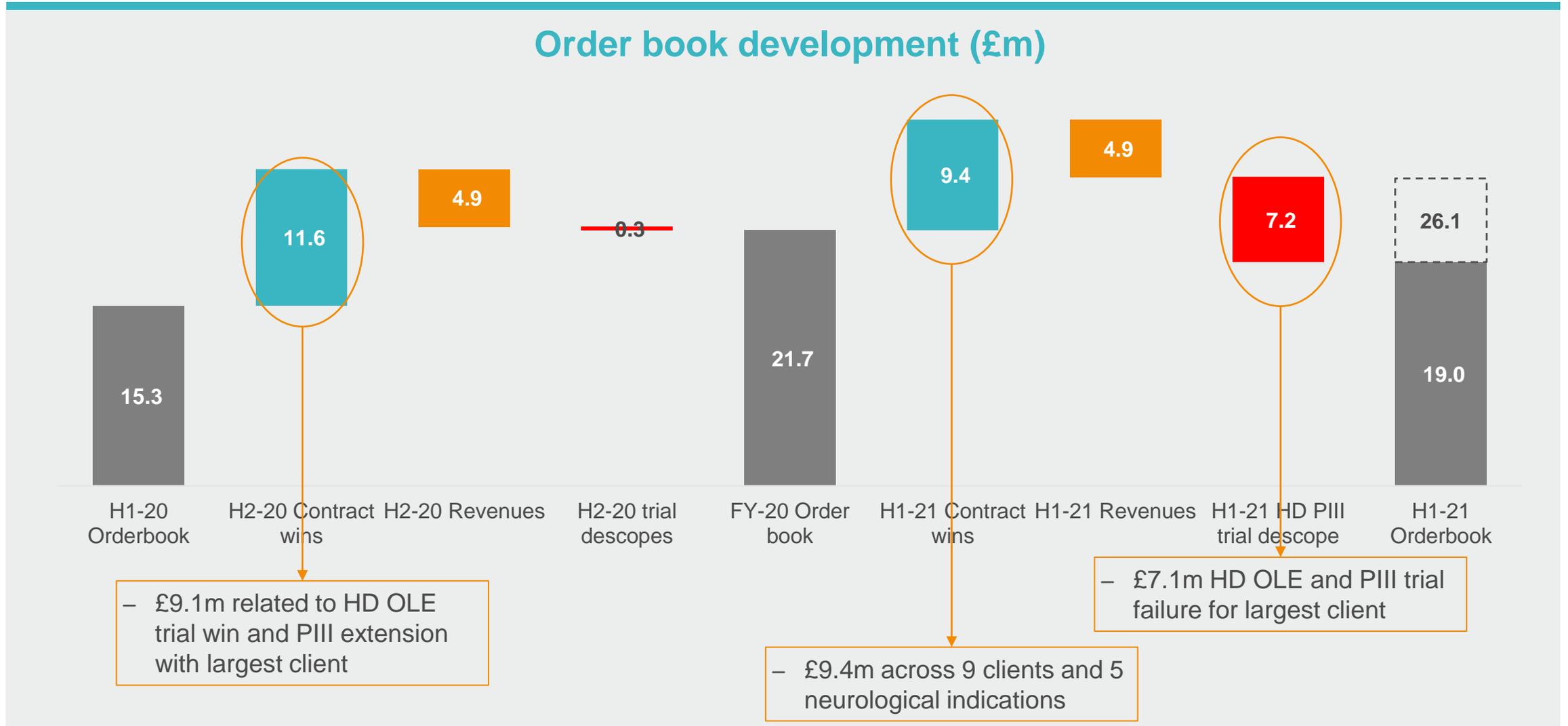
## Closing Order Book (£m)



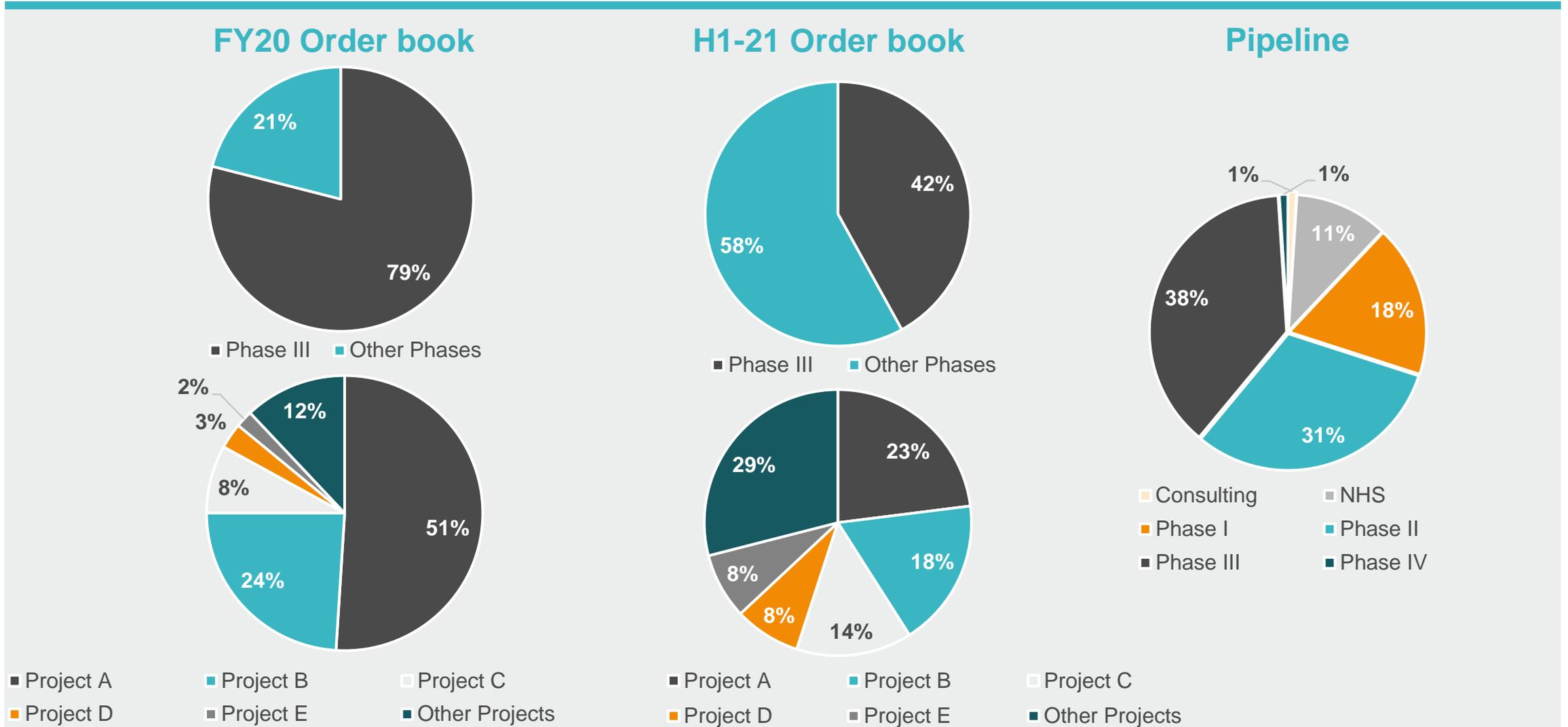
- 2018 & 2021 benefited from PIII HD study wins
- £19M order book at H1-21 reflects significant descope of PIII trials
- Growth trend absorbs >25% revenue CAGR

# 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

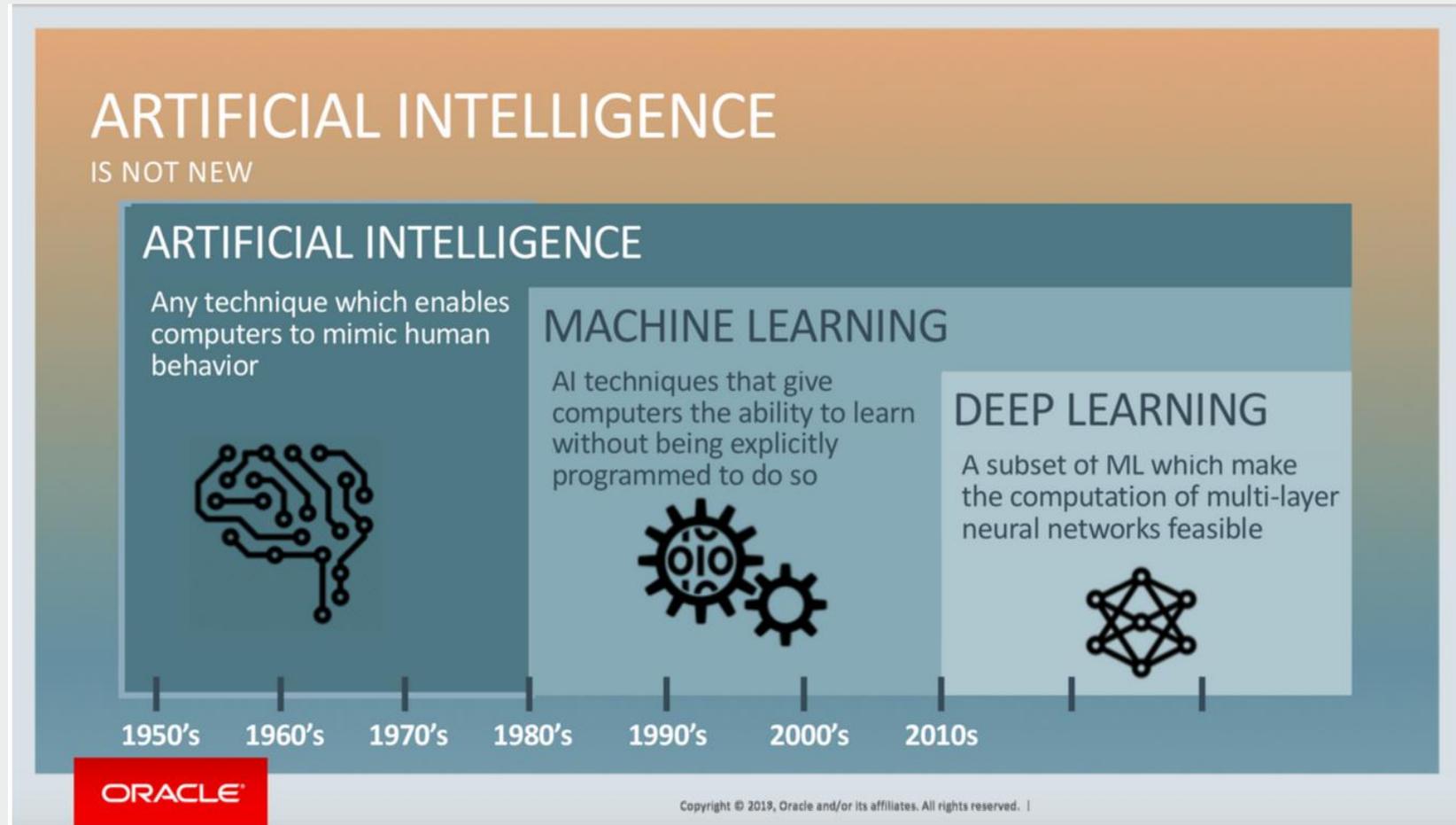


# Artificial Intelligence

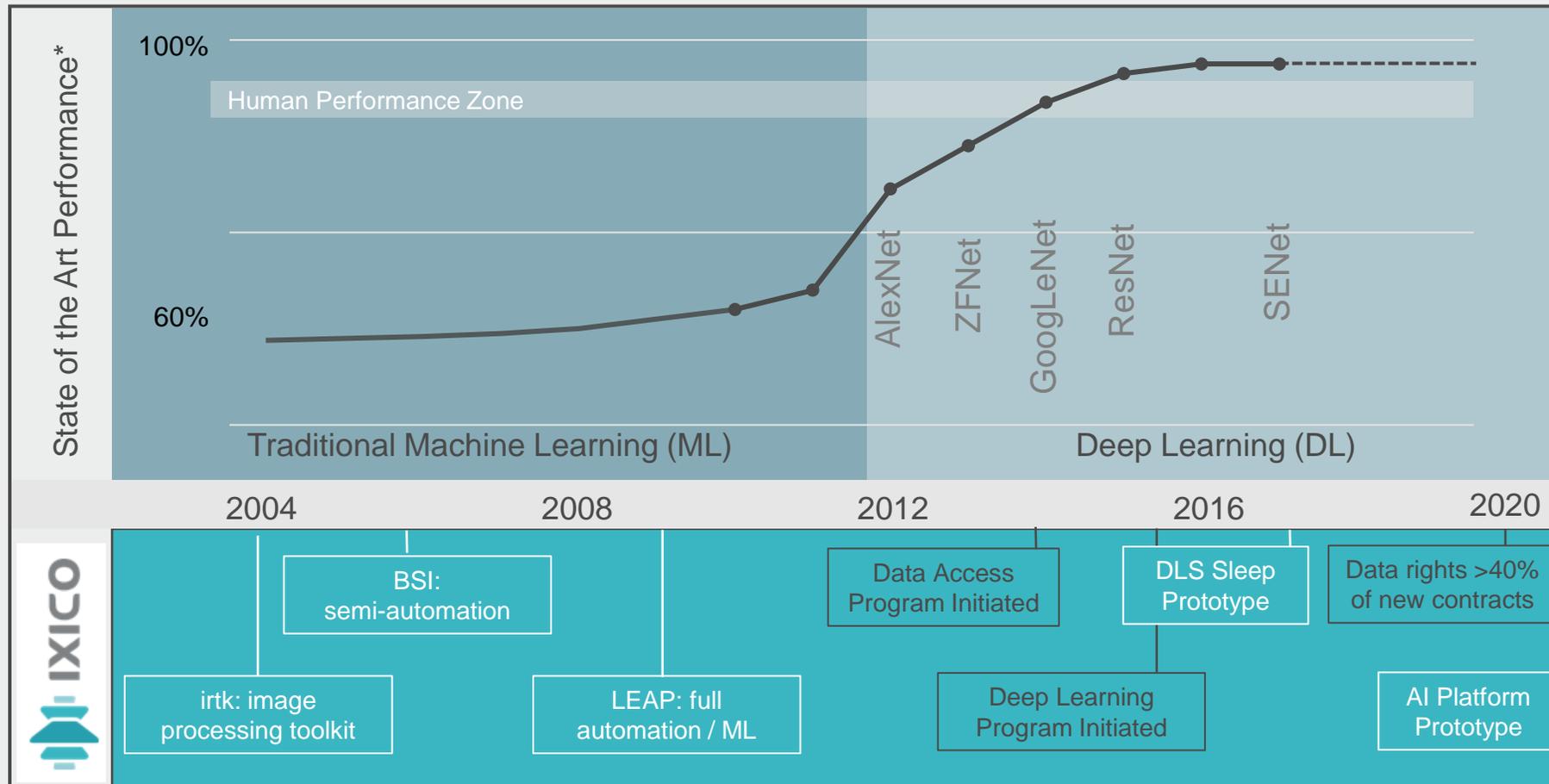
AI has experienced a recent “boom” due to increases in compute power and the availability of large datasets

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

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



# IXICO and AI



\* 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

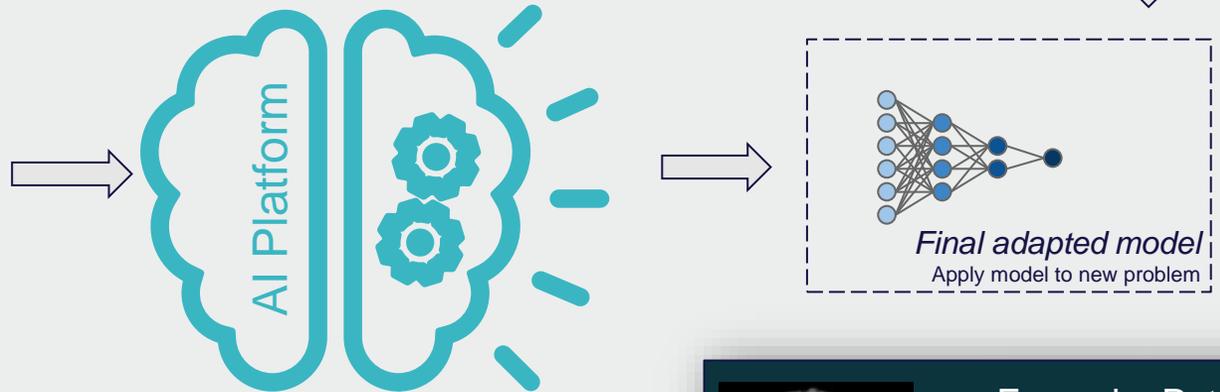
- IXICO's AI Platform Enables
- Rapid prototyping
  - Increased accuracy
  - Optimisation for specific question
  - Reduced runtime

## Rapid prototyping

AI Platform		LEAP
GPU	CPU	
0.5h	1 day	5days

> 1,000 Training cases  
4 clinical trials in HD

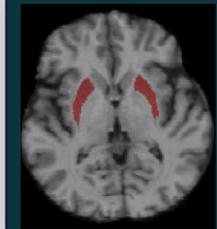
Manual segmentations



## Production

Example: Putamen in HD

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



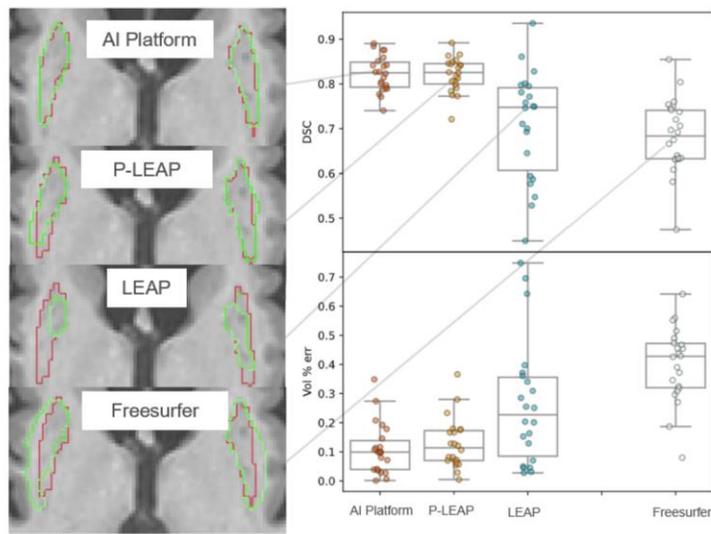
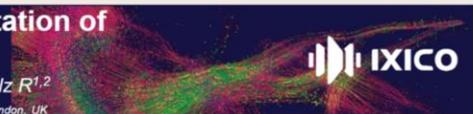
# Technical & Clinical validation

## 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



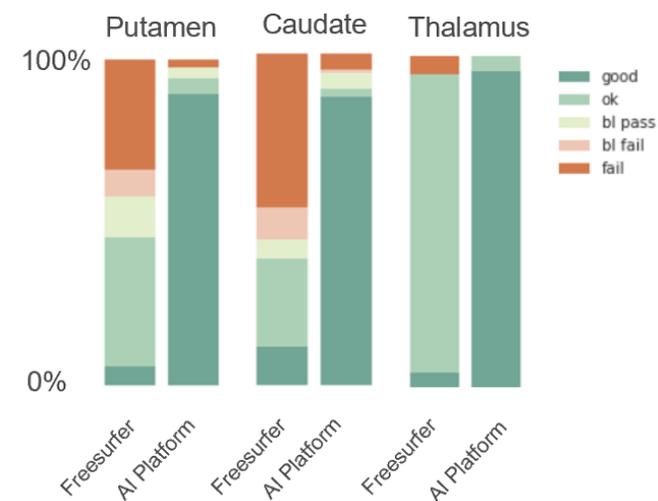
- IXICO AI platform dramatic increases usable data compared to standard analysis tools like FreeSurfer (v7.1)
  - Reducing trial sample sizes and cost
  - Increasing chances for identifying a treatment effect
- Run-time <1min compared to several hours for FreeSurfer
- Pilot completed with top 10 pharma (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

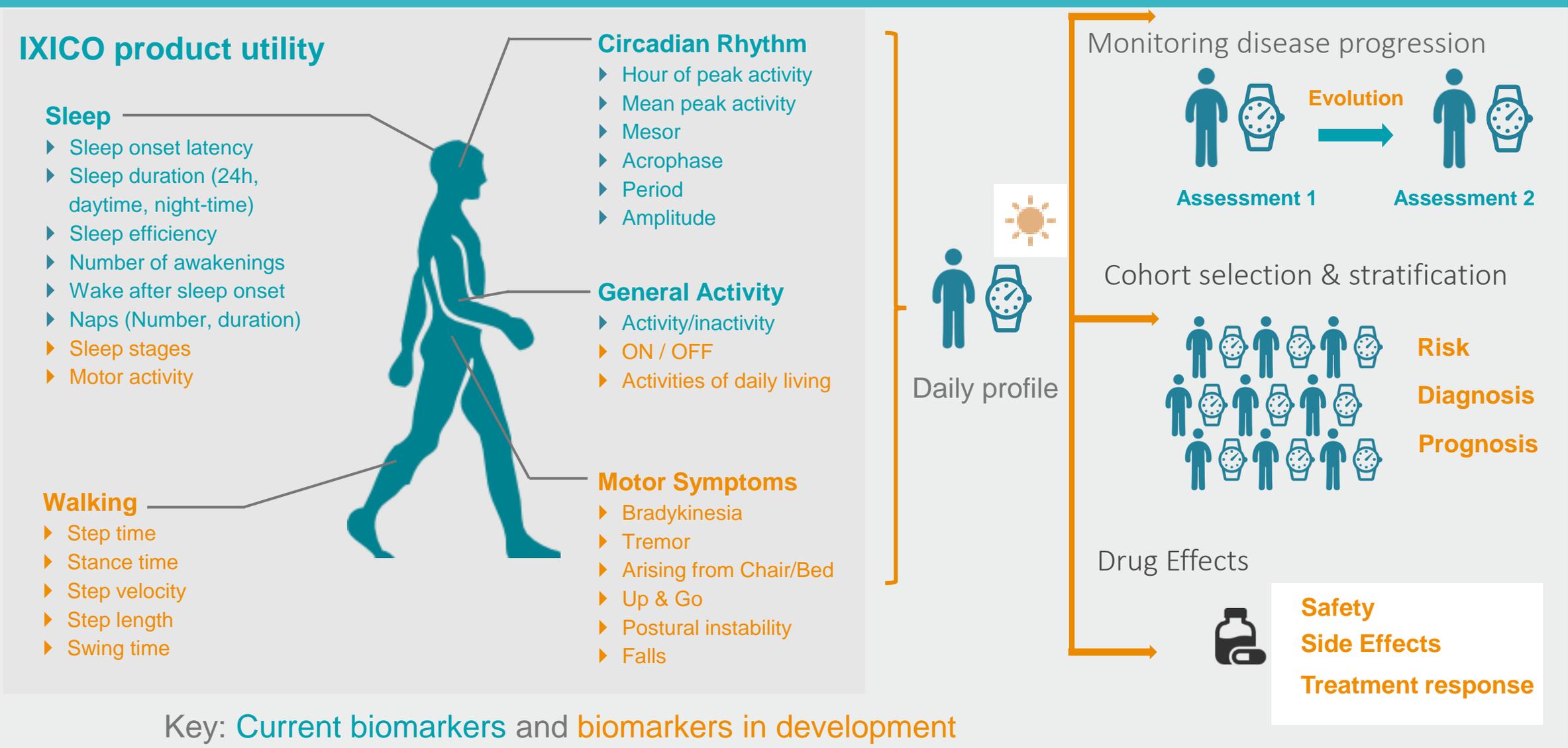


### 27th Annual Meeting of the Huntington Study Group Using artificial intelligence for fast, reliable, and automatic segmentation of the thalamus

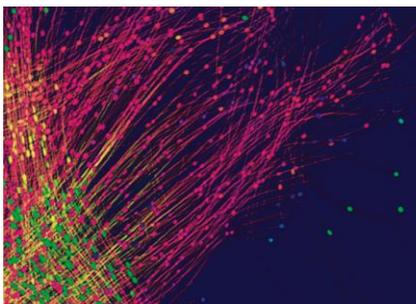
Michael Reinwald\*, Eleanor B Johnson<sup>†</sup>, Rachael I Scahill<sup>†</sup>, Robin Wolz\*  
\*IXICO plc, <sup>†</sup>Institute of Neurology, University College London



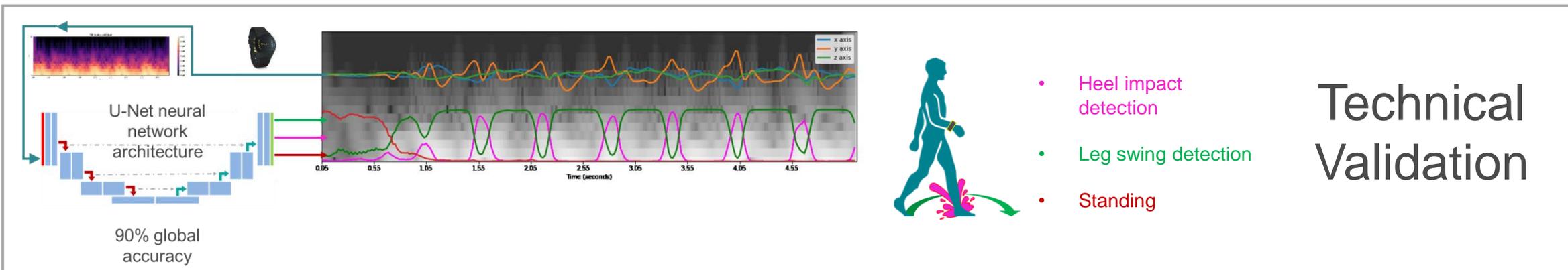
# Biosensor Endpoints and Digital Biomarkers



# 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)



## Clinical Validation

**Endpoints:**

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

SPHERE

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