*Making clinical ultrasound **EASIER** to learn and **SIMPLER** to use*

INTELLIGENT ULTRASOUND®
for smarter scanning

2022 Annual Results

Year ended 31 December 2022 (audited)

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INTELLIGENT ULTRASOUND®
for smarter scanning

PURPOSE

to make ultrasound, the world's fastest, safest and cheapest imaging modality, easier to learn and simpler to use

VISION

enable ultrasound for everyone

STRATEGY

- continue to build our range of ultra-realistic simulators to lead the world in hi-fidelity ultrasound training
- follow clinicians into the scanning room to give them AI-driven tools that enable them to scan patients faster and better
- be at the forefront of using AI to enable ultrasound scanning in primary care and ultimately at-home to enable ultrasound for all

Overview

- All financial expectations and operational milestones achieved in 2022 and a positive start in Q1 2023
- AI in ultrasound is expected to be a $1.3bn market by 2028
- Intelligent Ultrasound is already a first mover in this space
  - SonoLyst launched on GE HealthCare's Voluson Expert 22 in Q3 22
  - ScanNav Anatomy PNB received FDA clearance for sale in USA in Q4 22
  - NeedleTrainer with GE's Vscan Air and PNB 2.0 launched in Q3 22
- Combined with a leading ultrasound simulation business
- Vision of reaching £25m by 2025, based on our unique 'Classroom to Clinic' approach

Our 2025 vision revenue is aspirational and for illustrative purposes only. It should not be construed as formal guidance.

2022 financial headlines:

Revenue	£10.1m	+ 33%
AI Revenue	£0.7m	+ 224%
Loss after tax	(£3.0)m	- 17%
Cash (as at Dec 22)	£7.2m	+ 47%

Imaging background

INTELLIGENT ULTRASOUND for smarter scanning

- Since the discovery of X-Ray, medical technology has been advancing to provide images that help clinicians see inside the human body…
- Of all available imaging modalities, X-Ray, MRI, CT etc., ultrasound is the fastest, cheapest, safest and its diagnostic applicability in many areas is well recognized, but…
- Unlike the X-Ray, MRI, CT, **ultrasound is a dynamic, real-time modality** where the skills of the operator are paramount

Our vision is to make ultrasound easier to learn and simpler to use by minimising this obstacle

Classroom to Clinic

INTELLIGENT ULTRASOUND® *for smarter scanning*

A unique range of products in a growing market

BODYWORKS|Eve®

Comprehensive learning · Customizable Training · True-to-Life Scanning · Flexible Teaching

SCANTRAINER®

Comprehensive Learning · Haptic Feedback · True-to-Life Scanning · Expert Care · Interactive Training · Flexible Teaching

SCANNAV™ ASSIST

AI-based real-time image analysis software is incorporated into GE Healthcare's Voluson™ SWIFT ultrasound machines to support sonographers during OBGYN scans

Find out more

HEARTWORKS®

Customizable Training · Comprehensive Learning · Transthoracic Echocardiography · Transesophageal Echocardiography · 3D & 4D Echocardiography · Flexible Teaching

CLASSROOM SIMULATION

Hospital training rooms and sim centres

c.$200m market by 2026 [1]

*Making clinical ultrasound **EASIER** to learn and **SIMPLER** to use*

CLINICAL AI SOFTWARE

Clinical scanning and operating theatres

$1.3bn market by 2028 [2]

BABYWORKS

True-to-Life Scanning · Risk-free Echocardiography · Safe and Effective · Flexible Teaching · Comprehensive Learning · Expert Care

NEEDLETRAINER™ includes SCANNAV™ ANATOMY

Safe and Effective · Interactive Training · True-to-Life Scanning · Flexible Teaching

AI HYBRID

SCANNAV™ ANATOMY

AI-based real-time highlighting of anatomy for anesthetists carrying out peripheral nerve blocks.

Find out more

[1] *https://www.stratviewresearch.com/2288/ultrasound-simulator-market.html*

[2] *Artificial Intelligence in Ultrasound Imaging Market – Global Industry Trends and Forecast to 2028 | Data Bridge Market Research*

CLASSROOM SIMULATION
Making clinical ultrasound EASIER to learn and SIMPLER to use

Training through ultra-realistic simulation

INTELLIGENT ULTRASOUND® *for smarter scanning*

The foundation stone of our business

Endometriosis 2023

SCANTRAINER®

Comprehensive Learning
True-to-Life Scanning
Interactive Training
Haptic Feedback
Expert Care
Flexible Teaching

CLASSROOM SIMULATION

Hospital training rooms and sim centres

c.$200m market by 2026 [1]

*Making clinical ultrasound **EASIER** to learn and **SIMPLER** to use*

4.0 version in Q422

BODYWORKS|Eve®

Comprehensive learning
True-to-Life Scanning
Customizable Training
Flexible Teaching

e-learn added

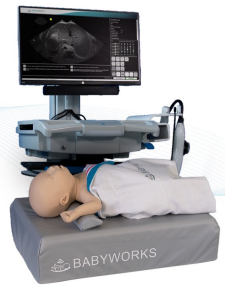
HEARTWORKS®

Customizable Training
Transthoracic Echocardiography
3D & 4D Echocardiography
Comprehensive Learning
Transesophageal Echocardiography
Flexible Teaching

Cardiac added Q422

BABYWORKS

True-to-Life Scanning
Safe and Effective
Comprehensive Learning
Risk-free Echocardiography
Flexible Teaching
Expert Care



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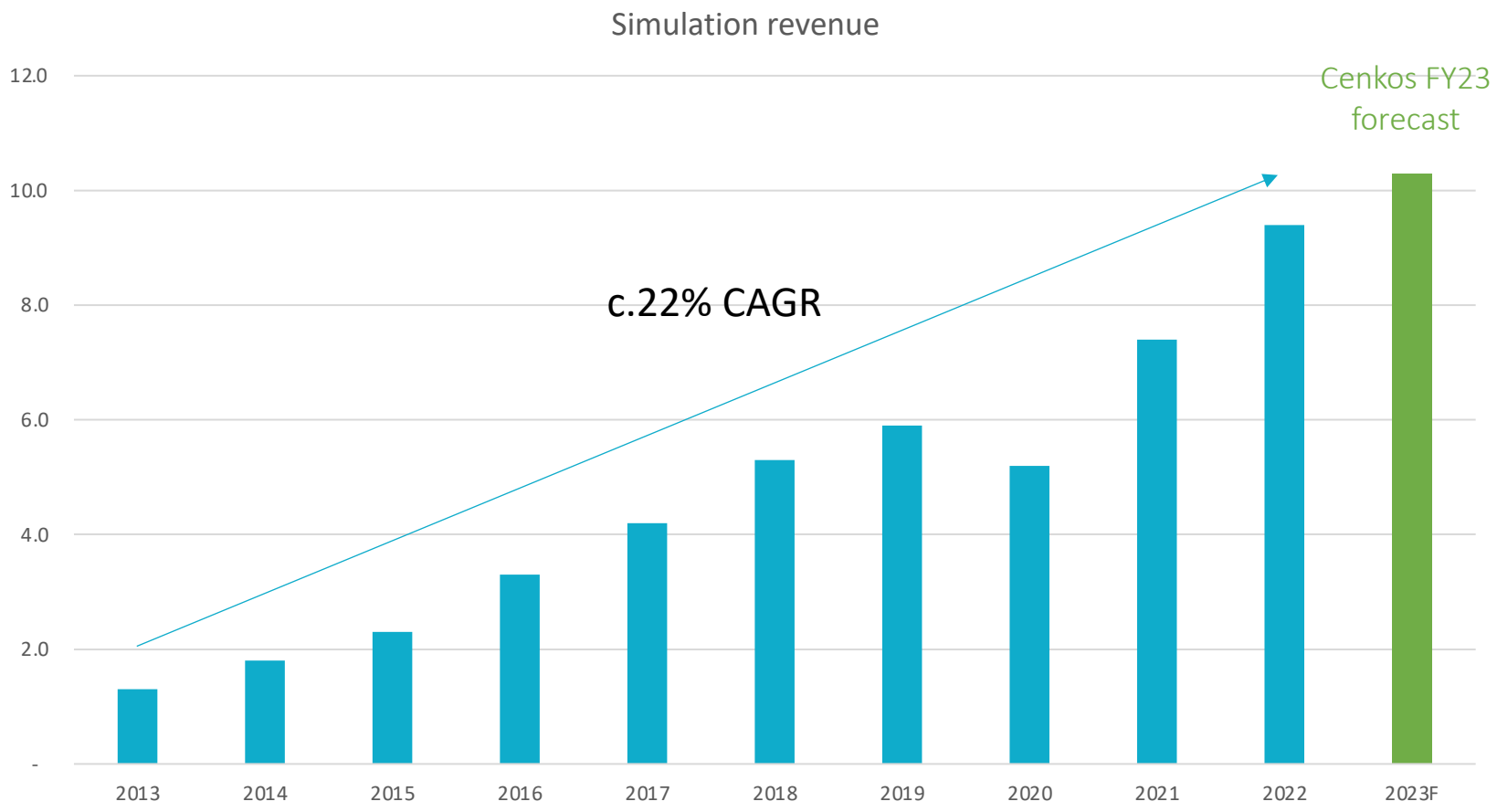
Training through ultra-realistic simulation

The foundation stone of our business



100,000 medical professionals **trained** in last 5 years*

4th product BABYWORKS launched

c.**1500** systems **sold** into over **750 institutions**

New **endometriosis** training module launching at **World Congress of Endometriosis**

** Estimate based on ScanTrainer Cloud based users and extrapolated across the range of IU simulator systems since 2018*

Global simulation market

Estimated global **ultrasound** simulation market

c.£105m

2022

Hospitals by region:

USA	c.6,000
UK	c.1,200
Europe	c.15,000

2,900
global university teaching schools
https://wfme.org/world-directory/

Estimated IUG share of ultrasound simulation market 2020-2022

	£ m		
	IU sim rev	Est mkt size	Mkt share
2020	5.2	76	7%
2021	7.4	96	8%
2022	9.4	105	9%

Hi-fidelity ultrasound simulation main competitors:
CAE Healthcare (Canada)
Surgical Sciences (Sweden)

Largest simulation market :
USA
Fastest growing market:
Asia Pacific

CLINICAL AI SOFTWARE

*Making clinical ultrasound **EASIER** to learn and **SIMPLER** to use*

A significant and growing market

Global AI based Medical Imaging market valued at c.**$0.8 billion** in **2021**, with North America leading the regional market share

Market Insights July 2022

Global AI in Medical imaging market projected to cross **$10B** by **2027**, growing at 46% CAGR

Arizton Advisory and Intelligence June 2022

Global AI in Medical Imaging market projected to grow by a CAGR of 36% to **$20.1B** by **2031**

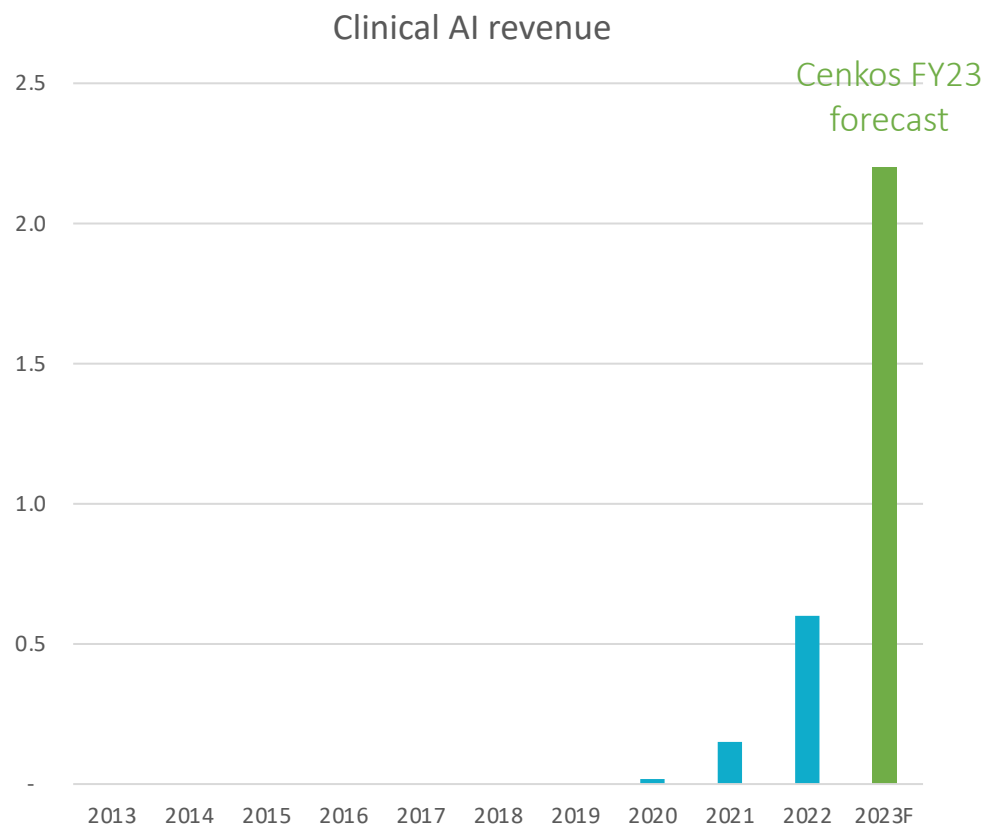
Transparency Market Research

AI in ultrasound imaging market to grow at a CAGR of 9.76% to **$1.3B** by **2028**

Data Bridge Market Research

Built a strong clinical AI capability

A key component of our 2025 vision



Database of over **c.37m** curated **images**

Cutting edge **AI expertise**

Prof Alison Noble OBE

Prof Aris Papageorghiou

20+

AI related FTEs including:

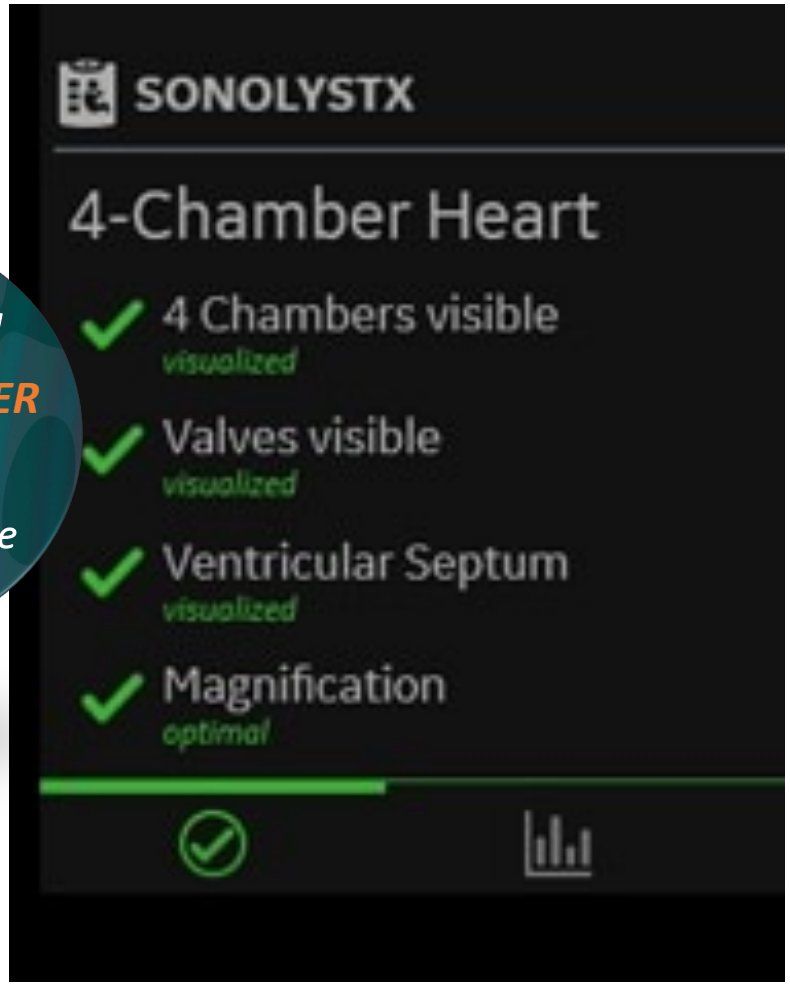
- AI developers
- Software Engineers
- Segmentation team
- Project Mgrs

GE HealthCare partnership

3 AI-related devices launched with **FDA** and **CE** **clearance for sale in UK, EU** and **USA**

600+ **AI related** **products sold to date**

SonoLyst



The world's first fully integrated AI tool that recognises the 21 views recommended for mid-trimester scans.

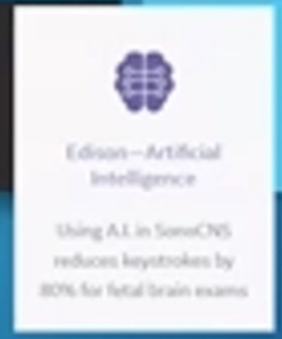
Launched on the new Voluson Expert 22 in July 2022, the second machine in the GE HealthCare range to incorporate our AI software

Voluson **Expert 22**

You Set the Limits

SonoLyst

- SonoLystIR: Image Recognition - Artificial Intelligence driven, SonoLystIR automatically detects 21 recommended ISUOG views, identifies anatomy then selects all applicable annotations and measurements.
- SonoLystX: Compares the view acquired to standard criteria accepted by experts to ensure it meets accepted clinical standards.



*Making clinical ultrasound **EASIER** to learn and **SIMPLER** to use*

to reduce the strain,
the time to acquire those images.

Women's health ultrasound market*

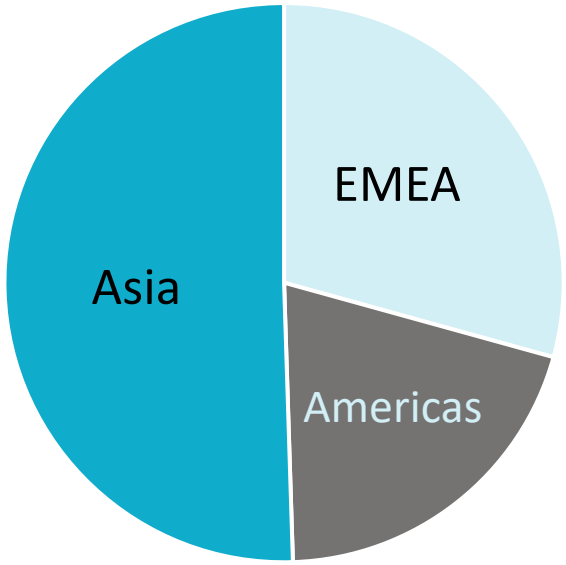
50,000 women's healthcare ultrasound machines sold pa, of which

c.37,000

are sold into the

obstetrics market

Estimated regional split by obstetric unit sales



Women's health ultrasound vendor market share (est)	
GE HealthCare	51%
Mindray	10%
Samsung	9%
Canon	7%
Philips	7%

*2021 estimates from Signify Research

Classroom to clinic – women's health

INTELLIGENT ULTRASOUND® for smarter scanning

SCANTRAINER®

*Making clinical ultrasound **EASIER** to learn and **SIMPLER** to use*

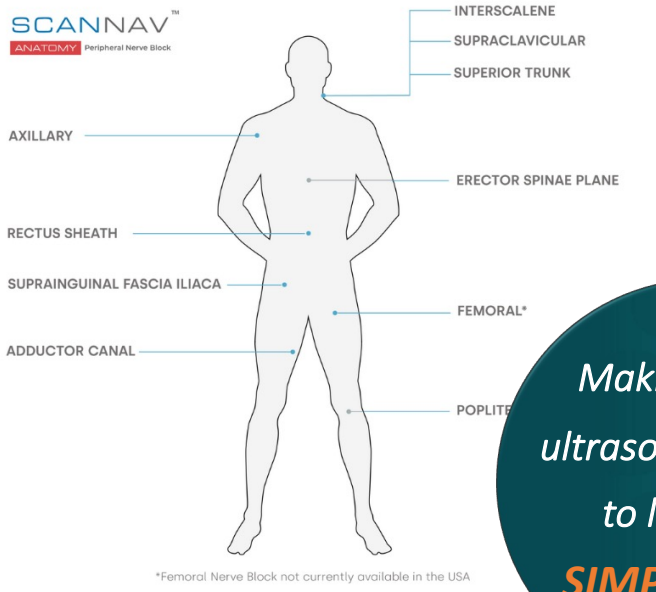
SonoLyst

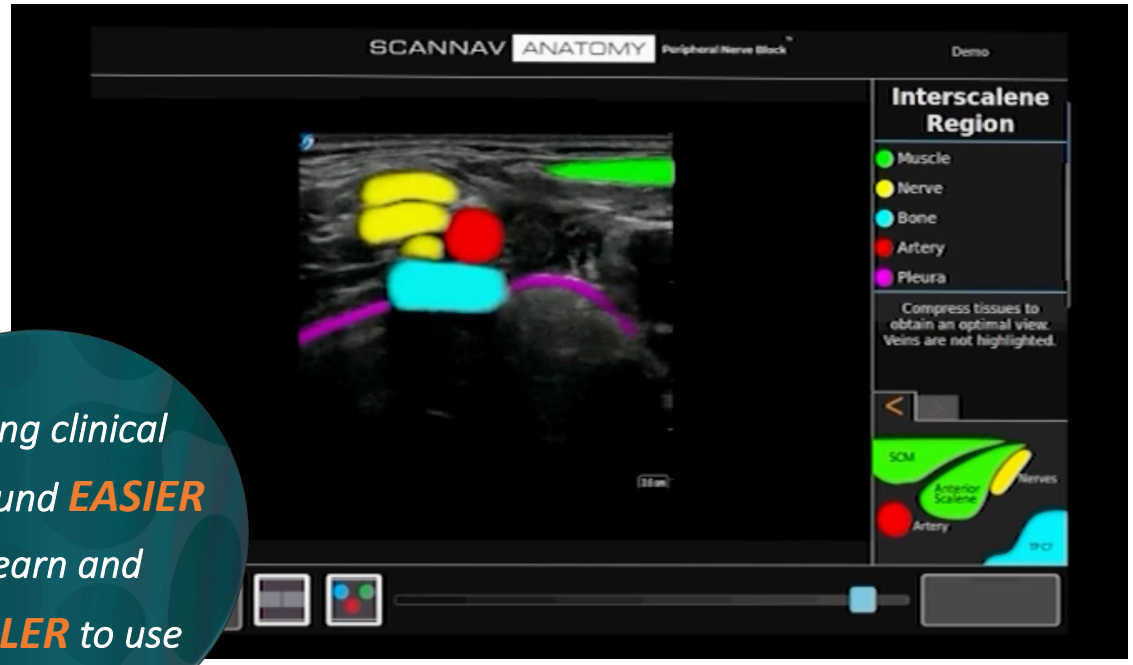
CLASSROOM SIMULATION → CLINICAL AI SOFTWARE

ScanNav Anatomy PNB (peripheral nerve block)

INTELLIGENT ULTRASOUND for smarter scanning

Simplifies ultrasound-guided needling by providing the user with real-time AI-based anatomy highlighting for a range of medical procedures. FDA and CE cleared for sale





*Making clinical ultrasound **EASIER** to learn and **SIMPLER** to use*

FDA CLEARED

OCT 2022

ScanNav Anatomy PNB – our three aims

INTELLIGENT ULTRASOUND for smarter scanning

1. Enable trainee anaesthetists to learn with confidence
2. Help more qualified anaesthetists to conduct PNBs
3. Help increase the numbers of PNBs per hospital

Main target market - anesthesiology

10,800

anaesthesiology

ultrasound machines sold pa*

35,000

ultrasound machines in the US, UK and Western Europe **anaesthesiology after-market** *

(based on 5 year's annual sales)

Total value of the market

c.£525m

ScanNav Anatomy PNB pricing:

£15,000 capex purchase; or
£2,500 hardware + £2,500 annual fee

Potential PNB sites in US:

c. 6,000 hospitals
c. 8,500 Ambulatory Care Centres

SonoSite and GE HealthCare combined market share of the anaesthesiology market 57%*

Additional clinical markets in UK, EU and US for ScanNav Anatomy variants include:

Emergency medicine and critical care ultrasound machines sold pa*

c.14,000

Radiology ultrasound machines sold pa*

c. 15,000

Over **68,000** active family practice physicians with an MD**

* Based on 2021 estimates provided by Signify Research

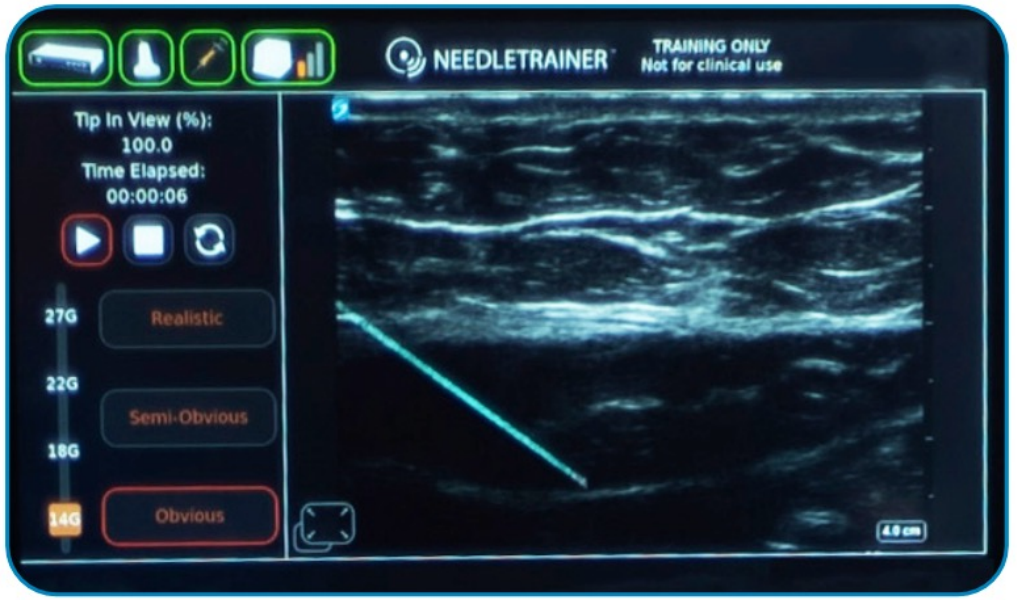
** www.aamc.org

NeedleTrainer

AI HYBRID

INTELLIGENT ULTRASOUND® *for* smarter scanning

The first of its kind, NeedleTrainer™ uses a retractable needle and virtual image overlays to simulate needling on a live participant, using a live ultrasound scan. Enabling trainees to develop hand-eye coordination, optimum positioning, and accuracy in ultrasound-guided interventional procedures in a realistic clinical environment with minimal risk.

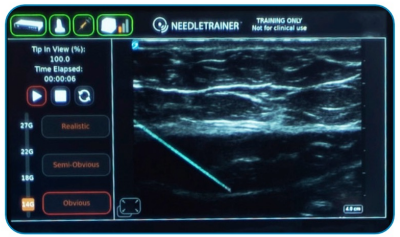


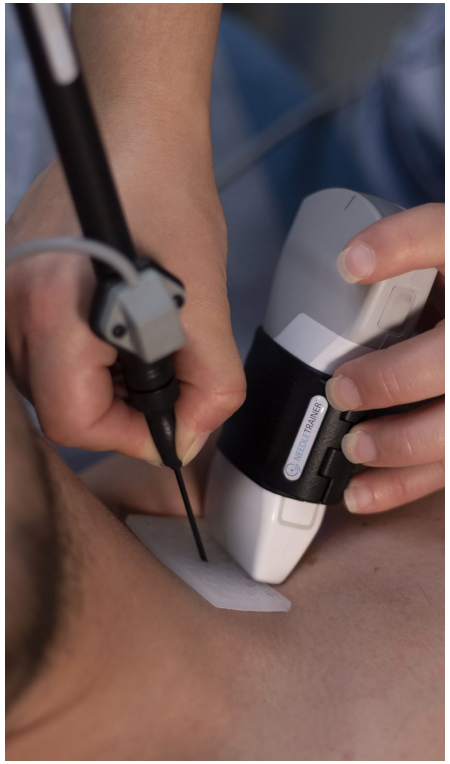
Classroom to clinic - needling

INTELLIGENT ULTRASOUND® *for* smarter scanning

NEEDLETRAINER™

AI HYBRID





SCANNAV™

ANATOMY Peripheral Nerve Block

CLASSROOM SIMULATION → CLINICAL AI SOFTWARE

Route to market

DIRECT SALES FORCE

UK

Cardiff
3 sales staff

CLASSROOM SIMULATION
CLINICAL AI SOFTWARE

USA

Alpharetta
7 sales staff

CLASSROOM SIMULATION
CLINICAL AI SOFTWARE

RESELLER NETWORK

EU

11
resellers

CLASSROOM SIMULATION
CLINICAL AI SOFTWARE

18 countries

ROW

12
resellers

CLASSROOM SIMULATION

15 countries

OEM

Global

GE
HealthCare

CLINICAL AI SOFTWARE

royalty based license

supported by product management (3 staff), marketing (3 staff), build and tech support (6 staff)

25 by 25 vision - Classroom to Clinic

Focused on the drive to profitability

Established market

CLASSROOM SIMULATION

Hospital training rooms and sim centres

c.$200m market by 2026

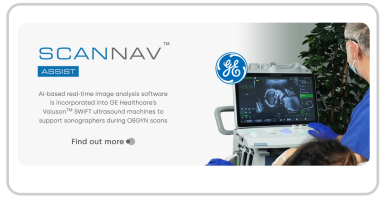
*Making clinical ultrasound **EASIER** to learn and **SIMPLER** to use*

New market

CLINICAL AI SOFTWARE

Clinical scanning and operating theatres

$1.3bn market by 2028



25 BY 25 VISION*

- Existing ‘classroom to clinic” products
- £25m revenue by 2025
  - 50:50 simulation/clinical AI
- Profitable by end 2024

** Our 2025 vision revenue is aspirational and for illustrative purposes only. It should not be construed as formal guidance.*

[1] https://www.stratviewresearch.com/2288/ultrasound-simulator-market.html

[2] Artificial Intelligence in Ultrasound Imaging Market – Global Industry Trends and Forecast to 2028 | Data Bridge Market Research

25 - 30 Classroom to Clinic …. to Consumer?

INTELLIGENT ULTRASOUND for smarter scanning

The ‘operator dependency’ of ultrasound provides an opportunity for IU to exploit **MULTIPLE** future markets:

Original market

CLASSROOM SIMULATION

Hospital training rooms and sim centres

c.$200m market by 2026 [1]

*Making clinical ultrasound **EASIER** to learn and **SIMPLER** to use*

New market

CLINICAL AI SOFTWARE

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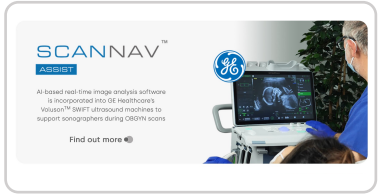

ScanNav Detect

in early stage POC

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Future markets

CONSUMER AI SOFTWARE

Worried well scanning at-home

$1.5tn market

TBD

[1] *https://www.stratviewresearch.com/2288/ultrasound-simulator-market.html*

[2] *Artificial Intelligence in Ultrasound Imaging Market – Global Industry Trends and Forecast to 2028 | Data Bridge Market Research*

ESG – 2022 update on progress

"We aspire to being a global force for good, empowering people to have access to medical ultrasound, one of the world's leading imaging modalities"

- Retained carbon neutral status
- Extended Scope 3 impact analysis
- Green travel scheme and flexible working policy introduced
- STEM and local university engagement
- Announced WFUMB partnership
- Highest % of 'happy' staff since the annual staff survey launched in 2019

WFUMB
WORLD FEDERATION FOR ULTRASOUND IN MEDICINE AND BIOLOGY

The partnership will see Intelligent Ultrasound donate a number of its world leading ultrasound training simulators to WFUMB to support their ongoing ultrasound education programme.

December 2022

*Making clinical ultrasound **EASIER** to learn and **SIMPLER** to use*

Financial Highlights

FY2022 results in-line with our expectations

£10.1m ↑ *33%*

Total revenue

2021: £7.6m

Growth across both Simulation and Clinical revenue streams

£6.3m ↑ *36%*

Gross profit

2021: £4.7m

£(2.8)m ↓ *28%*

Net cash burn*

2021: £(3.8m)

63% ↑ *+2%*

Gross margin

2021: 61%

£(3.0m) ↓ *17%*

Loss after tax

2021: £(3.6)m

Higher gross profit offset by higher costs

£7.2m ↑ *45%*

Cash and cash equivalents

2021: £5.0m

Oversubscribed placing in November raising £4.8m

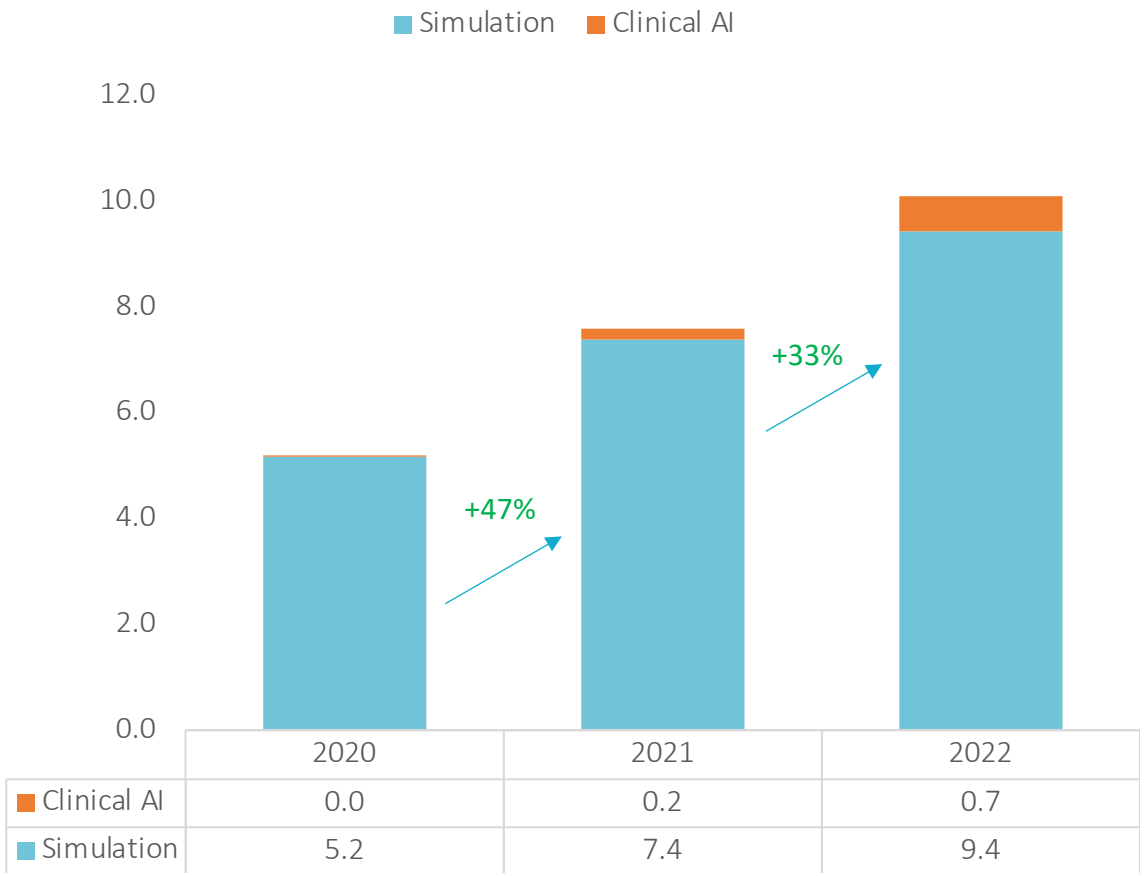
£3.2m

R&D spend

2021: £3.2m

**excluding share placing proceeds*

Group revenue



	2020	2021	2022
Clinical AI	0.0	0.2	0.7
Simulation	5.2	7.4	9.4

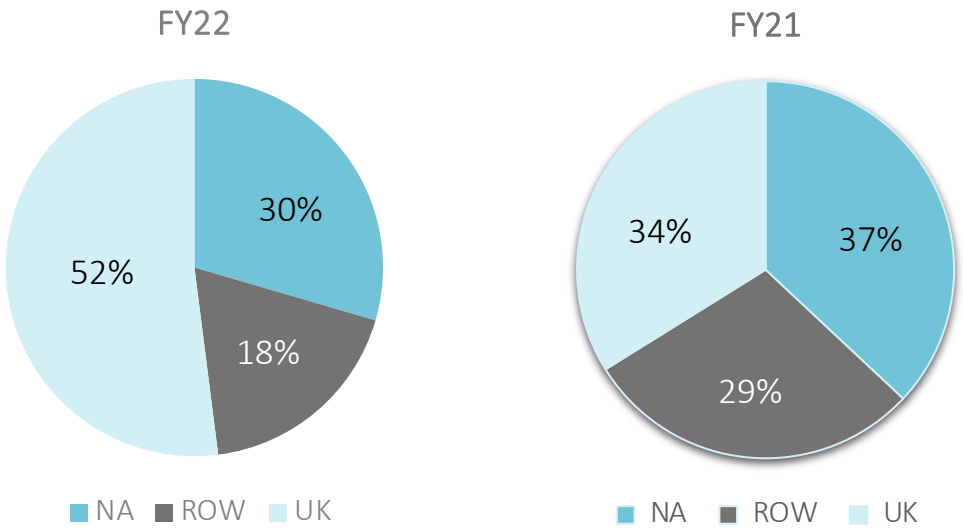
- Group revenue growth: 33%
  - Simulation: 28%
  - Clinical: 224%

Simulation

Simulation			
£m	2022	2021	Movement
Revenue	9.4	7.4	+28%
Gross profit	5.9	4.5	+31%
Gross margin %	*63%*	*61%*	*+2%*
Total R&D spend	1.2	1.1	+8%

- Second consecutive record year for the UK with sales of £4.9m (21: £2.5m)
  - High number of one-off, individual orders from a UK NHS training initiative that totalled c.£1.9m over the full year
  - If we exclude these exceptional orders, the UK like-for-like revenue would have been £3.0m, representing a growth of 15%
- Sales in NA grew to £2.8m (21: £2.7m), but this was disappointing relative to our expectations:
  - High number of capital expenditure funding freezes cancelled or delayed purchases of our simulators in H2
  - Compensated by a £0.3m positive exchange rate variance
  - Like-for-like US dollar sales during the year were down 9% to $3.4m (2021: $3.8m).
- Sales in ROW were difficult and declined to £1.7m
  - Positive sales growth in countries such as Japan and Germany was offset by the continued Covid-19 restrictions in China, the loss of revenue from our decision to stop selling in Russia, and a disappointing market in France
- Gross margin increased due to higher proportion of direct sales from UK and NA, and favourable USD exchange rate movements

Simulation Revenue by Region



Simulation revenue

UK	North America	Rest of the World
£4.9m	£2.8m	£1.7m
↑ +96%	↑ +3%	↓ -19%
(2021: £2.5m)	(2021: £2.7m)	(2021: £2.1m)

Clinical AI

Clinical AI			
£m	2022	2021	Movement
Revenue	0.7	0.2	+224%
Gross profit	0.4	0.1	+166%
Gross margin %	*60%*	*74%*	*-14%*
Total R&D spend	2.0	2.1	-6%

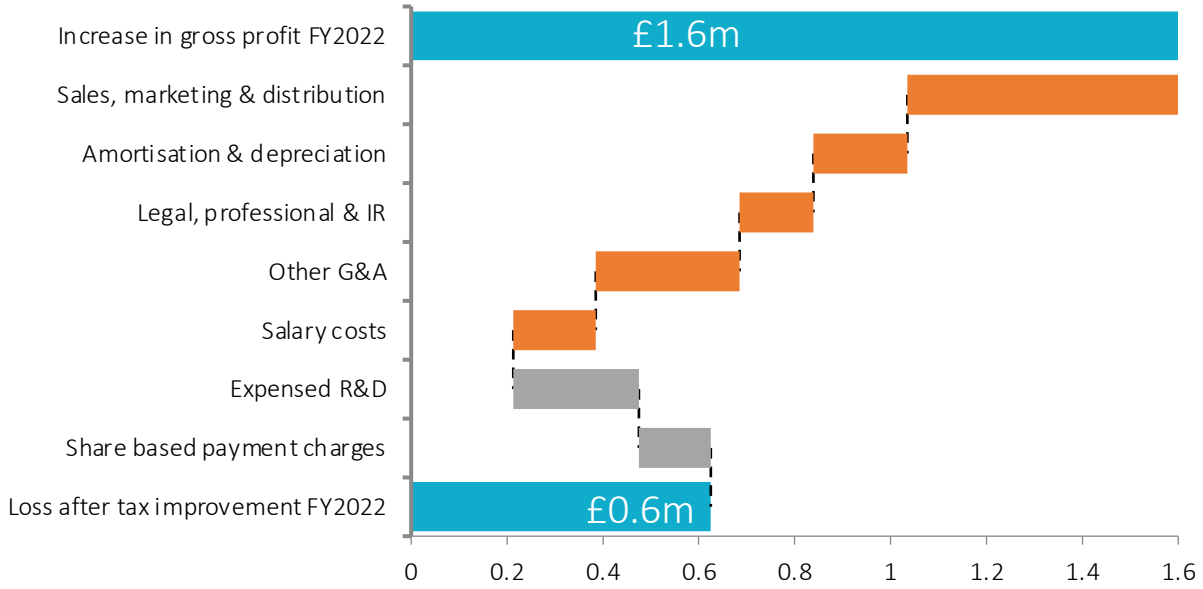
3 Clinical AI products generating revenues:

- ScanNav Assist (royalties from SonoLyst - GE Healthcare)
- ScanNav Anatomy PNB
- NeedleTrainer (hybrid AI simulator with PNB)

- Revenues from all three AI-driven products starting to gain commercial traction
- Gross margin was impacted by a NeedleTrainer V2 component upgrade to demonstration units that reduced margin by 14%
- On a like-for-like basis GM margin would have increased to 79% in 2022
- R&D spend slightly reduced in FY22 due to lower external FDA regulatory related costs
- Expected to increase in 2023 with continued development on ScanNav Assist variants, ScanNav Anatomy variants and ongoing NPD

Income statement

£m	2022	2021	Movement
Revenue	10.1	7.6	+33%
Gross profit	6.3	4.7	+36%
Gross margin %	*63%*	*61%*	+2%
Sales, marketing & dist'n	(3.1)	(2.4)	+26%
Expensed R&D	(1.7)	(2.0)	-13%
Other cash G&A	(3.5)	(2.9)	+22%
Total overheads	(8.3)	(7.3)	+18%
EBITDA	(1.9)	(2.6)	+27%
Non-cash	(1.8)	(1.7)	-3%
Interest & tax	0.7	0.7	-
LOSS AFTER TAX	(3.0)	(3.6)	-62%

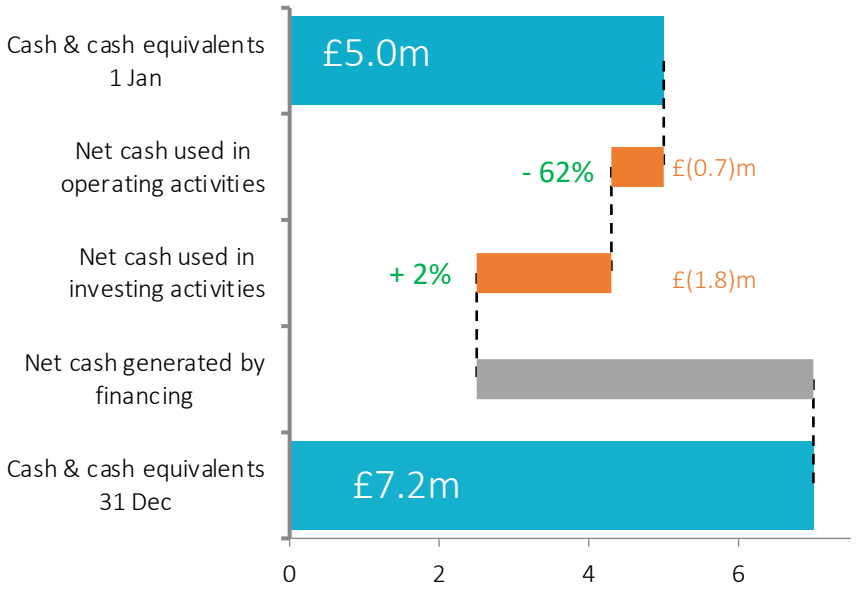


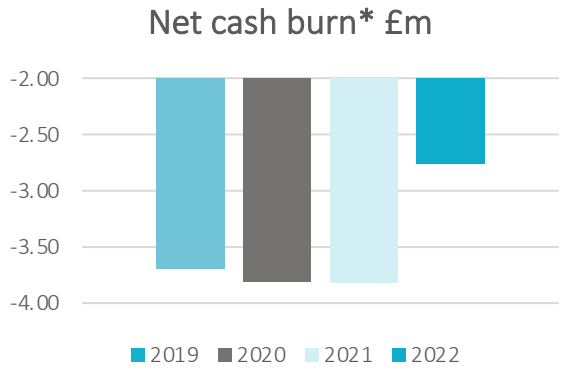
- Expanded US sales team with 2 new BDMs
- Sales travel, marketing & exhibitions returned post-Covid-19
- Salary increases averaged 4%
- Higher G&A plus inflationary increases

Balance sheet and cashflow

£m	2022	2021	Movement
Non-current assets	4.5	4.0	0.5
Current assets	11.5	9.8	1.7
Inventories	1.6	1.2	0.4
Trade & other receivables	2.7	3.6	(0.9)
Cash & cash equivalents	7.2	5.0	2.2
Current liabilities	(3.3)	(3.2)	(0.1)
Non-current liabilities	(0.6)	(0.8)	0.2
NET ASSETS	12.2	9.7	2.5
Share capital & premium	33.5	28.7	4.8
Other reserves	(21.3)	(19.0)	(2.3)
TOTAL EQUITY	12.2	9.7	2.5

- Oversubscribed share placing in November 2022 raised a net £4.8m after fees
- £1.5m development costs capitalised (21: £1.3m)
- Inventory levels increased in preparation for FY23 higher demand
- Total FY22 cash burn* improved by 28% from £(3.8)m to £(2.8)m





*excluding share placing proceeds

Summary

We remain in an exciting and dynamic market

- IUG now has three clinical AI related products in the market and growing revenues
- Combined with a strong simulation portfolio and established sales network
- Market revenue expectation of £12.5m in FY23 with material contribution from AI related sales
- A positive start to the year in Q1 23
- Cash of £7.2m at 31 December 2022 expected to take the group to profitability by end of 2024
- Vision of £25m revenue by 2025 in an exciting and dynamic market

Our 2025 vision revenue is aspirational and for illustrative purposes only. It should not be construed as formal guidance.

*Making clinical ultrasound **EASIER** to learn and **SIMPLER** to use*

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for smarter scanning

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