

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



INTELLIGENT  
**ULTRASOUND®**  
*for smarter scanning*

**2023** Interim Results  
*Period ended 30 June 2023 (unaudited)*

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INTELLIGENT  
**ULTRASOUND**<sup>®</sup>  
*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

## 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

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ultrasound **EASIER**  
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**SIMPLER** to use

## Negatives from the period

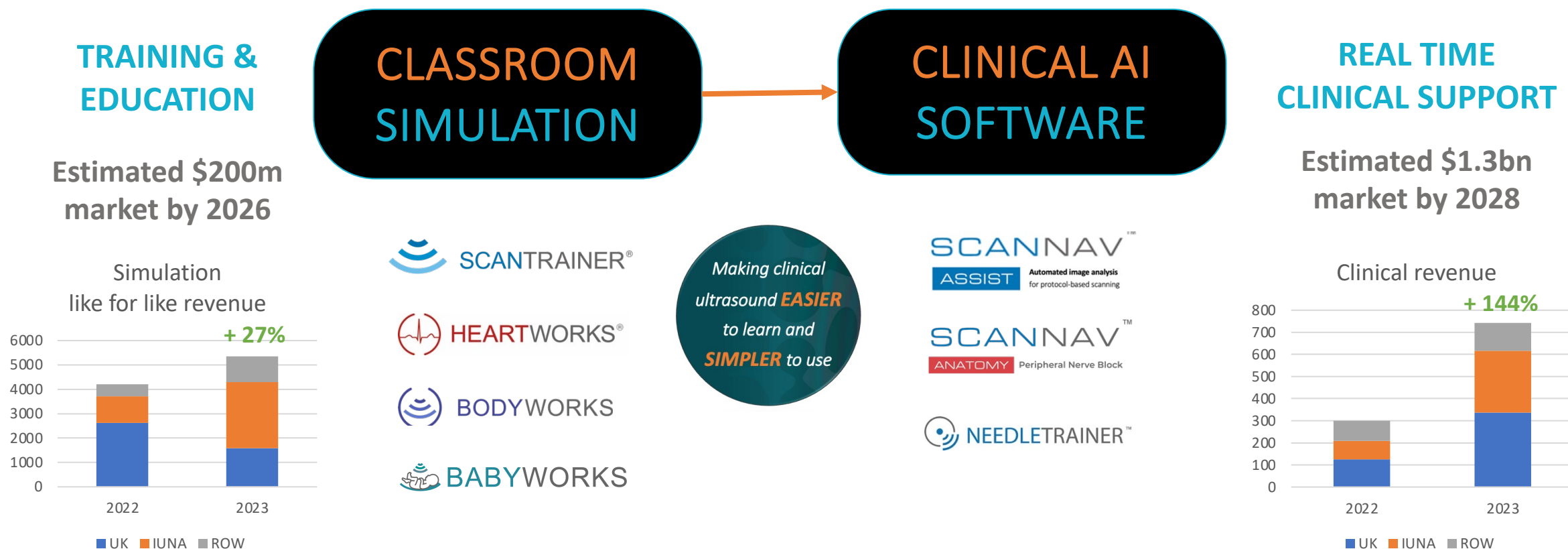
- UK simulation sales down 40% to £1.6m on a like for like basis
  - H122 revenue of £2.6m, excluding one-off orders of £1.4m
- Cash at period end of £3.3m impacted by working capital
  - Cash utilisation in H2 is expected to be materially lower

## 2023 H1 financial headlines:

		Actual	Like for like
Revenue	<b>£6.1m</b>	+ 3%	+ 35%
AI Revenue	<b>£0.7m</b>	+ 144%	
EBITDA adj.	<b>(£1.2)m</b>	- 6%	
Cash (at Jun 23)	<b>£3.3m</b>	- 53%	

# The 'Classroom to Clinic' vision

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



<sup>1</sup> <https://www.stratviewresearch.com/2288/ultrasound-simulator-market.html>

<sup>2</sup> 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

 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 <sup>1</sup>

4.5 version  
launching Aug

 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

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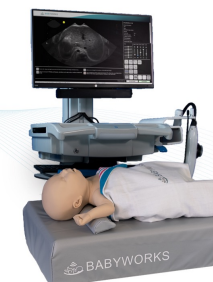
Lines and lung  
added June

 BABYWORKS

True-to-Life  
Scanning

Safe and  
Effective

Comprehensive  
Learning



Risk-free  
Echocardiography

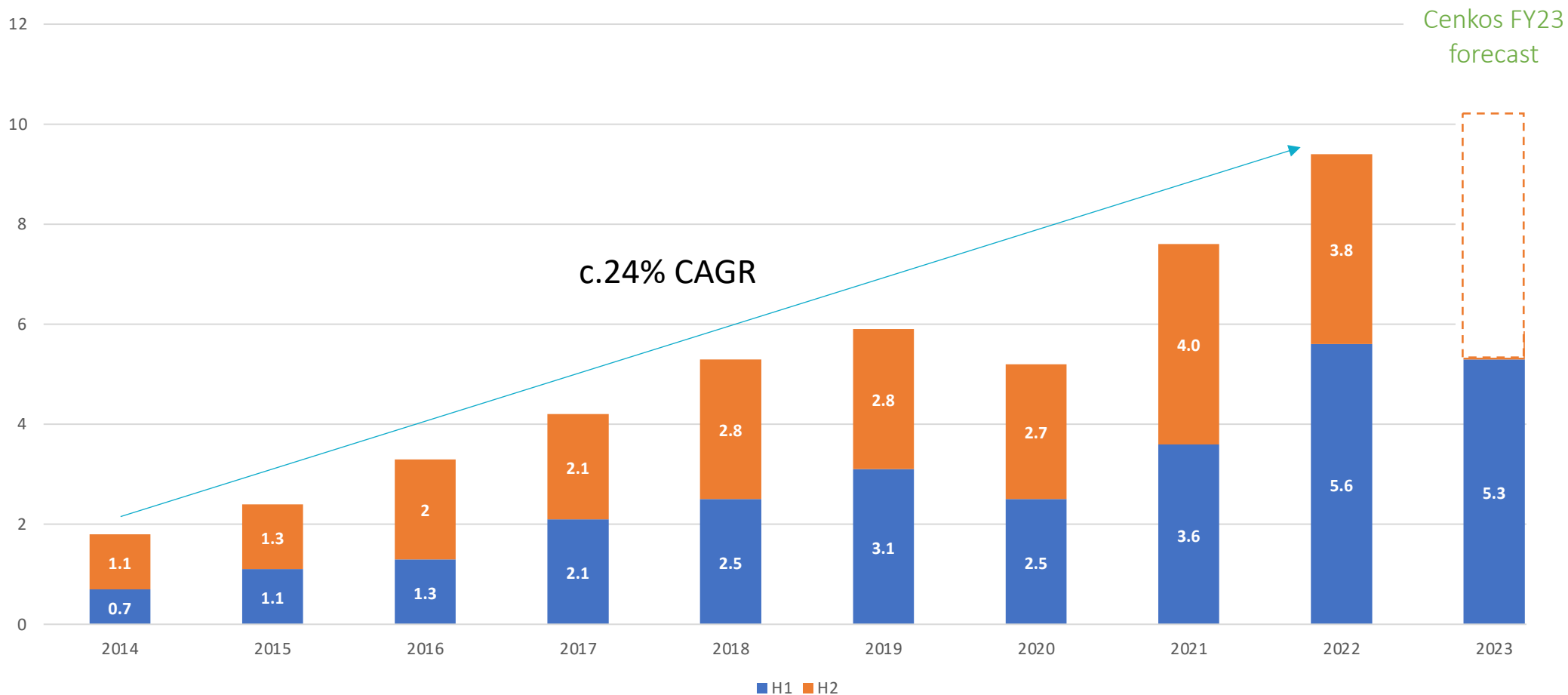
Flexible  
Teaching

Expert  
Care

<sup>1</sup> <https://www.stratviewresearch.com/2288/ultrasound-simulator-market.html>

# Training through ultra-realistic simulation

The foundation stone of our business





# H1 2023 simulation revenue by region



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%

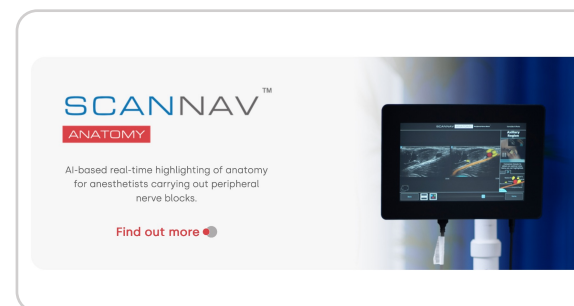
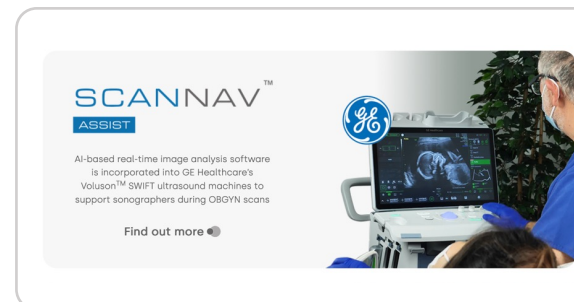
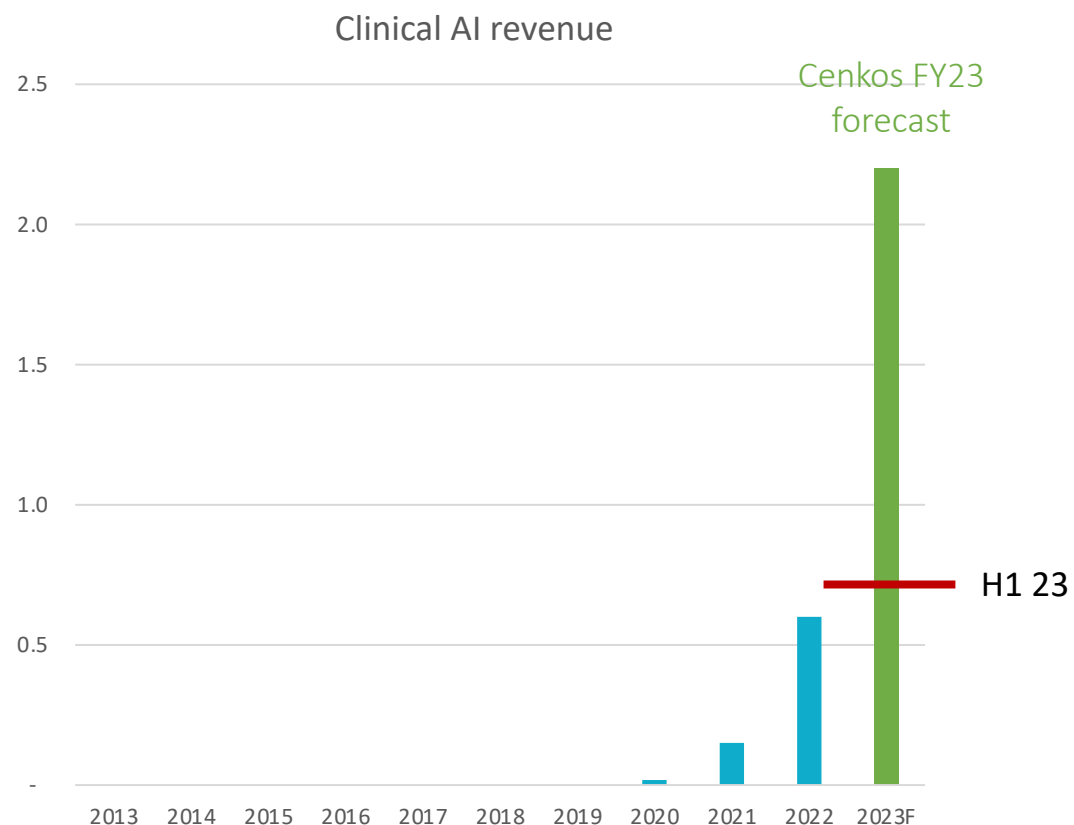
## CLINICAL AI SOFTWARE



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ultrasound **EASIER**  
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**SIMPLER** to use

# Built a strong clinical AI capability

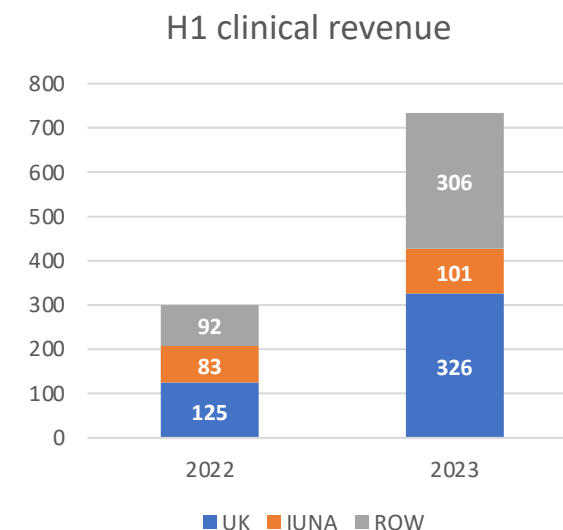
A key component of our 2025 vision



**CLINICAL AI SOFTWARE**

**Clinical scanning and operating theatres**

**\$1.3bn market by 2028<sup>2</sup>**



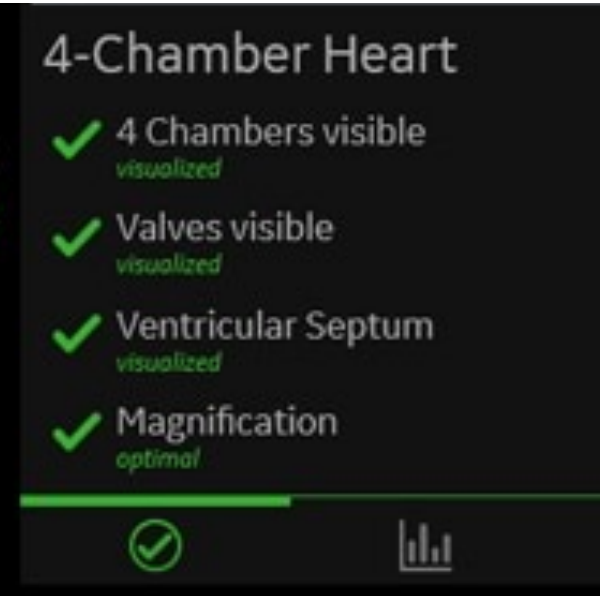
<sup>2</sup> Artificial Intelligence in Ultrasound Imaging Market – Global Industry Trends and Forecast to 2028 | Data Bridge Market Research



# GE Healthcare SonoLyst *incorporating the AI technology of Intelligent Ultrasound*



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



Voluson  
Range

SonoLyst X/IR

Voluson Expert

LAUNCHED

Voluson Signature

Voluson SWIFT

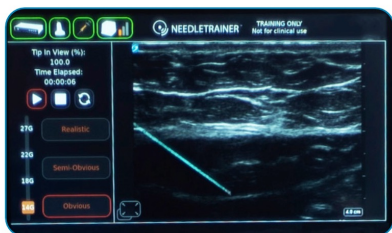
LAUNCHED

Voluson Performance

# Classroom to clinic - needling

 NEEDLETRAINER<sup>™</sup>

AI HYBRID



CLASSROOM SIMULATION



SCANNAV<sup>™</sup>  
ANATOMY Peripheral Nerve Block



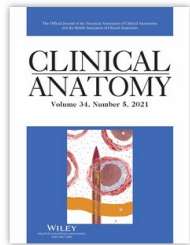
FDA and CE  
cleared for  
sale in UK,  
EU and US

CLINICAL AI SOFTWARE



# 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:



Volume 34, Issue 5  
July 2021  
Pages 802-809

Identifying anatomical structures on ultrasound: assistive artificial intelligence in ultrasound-guided regional anesthesia

## British Journal of Anaesthesia

Volume 130, Issue 2, February 2023, Pages 217-225

Regional Anaesthesia

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



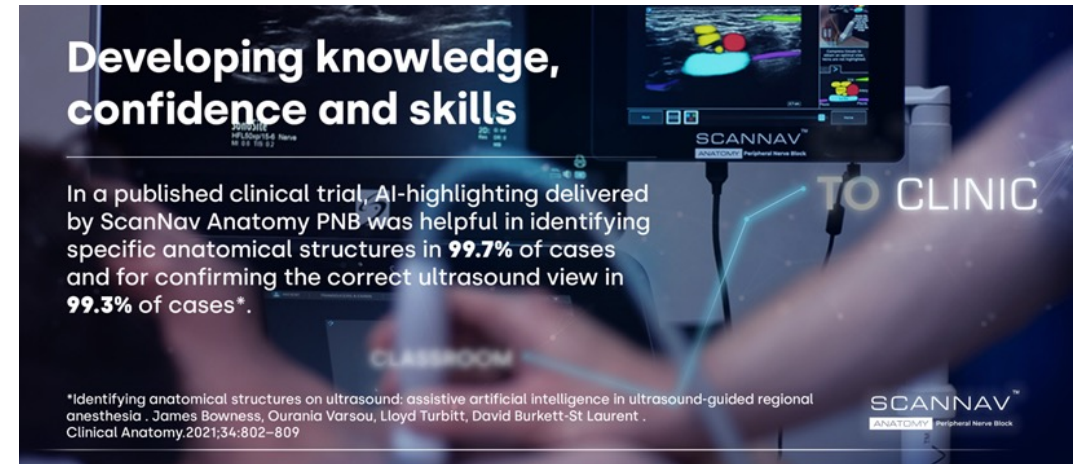
### Competence follows confidence

Teaching with NeedleTrainer has been shown to improve the confidence levels of **90.7%** (39/43) of delegates when attending ultrasound-guided regional anaesthesia courses.\*

\*Data on file. Intelligent Ultrasound. 2023

TO CLINIC

NEEDLETRAINER™



### Developing knowledge, confidence and skills

In a published clinical trial, AI-highlighting delivered by ScanNav Anatomy PNB was helpful in identifying specific anatomical structures in **99.7%** of cases and for confirming the correct ultrasound view in **99.3%** of cases\*.

TO CLINIC

CLASSROOM

SCANNAV™  
ANATOMY™  
Peripheral Nerve Block

\*Identifying anatomical structures on ultrasound: assistive artificial intelligence in ultrasound-guided regional anesthesia. James Bowness, Ourania Varsou, Lloyd Turbitt, David Burkett-St Laurent. Clinical Anatomy.2021;34:802-809



# 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

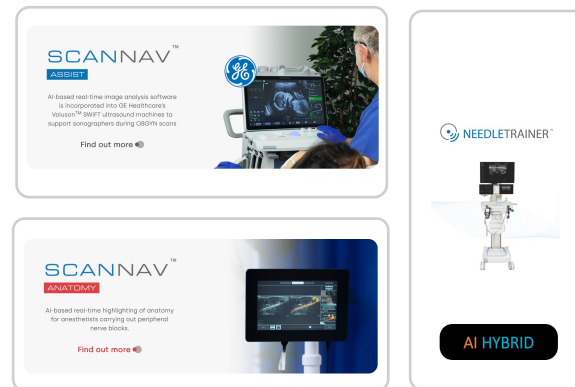


New market

**CLINICAL AI SOFTWARE**

Clinical scanning and  
operating theatres  
\$1.3bn market by 2028

Making clinical  
ultrasound **EASIER**  
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**25 BY 25** VISION\*

- 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.*

<sup>1</sup> <https://www.stratviewresearch.com/2288/ultrasound-simulator-market.html>

<sup>2</sup> 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

## 2023 full year targets

## Status

### Group

Group revenue of £12.5m (49% of FY23 target achieved)

On target



Group EBITDA adj loss of £1.2m

On target



Minimum cash of £4.2m

Under target

### Simulation

Simulation revenue of £10.3m (52% of FY23 target achieved)

On target



BabyWorks lines and lung added

Launched



BodyWorks 4.5 launched

On target



### Clinical

Clinical revenue of £2.2mm (34% of FY22 target achieved)

Slightly under target

GE partnership progressing positively

On target



ScanNav Anatomy PNB 2.0 launched in US (with femoral block added)

On target



NeedleTrainer launched with GE vScan Air in US

Launched



ScanNav Detect proof of concept progressing

In progress

# H1 2023 Financial Highlights

Positive first half results

**£6.1m** ↑ 3%  
**Total revenue**  
H12022: £5.9m

**£3.9m** ↑ 4%  
**Gross profit**  
H12022: £3.8m

**£(3.9)m**  
**Net cash outflow**  
H12022: £(1.4)m

**£(1.2m)** ↑ 18%  
**Loss after tax**  
H12022: £(1.0)m

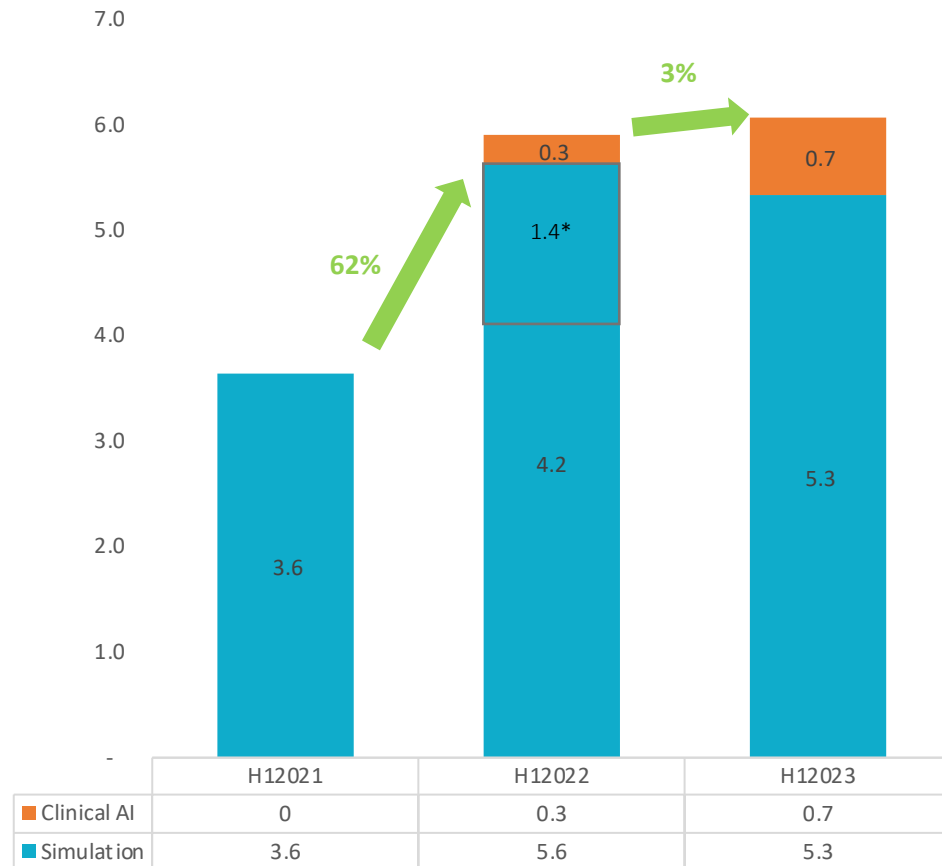
**65%** ↑ 1%  
**Gross margin**  
H12022: 64%

**£(1.5)m** ↑ 11%  
**Operating loss**  
H12022: £(1.3)m

**£3.3m**  
**Cash and cash  
equivalents**  
Dec 2022: £7.2m



# 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

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

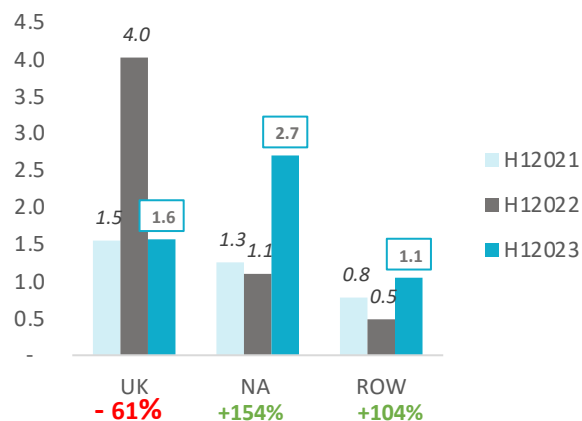
- H12023 performance in line with expectations
- Total costs increased by £0.4m (7%) from H12022 due to:
  - Higher planned marketing spend in US and UK
  - Salary increases averaged 8% in FY2023
  - Inflation impacting other G&A costs

\*including capitalised development costs of £0.6m in H12022 and £0.7m in H12023

# Simulation and Clinical AI Revenue Streams

Simulation			
£m	H12022	H12023	Movement
Revenue	5.6	5.3	-5%
Gross profit	3.5	3.4	-3%
Gross margin %	62%	64%	+2%
Total R&D spend	0.5	0.5	-

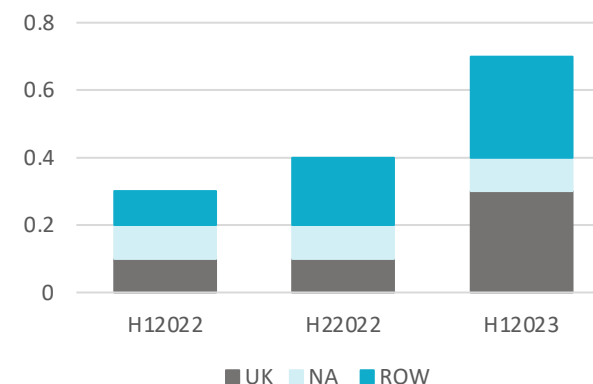
Simulation Revenue by Region H121 to H123



- 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			
£m	H12022	H12023	Movement
Revenue	0.3	0.7	+144%
Gross profit	0.3	0.5	+87%
Gross margin %	79%	75%	-4%
Total R&D spend	1.2	1.0	-15%

Clinical AI Revenues



Clinical AI revenues continue to build traction



# Balance sheet and Cashflow

£m	Dec 2022	June 2023	Movement
Non-current assets	4.5	5.0	0.5
Current assets	11.5	9.9	(1.6)
Inventories	1.6	1.9	0.3
Trade & other receivables	2.7	4.7	2.0
Cash & cash equivalents	7.2	3.3	(3.9)
Current liabilities	(3.3)	(3.1)	0.2
Non-current liabilities	(0.6)	(0.7)	(0.1)
<b>Net assets</b>	<b>12.2</b>	<b>11.0</b>	<b>(1.2)</b>

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

- 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

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