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Initial Take

on

Diaceutics PLC (DXRX)

8th February 2026

RECOMMENDATION

LONG / BUY

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Executive Summary

Diaceutics is at the exact point where its multi-year transformation from consultancy to scalable data platform begins to translate into profitability, high recurring revenue, and visible operating leverage — yet the market still values it like a services business.

The FY25 Trading Update confirms the inflection: a return to profitability, ARR up 21%, a record £36.8m order book, and 25% revenue growth guided for FY26 with most already contracted. Recurring revenue now represents ~65% of sales with NRR of 109%, creating a clear earnings floor.

DXRX is not a “nice-to-have” tool for pharma — it is the infrastructure required to commercialise precision medicines. Without optimised diagnostic testing, eligible patients are never identified. With 20 years of proprietary data from 2,500+ labs and 600m+ patient records, Diaceutics owns a dataset that is effectively impossible to replicate. This data moat compounds as more pharma and labs join the network.

After a deliberate £8m investment cycle in 2023–2024 to build the platform, data, and US presence, the cost base is now set. As revenue scales, margins expand rapidly. We see this operating leverage as the key driver of value over the next 3–5 years.

At ~3.7x EV/Revenue, the stock is priced as a consultancy, not as a high-margin healthcare data platform with structural growth, embedded customers, and SaaS-like economics.

Our fair value of 293p implies 76% upside. Downside is supported by a debt-free balance sheet, strong cash position, and contracted recurring revenues. Upside is driven by growth, margin expansion, and an inevitable re-rating as the market recognises what Diaceutics has become: critical infrastructure for precision medicine.

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KEY INVESTMENT HIGHLIGHTS

- **An irreplaceable data moat compounds with scale.** Twenty years of proprietary diagnostic testing data from 2,500+ laboratories across 51 countries — including 600m+ longitudinal patient records — is not something a competitor can buy or build quickly. The dataset becomes more valuable with every incremental customer and data point, creating a reinforcing flywheel.
- **Essential, irreplaceable value proposition.** Every precision medicine brought to market needs its diagnostic testing ecosystem optimised or patient uptake fails. DXRX is the only platform that solves this end-to-end — from real-time lab data through to physician engagement — and 18 of the top 20 pharma companies already rely on it. There is no credible alternative.
- **A data moat that is effectively irreplicable.** Twenty years of proprietary testing data from 2,500+ laboratories and 600m+ patient records cannot be bought or built by a competitor in any commercially relevant timeframe. A two-sided network effect compounds the advantage: more pharma customers attract more labs, which enrich the data, which attracts more pharma. NRR of 109% confirms customers deepen — not reduce — their reliance over time.
- **Consistent, strong organic growth with record forward visibility.** Revenue has compounded at 25% over three years with zero M&A. The order book of £36.8m (+48% YoY) covers ~77% of FY2026 consensus, and ARR of £20.3m (+21%) provides a contractually underpinned baseline. Management guides 25% growth for FY2026; this is not an aspiration — it is already largely in the book.
- **Clear profitability inflection with significant operating leverage ahead.** Cash EBITDA is expected positive for the first time in FY2025 (~£2.5m), the direct payoff from a deliberate ~£8m investment cycle. The fixed cost base is now built. As recurring revenue scales from here, incremental margins are very high — we model Cash EBITDA margins reaching ~10% by FY2027 and ~25% at terminal scale.
- **Strong return potential from re-rating and M&A optionality.** At 3.7x EV/Revenue the stock is still priced as a consultancy, not a platform. A re-rating to 5x — still below healthcare SaaS peers — alone implies ~230p. Separately, DXRX's unique dataset and customer base make it a highly attractive acquisition target for larger CROs or HealthTech platforms. Our 293p fair value does not require a takeover, but one would represent meaningful upside on top of the base case.
- **Limited downside at current levels.** The company is debt-free with ~£11m cash and no financing requirement. ~65% recurring revenue and 109% NRR create a contractual earnings floor. Even in a bear case — growth slowing to 15% and margins flat — the stock is not expensive on an EV/Revenue basis. The asymmetry is clear: downside is capped by the recurring revenue base; upside is driven by margin expansion and re-rating.

BASIC INFORMATION

Company Name:	Diaceutics PLC	**Date of Last Reporting:**	31-Dec-2025 (trading update)
Ticker:	LON: DXRX	**FY End:**	December
Established Year:	2005	**Currency:**	GBP (£)
IPO Date:	March 2019	**Enterprise Value:**	£142m
HQ Country:	United Kingdom (Belfast)	**Market:**	£152m
Sector:	Healthcare Technology	**Share Price:**	GBX 166
Industry:	Health Information Services	**Fair Value per Share:**	GBX 293
Employees:	200+ in ~16 countries	**% Upside (Downside):**	76%

Business Description

Diaceutics is the world's leading technology and data platform for commercialising precision medicines. When a pharmaceutical company develops a therapy that works only for patients carrying a specific genetic or biomarker signature — a precision medicine — it faces a critical commercialisation challenge: the fragmented, slow diagnostic testing ecosystem must be optimised to ensure the right patients are identified and tested quickly. Diaceutics closes this gap by providing real-time data intelligence, a global laboratory network, AI-driven analytics, and expert engagement services that accelerate patient identification and therapy uptake.

The company operates from its Belfast headquarters and a newly established US commercial office in New Jersey, with +200 employees distributed across ~16 countries. The vast majority of revenue (+90%) is derived from US-headquartered pharmaceutical customers, consistent with the concentration of global pharma decision-making in North America.

Founded in 2005 by Peter Keeling, Diaceutics spent its first 14 years building deep domain expertise and a proprietary data asset by working with laboratories worldwide. The company IPO'd in 2019, raising capital to accelerate its technology strategy. The DXRX platform was formally launched in October 2020, marking the pivot from a consulting-led model to a scalable software platform.

Between 2021 and 2024, management executed a deliberate business model transformation. Recurring revenue grew from 3% to over 55% of sales. A planned investment cycle in 2023–2024 — totalling approximately £8m in cumulative free cash outflows — funded AI and platform development (£3.6m in FY2024), data acquisition (£4.2m in FY2024, +18% YoY), sales team expansion, and the opening of the US office in January 2025.

FY2025 appears to showcase the payoff: the company returned to profitability, grew earnings approximately 75%, expanded its order book to a record £36.8m, grew ARR to £20.3m, and delivered revenues of £38.5m.

Business & Revenue Model

Diaceutics offers data analytics and consulting services to help pharma and biotech firms develop and commercialise precision medicine diagnostics. Services are delivered via the proprietary DXRX platform, which integrates real-world diagnostic testing data from a global network of laboratories.

The DXRX platform is the company's flagship product, ingesting and analysing diagnostic testing data from 2,500+ laboratories globally, comprising over 600 million longitudinal patient records. Customers, primarily large pharmaceutical companies (e.g., top global players in oncology and rare diseases), access this data via subscription-based licensing to understand testing patterns, identify adoption barriers, and optimise treatment pathways. This segment generates high-margin recurring revenue and reflects the company's strategic direction.

Diaceutics operates a two-sided platform model via DXRX

1. ***Supply Side (Labs)***
   Laboratories join the network to receive support, test kits, and reimbursement advice. They provide Diaceutics with anonymized testing data in exchange

2. ***Demand Side (Pharma)***
   Pharmaceutical clients pay Diaceutics to access this data and the network to optimize their drug launches

Diaceutics also provides strategic consulting on diagnostic implementation, physician engagement strategies, market landscape analysis, and commercialisation optimization. This includes scientific advisory, implementation planning, and real-world evidence interpretation. These services are often project-based but increasingly bundled into enterprise engagements, creating multi-year contracts.

Lastly, the company launched a new offering in August 2024, the PMx Solution. A novel integrated commercialization offering combining data insights, scientific outreach, and implementation support. PMx represents Diaceutics' attempt to deepen customer relationships and increase average contract value by positioning as an end-to-end commercialisation partner rather than a point solution. Two PMx partnerships signed by end-FY 2025, signalling early market acceptance.

Market Dynamics

MARKET SIZE & GROWTH

The global precision medicine and diagnostics market is valued at over $100 billion and is projected to grow at a CAGR of 11-16% to 2030 across various research estimates, driven by advances in genomics, AI, and targeted therapies. North America dominates with approximately half of global revenue, driven by the concentration of major pharmaceutical companies, advanced research infrastructure, and high chronic disease prevalence.

For Diaceutics specifically, the most relevant measure of addressable market is the number of diagnostically-powered therapies requiring commercialisation support. There are approximately 250–300 such therapies on market today. FDA approved 48 new precision medicines in 2024, a 71% increase from 28 in 2023. Management estimates that up to 60% of therapies currently in the development pipeline are precision medicines or diagnostically informed, and that the total universe of diagnostically-powered therapies could reach 1,000 by 2030. Diaceutics currently works with approximately one-third of the on-market portfolio, suggesting a substantial untapped addressable base even before accounting for new approvals.

INDUSTRY STRUCTURE

The precision medicine diagnostics market is structurally acyclical. Therapy development, testing optimisation and patient identification are driven by disease prevalence and pipeline dynamics rather than macroeconomic cycles. Pharma companies' precision medicine commercialisation budgets are typically ring-fenced relative to broader R&D spend, providing relative resilience in periods of pharmaceutical industry cost pressure.

The precision medicine commercialisation ecosystem is highly fragmented across several layers. Diagnostic companies (Roche, Thermo Fisher, Illumina, Guardant, Natera) develop and manufacture tests. Pharmaceutical companies (Novartis, AstraZeneca, Pfizer, Merck, Bristol-Myers Squibb) develop therapies — these are Diaceutics' customers. Clinical laboratories execute the tests. Data analytics providers, CROs, and management consultancies offer adjacent but typically narrower services.

No single competitor replicates the integrated combination of proprietary diagnostic data, a global lab network, and platform-delivered commercialisation services that Diaceutics offers.

It is worth noting that as the precision medicine market matures, Diaceutics' unique dataset and commercialisation infrastructure make it a prime acquisition target for larger CROs or HealthTech conglomerates. We would not be surprised if an acquisition was to occur in the near to medium term.

COMPETITIVE ADVANTAGE

Diaceutics possesses five reinforcing layers of competitive advantage:

First, a 20-year proprietary data repository from 2,500+ labs and aggregated access to 600m+ patient records — a dataset that becomes more valuable with each incremental data point and is essentially impossible to replicate from scratch.

Second, deep customer integration: the DXRX platform embeds itself into customer workflows and technology stacks, creating meaningful switching costs evidenced by NRR of 109%.

Third, trust and track record: 18 of the top 20 global pharma companies rely on Diaceutics, built over two decades of consistent delivery.

Fourth, first-mover advantage in a niche that requires both scale and domain expertise to serve effectively.

Fifth, proprietary AI capabilities — from significant historical investment of both time and money — that create compounding technical differentiation over time and enables scaling of insights at lower unit cost.

REGULATORY ENVIRONMENT

The regulatory backdrop is broadly supportive, considerations include: (1) supportive FDA policy for companion diagnostics, (2) stricter EU diagnostic regulation that raises barriers to entry, and (3) demanding data privacy rules that favor well-governed data platforms.

1. FDA support for Companion Diagnostics (US)

   The FDA encourages co-development of drugs and companion diagnostics through clear guidance and accelerated pathways. A proposed 2025 shift to down-classify CDx from Class III to Class II would make it easier and faster to bring tests to market. More testing activity directly increases the need for Diaceutics' platform to monitor and optimize real-world diagnostic use.

2. EU IVDR raises barriers to entry

   The EU's In Vitro Diagnostic Regulation (IVDR), fully effective by 2027–2028, tightens certification and compliance requirements for diagnostic tests. While this increases complexity for labs and manufacturers, it favors compliant, data-rich platforms like Diaceutics and makes it harder for smaller competitors to operate.

3. Data privacy and governance (HIPAA, GDPR, EU AI Act)

   Strict privacy laws require robust data governance. Diaceutics uses de-identified patient data and has invested heavily in secure data infrastructure, including progress toward ISO 27001. These requirements create meaningful compliance barriers and position Diaceutics as a trusted partner for pharma and labs.

Financials

HISTORICAL PERFORMANCE

Following the IPO (2019) and business model transformation toward recurring revenue focus, revenue growth slowed to <10% - as the company deliberately prioritised its business model transformation over near-term top-line maximisation. Growth since re-accelerated to between 20-40% each year since as the recurring revenue base matured. FY2025 delivered 20% reported growth (24% on a constant currency basis as the reported headline was modestly compressed by GBP/USD movements). The 3-year CAGR to FY2025 stands at 25%.

Diaceutics maintains industry-leading gross margins, stable at 83-87%, reflecting the increasing mix of high-margin recurring platform revenue. EBITDA margins dipped from ~17% in FY2021 and FY2022 to ~7% FY2023 and FY2024 following increased investments, especially in sales capacity, but has rebounded to previous levels in FY2025. However, it is worth noting that Capex has been high, with heavy investment in the platform, data, and AI capabilities. As a % of revenue, Capex has gradually decreased from 50% in FY2020 to now around ~15%. We look at the business on a Cash EBITDA basis (EBITDA less Capex), which is displayed in the below.

In £m, Dec y/e	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025E
Revenue	**12.7**	**13.9**	**19.5**	**23.7**	**32.2**	**38.5**
% Growth		*10%*	*40%*	*22%*	*36%*	*20%*
% Growth (CC)					*39%*	*24%*
Gross Profit	**9.5**	**12.2**	**16.7**	**19.7**	**28.3**	**~32.9**
% Margin	*75%*	*88%*	*86%*	*83%*	*88%*	*~85%*
EBITDA	**0.2**	**2.3**	**3.4**	**1.6**	**2.2**	**~7.4**
% Margin	*1%*	*17%*	*18%*	*7%*	*7%*	*~19%*
Cash EBITDA	**(6.1)**	**(3.3)**	**(1.4)**	**(3.3)**	**(2.5)**	**~2.5**
% Margin	*(48%)*	*(23%)*	*(7%)*	*(14%)*	*(8%)*	*~6%*

Diaceutics is debt-free. Cash declined from £19.8m at end-FY2022 to £12.7m at end-FY2024, reflecting cumulative free cash outflows of approximately £8m during the planned 2023–2024 investment cycle, in line with strategy and guidance. Cash at H1 2025 (latest complete financial reporting) was £10.4m, reflecting seasonal H1 working capital patterns. Management has guided for free cash flow breakeven in FY2025, and the estimated year-end cash of ~£11.2m is consistent with that target. The company has maintained a minimum cash buffer well above £10m throughout, providing financial flexibility without any requirement for external financing. As the company now becomes profitable, the cash buffer can also be used for other strategic moves, and capital structure further optimised to improve shareholder value.

KEY AREAS OF QUALITY

CAPITAL ALLOCATION

Capital allocation has focused on growth capex, with heavy investment in the platform, data, and AI capabilities. OpEx investment has been focused on S&M, primarily client acquisition, the US expansion, and scaling operations. No dividends or buybacks are being paid, nor any M&A, as the company reinvests for organic growth.

RETURN ON INVESTED CAPITAL

ROIC is improving but still in inflection phase. In FY2024, it was marginally negative due to negative operating income in the investment phase. In FY2025, it is likely to inflect slightly positive, as profitability is met. Further, the ROIC is likely to increase rapidly as operating income grows and the capital base remains relatively stable. The improving ROIC trajectory, combined with net cash position and high-margin recurring revenue model, indicates a high-quality business entering an accretive growth phase.

REVENUE VISIBILITY

Revenue visibility is at its highest point in company history. The order book of £36.8m at FY2025 year-end (+48% YoY) represents approximately 77% coverage of the FY2026 consensus revenue estimate of ~£48m. ARR of £20.3m provides a recurring baseline that will recognise over the following 12 months. Enterprise-wide engagements (10 customers, £13.0m ARR across 36 brands) provide multi-year contracted streams. Management has guided for 25% revenue growth in FY2026, which we consider achievable given the order book and pipeline.

SOURCES OF GROWTH

Five compounding growth vectors underpin the long-term outlook.

1. **Market Share Gains in Precision Medicine:** Pharma's accelerating precision medicine adoption creates expanding TAM; Diaceutics is capturing share by becoming the default commercial platform for new precision medicine launches. Historical support of "every precision medicine brought to market" positions the company as a quasi-infrastructure provider. Diaceutics works with ~90 brands today against a potential universe of 1,000 diagnostically-powered therapies by 2030.
2. **Pricing Power & Mix Shift:** Transition to enterprise-wide engagements (higher ACV, longer contract duration) and premium PMx offering supports pricing power. Enterprise deals command premium pricing vs. single-brand project work; as mix shifts, ACV per customer and revenue per brand can expand.
3. **Customer Wallet Share Growth:** NRR of 109% indicates net expansion within existing customers. As customers increase usage (more therapeutic brands, additional indications, greater reliance on platform insights), Diaceutics captures incremental revenue.

4. **Geographic Expansion (longer-term option):** US represents ~90% of revenue and remains the primary growth engine for the foreseeable future. European, APAC, and LatAm markets represent underpenetrated longer-term optionality.
5. **Therapeutic Area Expansion (longer-term option):** Historically concentrated in oncology; recent initiatives in rare disease and expansion beyond precision oncology suggest broadening TAM within pharma customer base.

PROFITABILITY & OPERATING LEVERAGE

With the investment phase complete, the company is structurally better positioned. Gross margins close to 90% are achievable given the platform-heavy revenue mix. The key driver of future EBITDA margin expansion is operating leverage: sales and marketing costs, and G&A, will grow more slowly than revenue as the fixed cost base built during 2023–2024 leverages against an expanding top line. Similarly, Capex as a % of revenues is likely to continue its decline, although we do factor in relatively high levels, to support the platform and future growth levels.

Risks

The key risks to the thesis include:

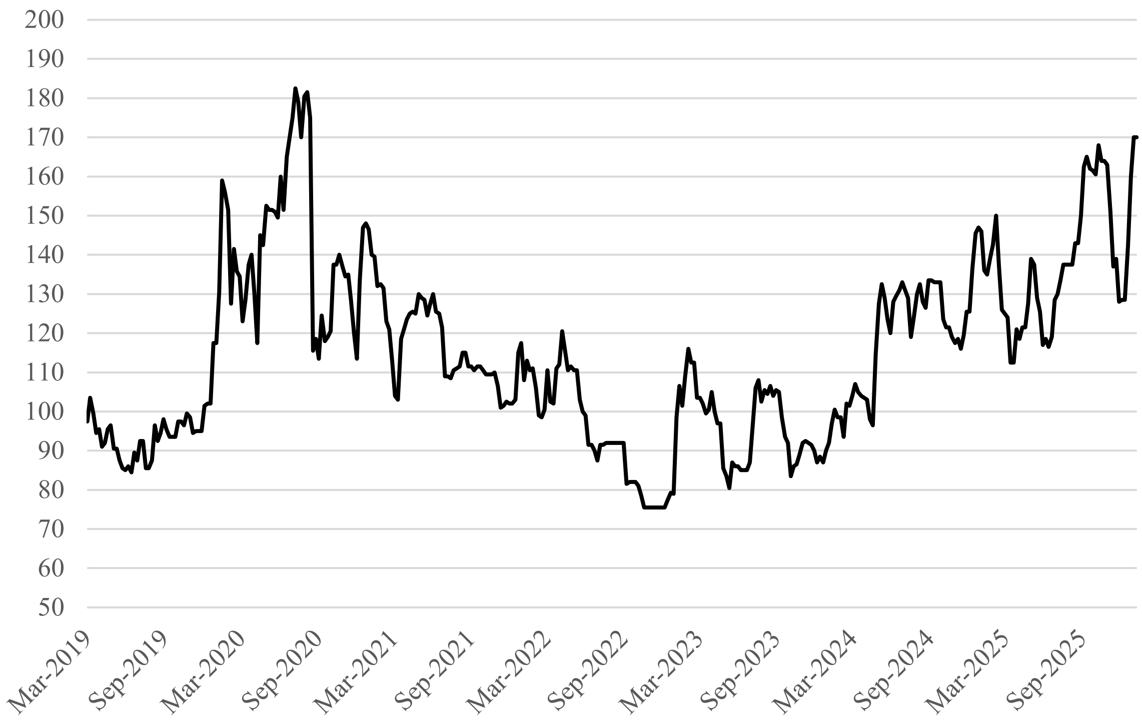
- **Customer Concentration:** Although the company works with 18 of top 20 pharma, the overall customer base of ~55 implies some concentration. If a top customer reduces spending or encounters drug setback, revenue could deteriorate. Similarly, loss of a top customer could materially impact near-term results. However, Diaceutics remain diversified through ~90 different brands within the ~55 customers, and brand-level budget autonomy reduces single-point-of-failure risk within each pharma customer. Furthermore, recent NRR performance of 109% and growing therapeutic brand count suggest healthy expansion within customer base.
- **Precision Medicine Adoption Cycle Risk:** If pharma slows precision medicine investment due to macro constraints or regulatory changes, Diaceutics revenue growth decelerates. Current outlook remain positive and likelihood of this seems low, but it remains a key watchpoint.
- **Platform & Technology Risk:** DXRX platform and AI capabilities are central to competitive positioning. Significant product development failures, data security breaches, or rapid competitive innovation could undermine differentiation. However, this is mitigated by Diaceutics having invested heavily in the platform (2023–2024), as well as the customers' high switching costs due to multi-year contracts and deep customer integration.
- **Operating Leverage Realisation:** Margin expansion assumptions rely on disciplined OpEx growth at rates below revenue growth. If sales expansion costs exceed guidance or platform investments over-run, margin expansion delays. Current outlook appears promising, with significant growth in EBITDA, which suggests management is achieving leverage. Consistency on this metric will be key validation point.
- **Forex Risk (GBP/USD):** High portion of revenue is USD, reporting is GBP. Recent strengthening of GBP (if applicable in Jan 2026) could act as a translation headwind.

Market Pricing Dynamics

The share price has followed a clear three-phase trajectory since IPO. Phase one (2019–2020) saw the share rally to its all-time high of 195p on post-IPO enthusiasm and the DXRX platform launch. Phase two (2021–early 2023) was a prolonged decline to 74p, driven by the broader AIM small-cap de-rating, the company's pivot away from near-term project revenue toward recurring contracts (which temporarily depressed earnings visibility), and wider pharma budget caution. Phase three (2023–present) has been a gradual recovery as the business model transformation proved successful and recurring revenue scaled from 3% to over 65% of sales.

During 2025, the share traded in a 106–168p range. The low of 106p in mid-2025 reflected US tariff concerns and general macro uncertainty. The subsequent rally to 168p followed confirmation of FY2025 profitability and the record order book. Current momentum is positive post-FY 2025 update, with shares up 32% YTD 2026, reflecting growth confidence. The current price of 166p represents a meaningful discount to both the consensus analyst target and, in our view, to intrinsic value.

DXRX SHARE PRICE (GBX)



Valuation

We utilise a DCF model to value Diaceutics, forecasting the financials over a 15-year period fully reflecting its high-growth phase and margin potential.

Growth is assumed to remain at the 20s % level for the next 5 years, in line with management guidance of 25% growth in FY2026 and the historical ~25% CAGR achieved in the past 3 years. We project a 21% CAGR for the next 5 years. Further, we assume a gradual decrease in growth over the remaining 10 years – as the base grows and market penetration matures – to 3% in the terminal year.

We model Cash EBITDA margins approaching 10% by FY2027 as recurring revenue continues to increase and sales & marketing leverage as the US sales force reaches full productivity. Further, we see a gradual increase in Cash EBITDA margins to 25% in the terminal year, which reflects the natural operating leverage of a scaled platform – as this is well within what mature SaaS companies currently achieve.

Other key assumptions in the DCF include:

Tax Rate:	23% (blended between UK and US corporate tax rate)
NWC:	Growing in line with revenue
WACC:	Currently +11%, reaching 10% in the terminal year. Further upside in adding leverage
Terminal Growth Rate:	3%

Our valuation results in a fair value per share of GBX 293

This represents a 76% upside to the current market share price

SENSITIVITY ON % UPSIDE TO CURRENT PRICE BY NEXT 5 YEAR REVENUE GROWTH AND TARGET TERMINAL MARGINS

		Target EBIT margin				
		21%	**23%**	**25%**	**27%**	**29%**
	17%	11%	23%	35%	47%	58%
	18%	18%	31%	44%	57%	70%
	19%	27%	40%	54%	68%	81%
5 year	**20%**	35%	50%	65%	80%	94%
Revenue	**21%**	45%	60%	**76%**	92%	108%
CAGR	**22%**	55%	72%	89%	106%	123%
	23%	65%	84%	102%	120%	139%
	24%	77%	96%	116%	136%	156%
	25%	89%	110%	131%	153%	174%
Target EBITDA %		*26%*	*28%*	*30%*	*32%*	*34%*
Target Cash EBITDA %		*21%*	*23%*	*25%*	*27%*	*29%*

SENSITIVITY ON % UPSIDE TO CURRENT PRICE BY TERMINAL WACC AND GROWTH RATE

		Terminal Growth Rate				
		2.0%	**2.5%**	**3.0%**	**3.5%**	**4.0%**
	11.6%	38%	44%	50%	56%	64%
	11.2%	43%	49%	55%	62%	71%
	10.7%	48%	54%	61%	70%	79%
Terminal	**10.2%**	53%	60%	68%	78%	89%
WACC	**9.8%**	59%	67%	**76%**	87%	100%
	9.3%	66%	75%	85%	98%	112%
	8.8%	74%	84%	96%	110%	128%
	8.4%	82%	94%	108%	126%	146%
	7.9%	93%	106%	123%	144%	170%
Terminal Implied PE		*12x*	*13x*	*14x*	*15x*	*16x*
Terminal Implied FCF Yield		*7.8%*	*7.3%*	*6.8%*	*6.3%*	*5.8%*

WHAT YOU NEED TO BELIEVE

Closing this report, we list the key points you should need to believe to make the investment in Diaceutics:

- **The precision medicine market continues to grow at double-digit rates.** The 71% uplift in FDA precision medicine approvals in 2024 and management's estimate that ~60% of the current pharma pipeline is diagnostically informed both point to sustained structural growth. If macro headwinds or a regulatory shift were to slow precision medicine investment materially, the core thesis weakens. We see no evidence of this; it remains a watchpoint.
- **Diaceutics' data moat is durable and not replicable by a well-funded entrant.** Twenty years of lab relationships, 600m+ patient records, and 2,500+ data sources cannot be acquired overnight. We believe the cost and time required to build a comparable dataset make competitive replication effectively prohibitive within any investment-relevant horizon. The two-sided network effect (more pharma spend → more labs participate → richer data → more pharma value) reinforces this view.
- **Recurring revenue and NRR remain above current levels as the customer base matures.** The shift to ~65% recurring revenue and 109% NRR are not one-off achievements – they reflect structural features of the platform model (subscription licensing, enterprise contracts, brand-level expansion). We believe NRR will remain at or above 105% as enterprise engagements scale. A sustained drop below 100% would signal a fundamental problem with the value proposition and would prompt a reassessment.
- **Management can deliver 20%+ revenue growth while expanding Cash EBITDA margins.** This is the central financial belief. The order book and ARR base provide confidence on growth; the fixed-cost leverage from the 2023–2024 investment cycle provides confidence on margins. We model Cash EBITDA margins reaching ~10% in FY2027 and ~25% at terminal scale. If growth disappoints or OpEx discipline falters, the valuation compresses materially – this is the single most important variable to monitor each reporting period.

We have high conviction in the above being true. The market is currently undervaluing the durability of Diaceutics' data moat, the compounding nature of its ARR momentum, and the trajectory of Cash EBITDA margin expansion as the platform scales. We see a compelling risk/reward toward our fair value of 293p.