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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

Positive start to 2023

• **Revenue** up 35% to £6.1m on a like for like basis
  - H122 revenue of £4.5m, excluding one-off orders of £1.4m
• **AI related revenue** up 145% to £0.7m
  - H122 AI revenue of £0.3m
• **US simulation sales** up 154% to £2.7m
  - H122 US simulation revenue of £1.1m
• **ROW simulation sales** up 104% to £1.1m
  - H122 ROW reseller revenue of £0.5m

Negatives from the period

• **UK simulation sales** down 40% to £1.6m on a like for like basis
  - H122 revenue of £2.6m, excluding one-off orders of £1.4m
• **Cash at period end** of £3.3m impacted by working capital
  - *Cash utilisation in H2 is expected to be materially lower*

### 2023 H1 financial headlines:

<table>
<thead>
<tr>
<th></th>
<th>Actual</th>
<th>Like for like</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>£6.1m</td>
<td>+ 3%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>+ 35%</td>
</tr>
<tr>
<td>Al Revenue</td>
<td>£0.7m</td>
<td>+ 144%</td>
</tr>
<tr>
<td>EBITDA adj.</td>
<td>(£1.2)m</td>
<td>- 6%</td>
</tr>
<tr>
<td>Cash (at Jun 23)</td>
<td>£3.3m</td>
<td>- 53%</td>
</tr>
</tbody>
</table>
The ‘Classroom to Clinic’ vision

- Exploiting **MULTIPLE** global markets, through direct sales, resellers and OEM royalties:

**TRAINING & EDUCATION**

Estimated $200m market by 2026

**CLASSROOM SIMULATION**

Simulation like for like revenue

- **SCANTRAINER**
- **HEARTWORKS**
- **BODYWORKS**
- **BABYWORKS**

**CLINICAL AI SOFTWARE**

**REAL TIME CLINICAL SUPPORT**

Estimated $1.3bn market by 2028

Clinical revenue


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

The foundation stone of our business

Endometriosis launched May

Comprehensive Learning

True-to-Life Scanning

Interactive Training

Haptic Feedback

Expert Care

Flexible Teaching

Hospital training rooms and sim centres
c.$200m market by 2026

4.5 version launching Aug

CLASSROOM SIMULATION

Comprehensive learning

True-to-Life Scanning

Customisable Training

Flexible Teaching

Endometriosis launched May

Comprehensive Learning

Transesophageal Echocardiography

Flexible Teaching

3D & 4D Echocardiography

Heartworks

Making clinical ultrasound EASIER to learn and SIMPLER to use

3D & 4D Echocardiography

Flexible Teaching

Comprehensive Learning

Expert Care

Babyworks

Lines and lung added June

True-to-Life Scanning

Risk-free Echocardiography

Flexible Teaching

Comprehensive Learning

Expert Care

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

1 https://www.stratviewresearch.com/2288/ultrasound-simulator-market.html
Training through ultra-realistic simulation

The foundation stone of our business

Cenkos FY23 forecast

c.24% CAGR
Although simulation revenue declined by 5% in the period, if the one-off sales of £1.4m in 2022 are removed, on a like-for-like basis, simulation sales grew by 27%

- **IUNA (North America) sales** had an excellent trading period, growing revenues by 154%
- **ROW revenue** showed some recovery from a couple of poor trading years to increase sales by 104%
- **UK revenues** had a strong H1 weighting last year, resulting in a period-on-period decline of 61% to £1.6m (H1 2022: £4.1m)
  - This was mainly due to the majority of our 2022 UK sales, which also contained a large one-off NHS training initiative worth £1.4m, being ordered in the first half of the year, rather than following the more normal seasonal spread
  - With a more normal seasonal spread being experienced this year, we expect the UK’s simulation sales to close the gap on the 2022 like-for-like full year revenue figure of £3m
- **If the £1.4m one-off order is removed**, on a like-for-like basis, the decline was 40%
CLINICAL AI SOFTWARE

Making clinical ultrasound EASIER to learn and SIMPLER to use
Built a strong clinical AI capability

A key component of our 2025 vision

**Clinical AI revenue**

*Cenkos FY23 forecast*

- 2013
- 2014
- 2015
- 2016
- 2017
- 2018
- 2019
- 2020
- 2021
- 2022
- 2023F

**H1 2023**

**Clinical AI software**

Clinical scanning and operating theatres

$1.3bn market by 2028

**Artificial intelligence in Ultrasound Imaging Market – Global Industry Trends and Forecast to 2028 | Data Bridge Market Research**

<table>
<thead>
<tr>
<th>Year</th>
<th>UK</th>
<th>IUNA</th>
<th>ROW</th>
</tr>
</thead>
<tbody>
<tr>
<td>2022</td>
<td>125</td>
<td>83</td>
<td>326</td>
</tr>
<tr>
<td>2023</td>
<td>101</td>
<td>92</td>
<td>306</td>
</tr>
</tbody>
</table>
The world’s first fully integrated AI tool that recognises the 21 views recommended for mid-trimester scans.

Voluson Expert - LAUNCHED

Voluson Signature

Voluson SWIFT - LAUNCHED

Voluson Performance
Classroom to clinic - needling

- Classroom Simulation
- Clinical AI Software

Making clinical ultrasound EASIER to learn and SIMPLER to use

FDA and CE cleared for sale in UK, EU and US
Classroom to clinic - needling

- New probe placement tutorial videos added
- RAUK using ScanNav PNB to teach Plan A blocks
- Continued release of ScanNav PNB studies:
  - British Journal of Anaesthesia, Volume 130, Issue 2, February 2023, Pages 217-225
  - "Assistive artificial intelligence for ultrasound image interpretation in regional anaesthesia: an external validation study"

- Gaining traction in the US:
  - School of Anesthesia, Einstein Medical Center Montgomery, rolling out NeedleTrainer PNB
  - University of Evansville selects NeedleTrainer PNB to teach ultrasound guided needling (UGRA) and peripheral nerve blocks
25 by 25 vision - Classroom to Clinic

We remain focused on the drive to profitability

Established market

CLASSROOM SIMULATION

Hospital training rooms and sim centres
c.$200m market by 2026

New market

CLINICAL AI SOFTWARE

Clinical scanning and operating theatres
$1.3bn market by 2028

Profitable with current cash

Vision of c. £25m revenue by 2025 from our existing range of ‘classroom to clinic” products

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

25 by 25 VISION*

2. Artificial Intelligence in Ultrasound Imaging Market - Global Industry Trends and Forecast to 2028 | Data Bridge Market Research
## FY2023 target status as at 30 June 2023

<table>
<thead>
<tr>
<th>2023 full year targets</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Group</strong></td>
<td></td>
</tr>
<tr>
<td>Group revenue of £12.5m (49% of FY23 target achieved)</td>
<td>On target</td>
</tr>
<tr>
<td>Group EBITDA adj loss of £1.2m</td>
<td>On target</td>
</tr>
<tr>
<td>Minimum cash of £4.2m</td>
<td>Under target</td>
</tr>
<tr>
<td><strong>Simulation</strong></td>
<td></td>
</tr>
<tr>
<td>Simulation revenue of £10.3m (52% of FY23 target achieved)</td>
<td>On target</td>
</tr>
<tr>
<td>BabyWorks lines and lung added</td>
<td>Launched</td>
</tr>
<tr>
<td>BodyWorks 4.5 launched</td>
<td>On target</td>
</tr>
<tr>
<td><strong>Clinical</strong></td>
<td></td>
</tr>
<tr>
<td>Clinical revenue of £2.2mm (34% of FY22 target achieved)</td>
<td>Slightly under target</td>
</tr>
<tr>
<td>GE partnership progressing positively</td>
<td>On target</td>
</tr>
<tr>
<td>ScanNav Anatomy PNB 2.0 launched in US (with femoral block added)</td>
<td>On target</td>
</tr>
<tr>
<td>NeedleTrainer launched with GE vScan Air in US</td>
<td>Launched</td>
</tr>
<tr>
<td>ScanNav Detect proof of concept progressing</td>
<td>In progress</td>
</tr>
</tbody>
</table>
H1 2023 Financial Highlights

Positive first half results

- **Total revenue**: £6.1m, up 3% compared to £5.9m in H1 2022.
- **Gross profit**: £3.9m, up 4% compared to £3.8m in H1 2022.
- **Gross margin**: 65%, up 1% compared to 64% in H1 2022.
- **Operating loss**: £1.5m, up 11% compared to £1.3m in H1 2022.
- **Net cash outflow**: £3.9m compared to £1.4m in H1 2022.
- **Cash and cash equivalents**: £3.3m, up from £7.2m in December 2022.
- **Loss after tax**: £1.2m, up 18% compared to £1.0m in H1 2022.
H1 2023 Group revenue

Group revenue growth: +3%
- Simulation: -5%
- Clinical AI: +144%

Like for like adjusted*: +35%
- Simulation: +27%
- Clinical AI: +144%

*H12022 adjusted for £1.4m exceptional revenue
**H1 2023 Income statement**

<table>
<thead>
<tr>
<th>£m</th>
<th>H12022</th>
<th>H12023</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>5.9</td>
<td>6.1</td>
<td>0.2</td>
</tr>
<tr>
<td><strong>Gross profit</strong></td>
<td>3.8</td>
<td>3.9</td>
<td>0.1</td>
</tr>
<tr>
<td><strong>Gross margin %</strong></td>
<td>63.8%</td>
<td>64.9%</td>
<td>1.1%</td>
</tr>
<tr>
<td><strong>Sales, marketing &amp; dist’n</strong></td>
<td>(1.7)</td>
<td>(1.7)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Expensed R&amp;D</strong></td>
<td>(1.1)</td>
<td>(0.8)</td>
<td>0.3</td>
</tr>
<tr>
<td><strong>Other cash G&amp;A</strong></td>
<td>(1.4)</td>
<td>(1.9)</td>
<td>(0.5)</td>
</tr>
<tr>
<td><strong>Non-cash costs</strong></td>
<td>(0.9)</td>
<td>(1.0)</td>
<td>(0.1)</td>
</tr>
<tr>
<td><strong>Total costs</strong></td>
<td>(5.7)</td>
<td>(6.1)</td>
<td>(0.4)</td>
</tr>
<tr>
<td><strong>Operating loss</strong></td>
<td>(1.3)</td>
<td>(1.5)</td>
<td>(0.2)</td>
</tr>
<tr>
<td><strong>Interest &amp; tax</strong></td>
<td>0.3</td>
<td>0.3</td>
<td>-</td>
</tr>
<tr>
<td><strong>LOSS AFTER TAX</strong></td>
<td>(1.0)</td>
<td>(1.2)</td>
<td>(0.2)</td>
</tr>
</tbody>
</table>

**H12023 performance in line with expectations**

**Total costs increased by £0.4m (7%) from H12022 due to:**

- Higher planned marketing spend in US and UK
- Salary increases averaged 8% in FY2023
- Inflation impacting other G&A costs

*Including capitalised development costs of £0.6m in H12022 and £0.7m in H12023*
Simulation and Clinical AI Revenue Streams

### Simulation

<table>
<thead>
<tr>
<th>£m</th>
<th>H12022</th>
<th>H12023</th>
<th>Movement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>5.6</td>
<td>5.3</td>
<td>-5%</td>
</tr>
<tr>
<td>Gross profit</td>
<td>3.5</td>
<td>3.4</td>
<td>-3%</td>
</tr>
<tr>
<td>Gross margin %</td>
<td>62%</td>
<td>64%</td>
<td>+2%</td>
</tr>
<tr>
<td>Total R&amp;D spend</td>
<td>0.5</td>
<td>0.5</td>
<td>-</td>
</tr>
</tbody>
</table>

### Clinical AI

<table>
<thead>
<tr>
<th>£m</th>
<th>H12022</th>
<th>H12023</th>
<th>Movement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>0.3</td>
<td>0.7</td>
<td>+144%</td>
</tr>
<tr>
<td>Gross profit</td>
<td>0.3</td>
<td>0.5</td>
<td>+87%</td>
</tr>
<tr>
<td>Gross margin %</td>
<td>79%</td>
<td>75%</td>
<td>-4%</td>
</tr>
<tr>
<td>Total R&amp;D spend</td>
<td>1.2</td>
<td>1.0</td>
<td>-15%</td>
</tr>
</tbody>
</table>

#### Simulation Revenue by Region H121 to H123

- North America simulation sales grew to £2.7m (almost equalling the FY22 of £2.8m), with solid sales growth across most products and reflecting our investment in expanding the US operation over the last 12 months.
- Simulation sales in ROW have started to show good recovery but we believe there remains a significant opportunity for further sales growth in a number of key markets.
- Simulation sales in the UK were down £2.5m as expected (H12022 had a strong H1 weighting and included £1.4m of exceptional NHS orders – see slide 9).

Clinical AI revenues continue to build traction.
### Balance sheet and Cashflow

<table>
<thead>
<tr>
<th>£m</th>
<th>Dec 2022</th>
<th>June 2023</th>
<th>Movement</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Non-current assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>4.5</td>
<td>5.0</td>
<td>0.5</td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inventories</td>
<td>1.6</td>
<td>1.9</td>
<td>0.3</td>
</tr>
<tr>
<td>Trade &amp; other receivables</td>
<td>2.7</td>
<td>4.7</td>
<td>0.3</td>
</tr>
<tr>
<td>Cash &amp; cash equivalents</td>
<td>7.2</td>
<td>3.3</td>
<td>(3.9)</td>
</tr>
<tr>
<td><strong>Current liabilities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(3.3)</td>
<td>(3.1)</td>
<td>0.2</td>
</tr>
<tr>
<td><strong>Non-current liabilities</strong></td>
<td>(0.6)</td>
<td>(0.7)</td>
<td>(0.1)</td>
</tr>
<tr>
<td><strong>Net assets</strong></td>
<td>12.2</td>
<td>11.0</td>
<td>(1.2)</td>
</tr>
</tbody>
</table>

### Cashflow

<table>
<thead>
<tr>
<th>£m</th>
<th>H122</th>
<th>H222</th>
<th>FY22</th>
<th>H123</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brought forward cash</td>
<td>5.0</td>
<td>3.5</td>
<td>5.0</td>
<td>7.2</td>
</tr>
<tr>
<td>Operating cash outflows inc. leases</td>
<td>(0.6)</td>
<td>(1.5)</td>
<td>(2.1)</td>
<td>(0.7)</td>
</tr>
<tr>
<td>Capitalised expenditure</td>
<td>(0.7)</td>
<td>(1.1)</td>
<td>(1.8)</td>
<td>(0.9)</td>
</tr>
<tr>
<td>Movement in trade and other receivables</td>
<td>0.5</td>
<td>0.2</td>
<td>0.7</td>
<td>(1.8)</td>
</tr>
<tr>
<td>Increase in inventory</td>
<td>(0.2)</td>
<td>(0.2)</td>
<td>(0.4)</td>
<td>(0.3)</td>
</tr>
<tr>
<td>Decrease in payables</td>
<td>(0.7)</td>
<td>0.7</td>
<td>-</td>
<td>(0.2)</td>
</tr>
<tr>
<td>R&amp;D tax credit</td>
<td>0.2</td>
<td>0.7</td>
<td>0.9</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total cash outflow</strong></td>
<td>(1.5)</td>
<td>(1.1)</td>
<td>(2.6)</td>
<td>(3.9)</td>
</tr>
<tr>
<td>Share placing</td>
<td></td>
<td>4.8</td>
<td>4.8</td>
<td>-</td>
</tr>
<tr>
<td><strong>At end of period</strong></td>
<td>3.5</td>
<td>7.2</td>
<td>7.2</td>
<td>3.3</td>
</tr>
</tbody>
</table>

- A large proportion of revenue invoiced in late Q2 resulted in higher trade and other receivables balances at 30 June.
- Timing of inventory receipts in H123 resulted in higher inventory and prepaid inventory at 30 June, expected to reduce in H2.
- Cash utilisation in H2 is expected to be materially lower and the Group remains on target to reach profitability with its current cash.
Summary

We remain in an exciting and dynamic market

- Clinical AI related products in the market and gaining traction
- Combined with a strong simulation portfolio and established sales network
- On target to meet the market revenue expectation with material contribution from AI related sales
- H1 was a positive start to the year
- Current cash anticipated to take the group to profitability
Making clinical ultrasound EASIER to learn and SIMPLER to use

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