

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



INTELLIGENT
ULTRASOUND®
for smarter scanning

2023 Annual Results

Year ended 31 December 2023 (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

2023 summary

Financial highlights:

- Group revenue grew by 11% to £11.2m (2022: £10.1m)
 - *Clinical AI-related revenues trebled to £2.0m (2022: £0.7m)*
 - *Simulation revenues declined by 3% to £9.1m (2022: £9.4m)*
- Loss after tax decreased to £2.6m (2022: £3.0m)
- Cash at 31 December 2023 of £3.0m (31 December 2022: £7.2m)

Operational highlights:

- GE Healthcare's SonoLyst software launched as a standard feature on the new Voluson Expert 22 and 20 in Q4 2023
- Liver images agreement signed with Dundee University in Q4 2023
- ScanNav FetalCheck development programme announced for new gestational age AI product in Q4 2023
- ScanTrainer Endometriosis simulator module released in Q2 2023

Post year end:

- GE Healthcare's SonoLyst software launched as a standard feature on the new Voluson Signature 20
- ScanNav FetalCheck to be used in trial funded by the Bill and Melinda Gates Foundation



Imaging background



- 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 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

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

Classroom to Clinic

A unique range of products in a growing market

2014



CLASSROOM SIMULATION

Hospital training rooms
and sim centres
c.\$200m market by 2026 ¹



CLINICAL AI SOFTWARE

Clinical scanning and
operating theatres
\$1.3bn market by 2028 ²

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

Classroom to Clinic

A unique range of products in a growing market

2024



CLASSROOM SIMULATION

Hospital training rooms
and sim centres
c.\$200m market by 2026 ¹

SCANTRAINER®



SCANTRAINER®
COMPACT for med schools



HEARTWORKS®



BODYWORKS|Eve®



PLUS
NEEDLETRAINER®

BABYWORKS



NEEDLETRAINER®



includes
SCANNAV™
AI HYBRID

AI HYBRID

SCANNAV®
ASSIST



SonoLyst/live on the
Voluson Expert Range

SCANNAV™
ANATOMY Peripheral Nerve Block



UK, EU and US

SCANNAV™
FETALCHECK



Pre-regulatory

SCANNAV®
DETECT LIVER

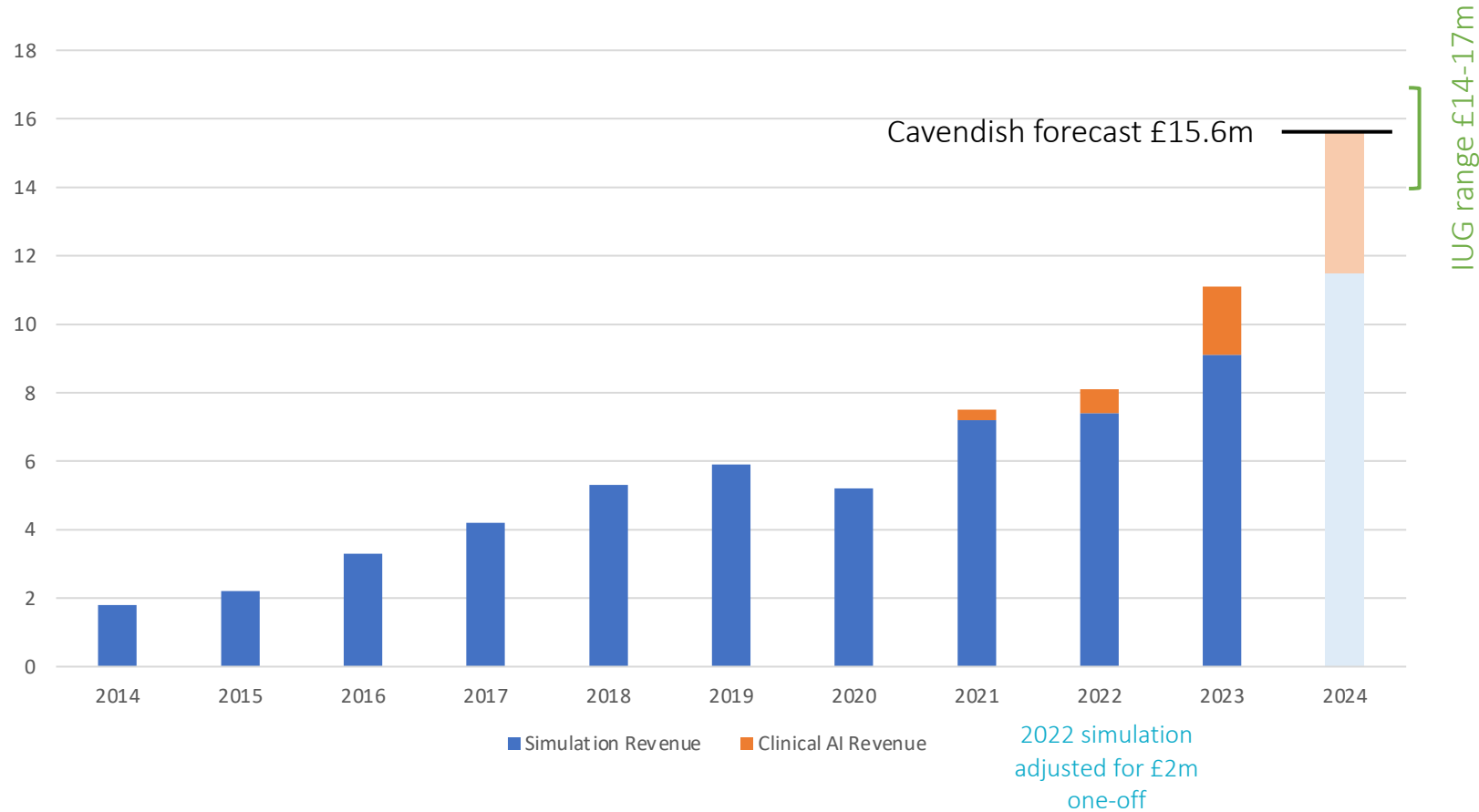


In POC development

CLINICAL AI SOFTWARE

Clinical scanning and
operating theatres
\$1.3bn market by 2028 ²

AI sales beginning to take-off



Over **1700** sim
systems **sold** into over
800 institutions

c. **1800** clinical AI
products **sold** to date*

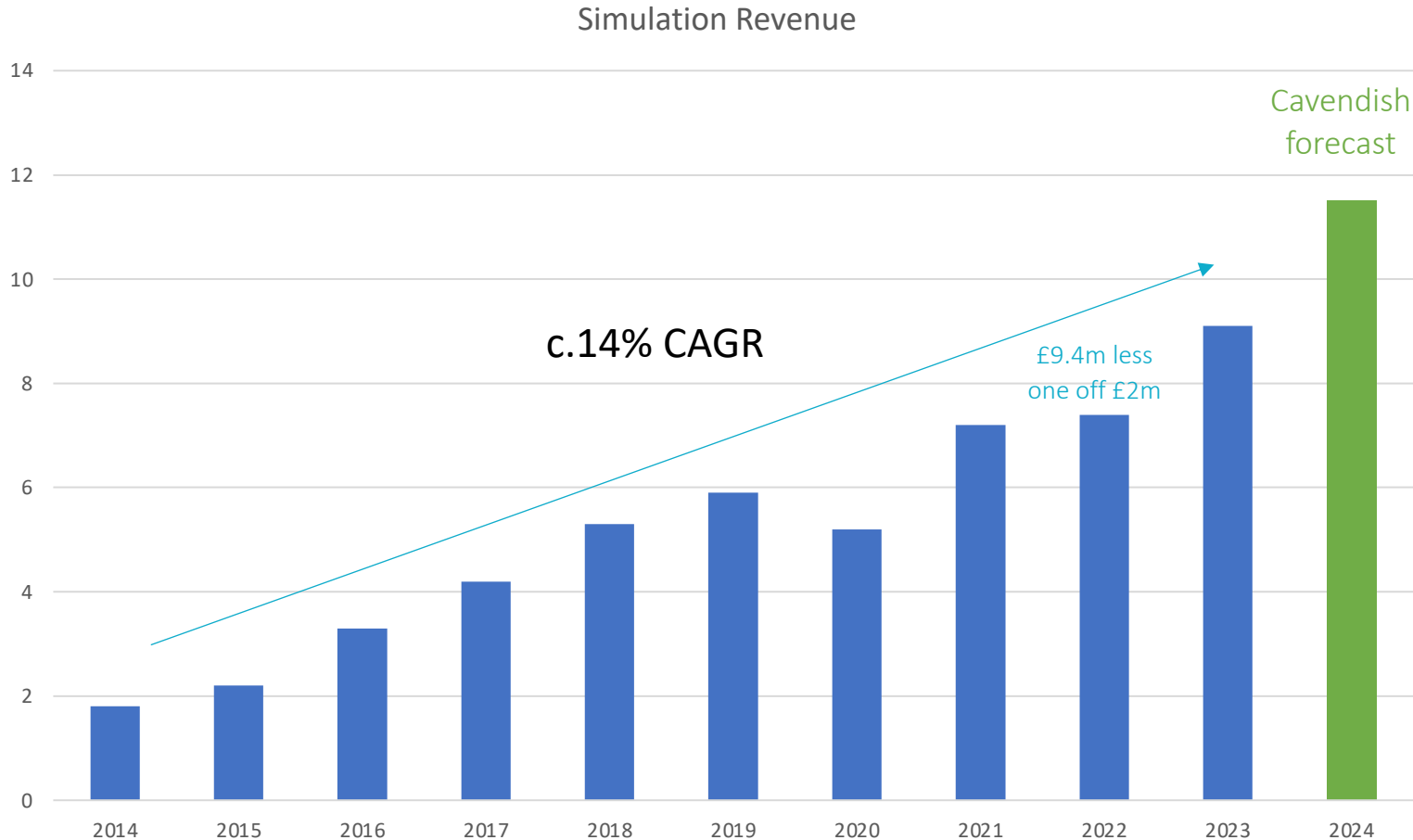
*Clinical AI products includes ScanNav PNB,
NeedleTrainer, ScanNav FetalCheck and SonoLyst

CLASSROOM SIMULATION

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

Training through ultra-realistic simulation

The foundation stone of our business



Hospitals by region:

USA c.6,000
UK. c.1,200
Europe c.15,000
Global teaching
Schools 2,900

Estimated global simulation market

c.£105m
2022

Over **1700** systems
sold into over **800**
institutions

Training through ultra-realistic simulation

The foundation stone of our business

Endometriosis
launched 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

v4.5 launched

 **BODYWORKS|Eve**[®]

Comprehensive
learning

True-to-Life
Scanning



Customizable
Training

Flexible
Teaching

e-learn
added 2023

 **HEARTWORKS**[®]

Customizable
Training

Transthoracic
Echocardiography

3D & 4D
Echocardiography



Comprehensive
Learning

Transesophageal
Echocardiography

Flexible
Teaching

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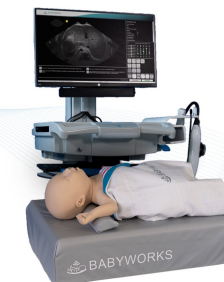
Lines and lung
added 2023

 **BABYWORKS**

True-to-Life
Scanning

Safe and
Effective

Comprehensive
Learning



Risk-free
Echocardiography

Flexible
Teaching

Expert
Care

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

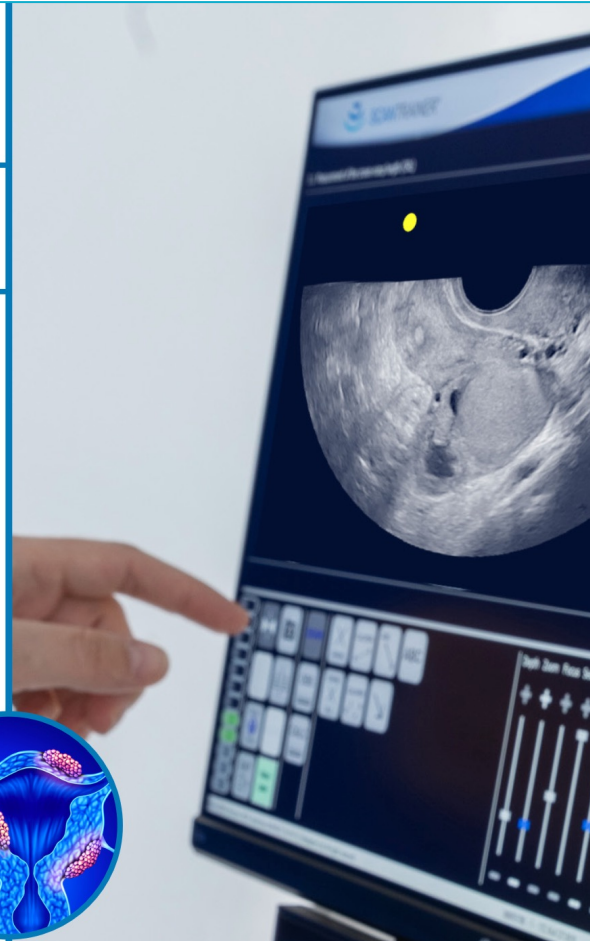
Endometriosis



Endometriosis Module

Transvaginal Sonography (TVS) is a cost-effective first line technique for diagnosing endometriosis but developing the skills to identify the disease using TVS can be a challenge. Developed in collaboration with specialist clinicians in the field of gynecology and obstetrics, the endometriosis add-on module for ScanTrainer comes with two e-learns and 24 endometriosis cases to support sonographers in their learning. The objective – to enable early diagnosis in clinical practice, leading to a faster and more appropriate referral for patients.

**24 Cases Using Real
Ultrasound Images**



- 10% of women worldwide have endometriosis – that's 176 million across the globe
- In the UK it's the second most common gynaecological condition, impacting a similar number to those affected by diabetes
- On average, it takes 8 years from the onset of symptoms to get a diagnosis in the UK
- ScanTrainer can help train earlier diagnosis and quicker referral for patients

CLINICAL AI SOFTWARE



Making clinical
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A significant and growing market

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

*Arizton Advisory and Intelligence
June 2022*

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 grow by a CAGR of 36% to **\$20.1B** by **2031**

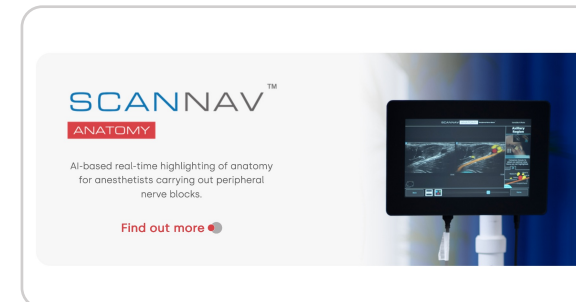
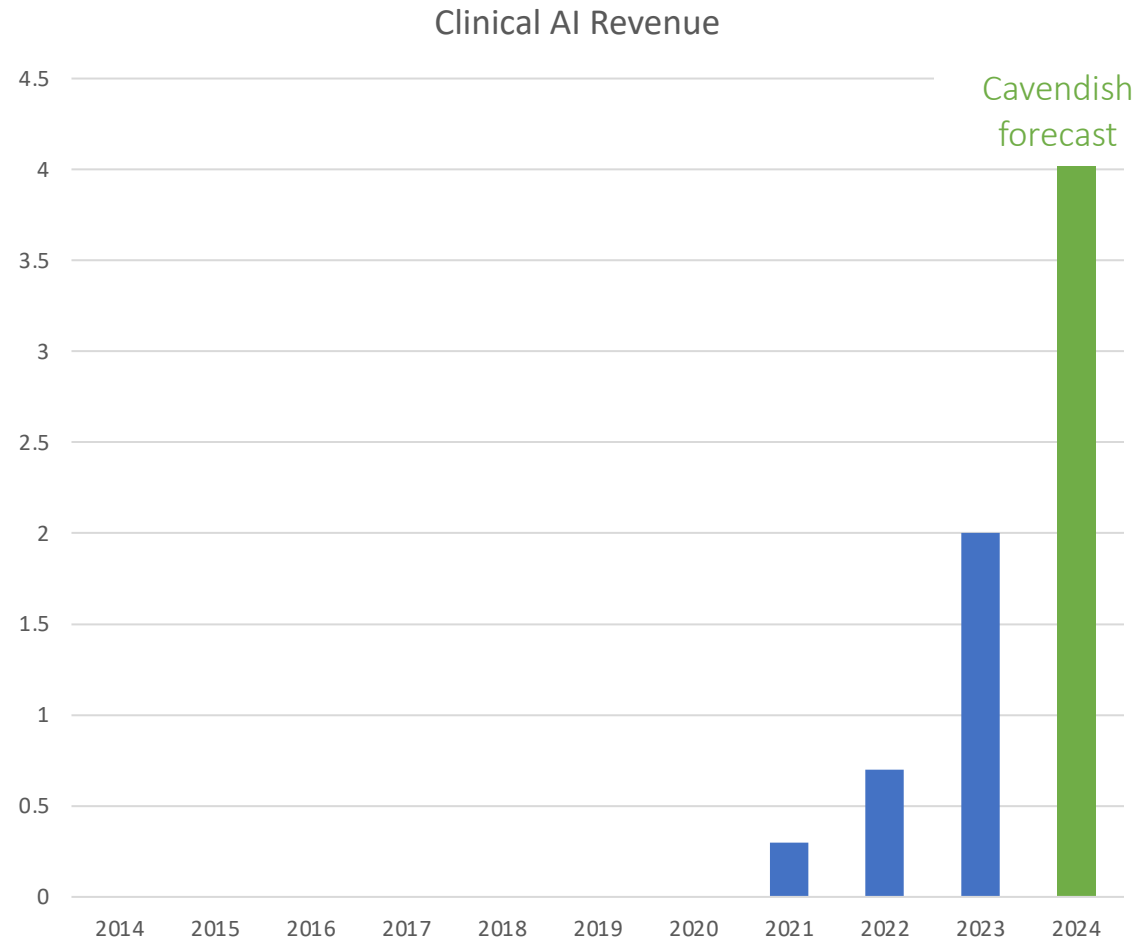
Transparency Market Research

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

Data Bridge Market Research

Continue to build our clinical AI capability

A key component of our 2025 vision



CLINICAL AI SOFTWARE

Clinical scanning and operating theatres

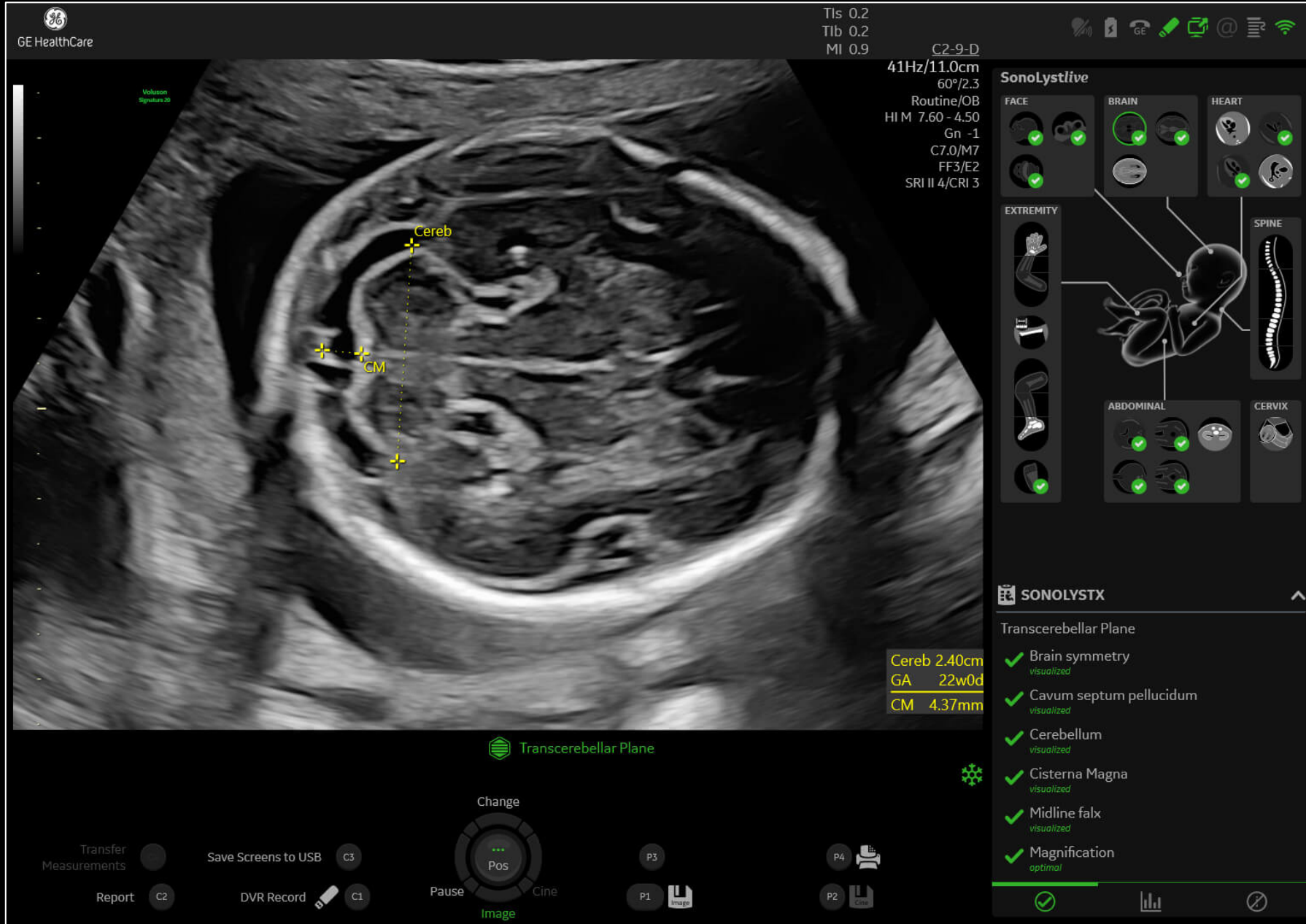
\$1.3bn market by 2028²

3 products in the market

2 products in development

60m+
images in our database

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



SonoLystlive

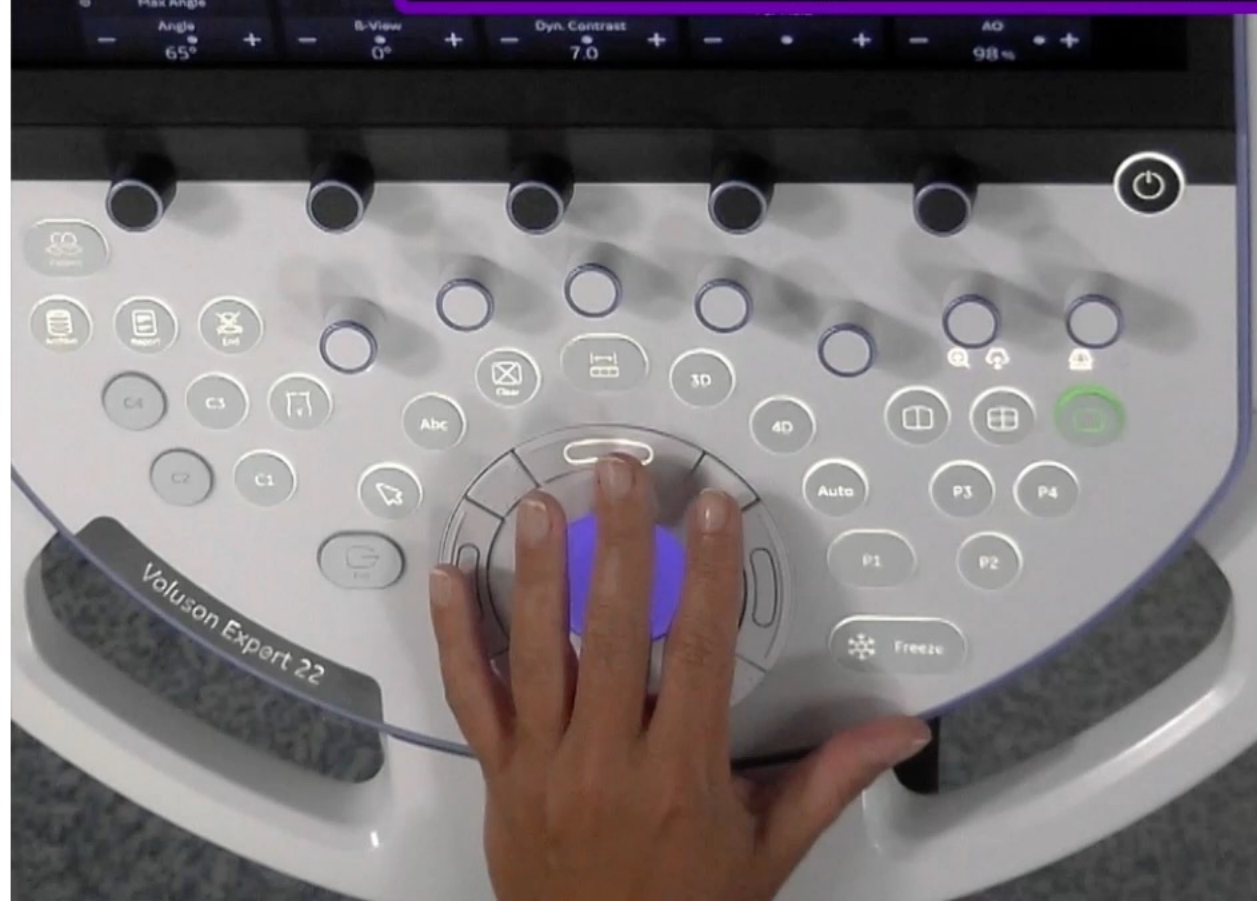
The world's first fully integrated AI tool that automatically in real-time recognises the 21 mid-trimester views during patient scans.



Manual Exam



SonoLystlive



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



Women's health ultrasound annual units sold

(est)

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

c.37,000

are sold into the

**obstetrics
market**

Women's health ultrasound vendor market share

(est)

GE HealthCare 51%

Mindray 10%

Samsung 9%

Canon 7%

Philips 7%



Voluson Range

Voluson Expert 22/20

Voluson Expert 18

Voluson Signature 20

Voluson Signature 18

Voluson SWIFT

Voluson Performance

SonoLyst X/IR SonoLyst *live*

STANDARD

OPTION

STANDARD

OPTION

OPTION

*2021 estimates from Signify Research

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

SCANNAV™
ANATOMY Peripheral Nerve Block

CLASSROOM TO CLINIC

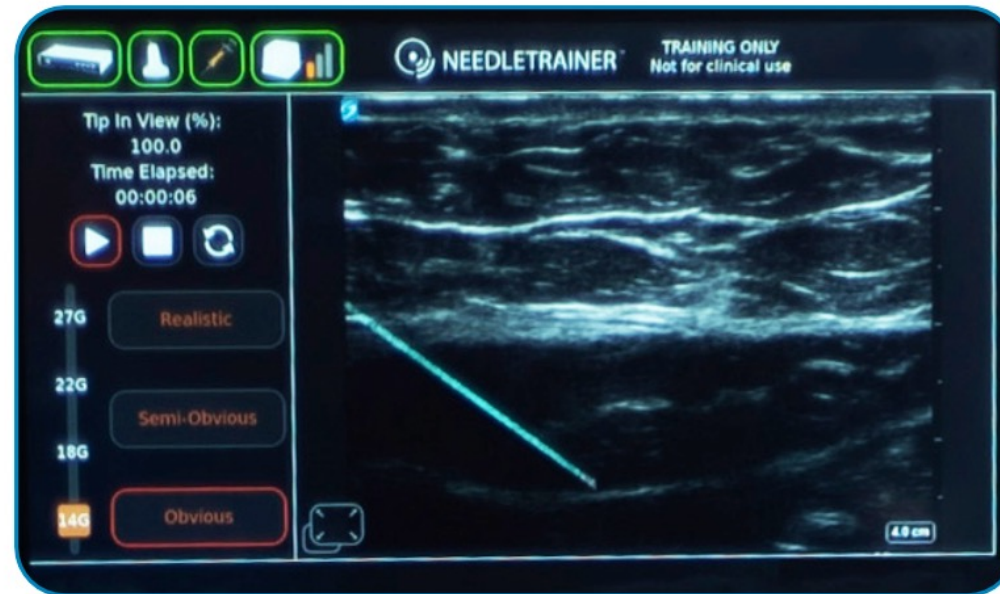
Our classroom-to-clinic package includes NeedleTrainer, designed to enable practitioners to develop sono-anatomy interpretation and needle-probe co-ordination skills and in the simulation setting, before moving into the clinical environment with ScanNav Anatomy PNB for the delivery of nerve blocks.



NeedleTrainer

AI HYBRID

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.



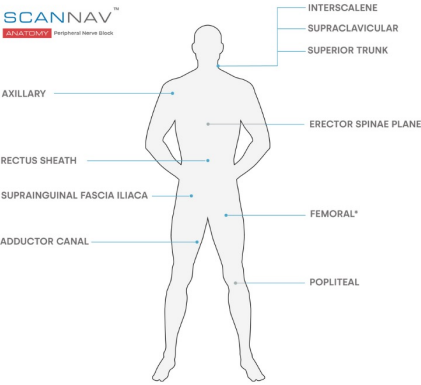
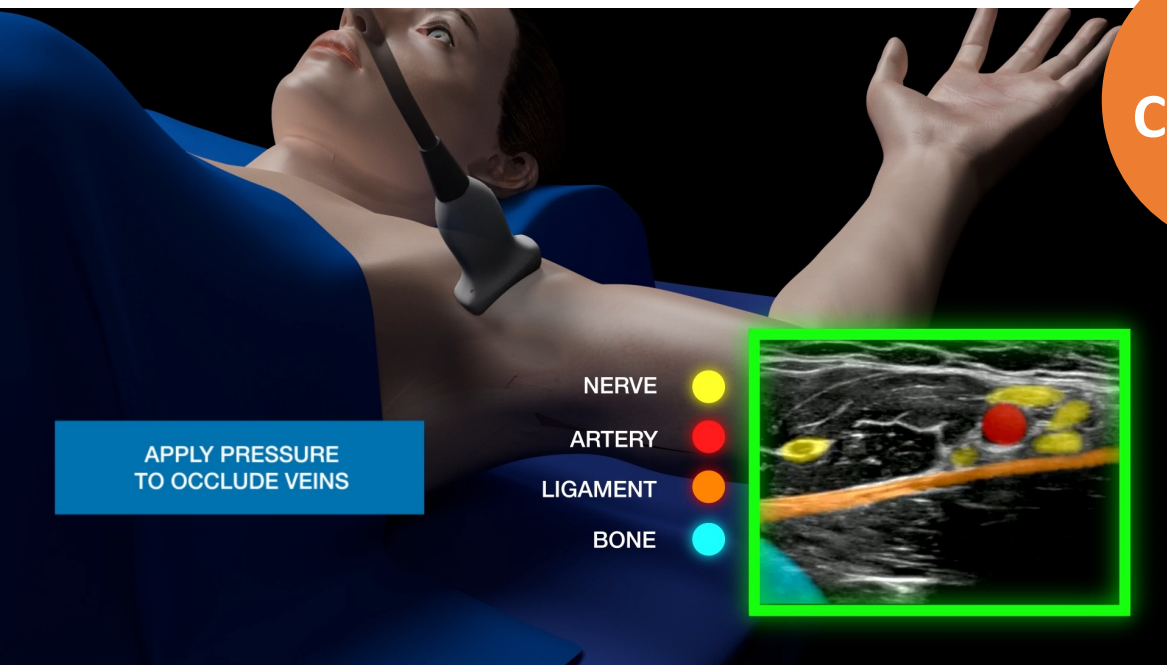
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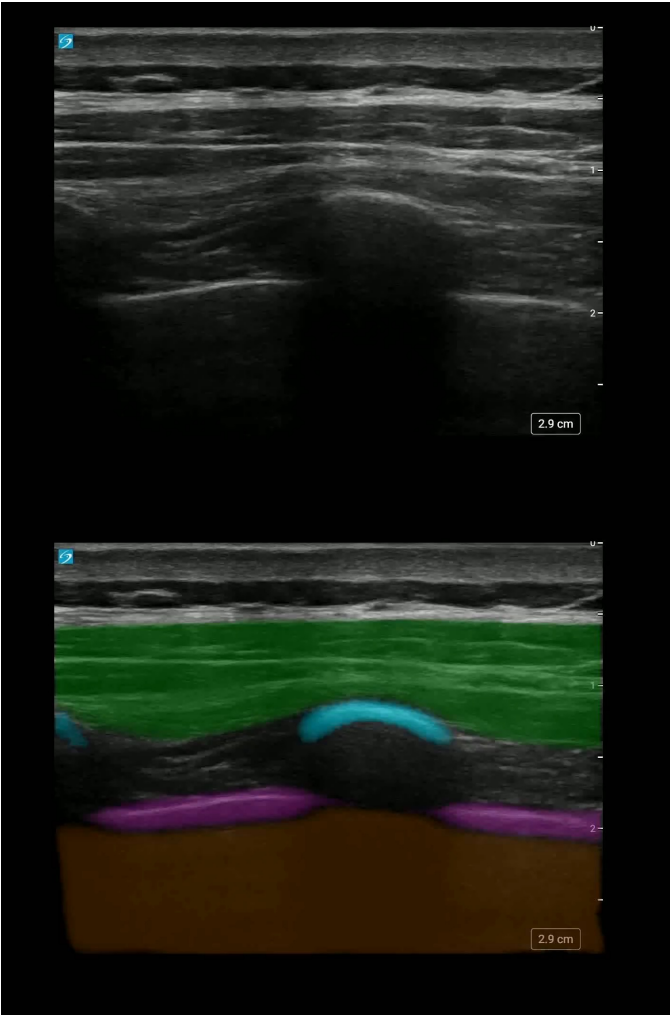
ScanNav Anatomy PNB (peripheral nerve block)

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

FDA
CLEARED
OCT 2022



*Femoral Nerve Block not currently available in the USA



40% increase in the delivery of UGRA

1 Enable trainee anaesthetists to learn with confidence

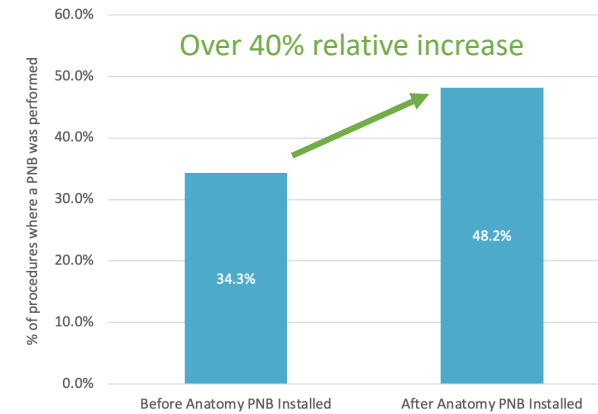
improve
training

2 Help more qualified anaesthetists to conduct PNBs

improve
patient
care

3 Help increase the numbers of PNBs per hospital

reduce
hospital
costs



Study

- Data gathered from Aneurin Bevan University Health Board trauma list covering 7 blocks
- 4 weeks prior to, and after Anatomy PNB install

Conclusions

- Peripheral nerve blocks were performed in ~14% more of eligible cases
- Install of Anatomy PNB increased PNB delivery

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*.

Enabling confidence with Classroom to Clinic

A recent evaluation of service, in a UK hospital, demonstrated that assistive AI can be used to increase the delivery of UGRA and improve patient access to these techniques. During the evaluation, there was a 40.4% relative increase in the number of peripheral nerve blocks used in trauma cases.¹

Studies have shown that experts believe it could reduce the risk of block failure and side effects such as nerve injury.²

New products in development

SCANNAV[®] DETECT LIVER

- Signed agreement with Dundee University in October 2023
- Access to a rich database of over 1m ultrasound images from c.50,000 patients from the University of Dundee and NHS Tayside
- To create machine-learning models that make it easier to stage liver disease and monitor disease progression

SCANNAV[™] FETALCHECK

- Announced new product development programme in November 2023
- ScanNav FetalCheck gestational age (GA) estimation in prenatal care
- To enable a non-skilled or skilled user to establish the GA accurately with minimal training



SCANNAVTM

FETAL CHECK

Being used in the largest ever field trial on the use of aspirin to prevent pre-eclampsia in Africa, funded by the Bill and Melinda Gates Foundation



Classroom to Clinic ... to Consumer?

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



New market

CLINICAL AI SOFTWARE

Clinical scanning and
operating theatres

\$1.3bn market by 2028 ²

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Future markets

CONSUMER AI SOFTWARE




Primary care and
worried well scanning

\$1.5tn market?






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

Scope 1	Scope 2	Scope 3
Covers the emissions we make directly, e.g. our buildings or vehicles	Covers the emissions we make indirectly, e.g. the energy we buy to heat and cool our buildings	Covers all the indirect emissions associated with our value chain, e.g. from our supplier through to our customers
Direct Emissions (kg CO ₂) 9,937  2022: 5,681	Indirect Emissions (kg CO ₂) 29,464  2022: 33,862	Indirect Emissions (kg CO ₂) 914,034  2022: 1,096,438

	2023	2022
Governance		
Female representation on the board	38%	30%
Independent board members	50%	50%
CEO cash compensation (vs UK median earnings)	5.9 x	6.1 x
Highest to lowest pay ratio	9.0 x	12.1 x
CEO & Chairperson role split?	Yes	Yes
Adheres to relevant Corporate Governance code	Yes	Yes
ESG meetings held	10	10
Whistleblowing reports	0	0

-  We have reduced the environmental impact of our packaging - all our cardboard packaging now comes from sustainable sources; our packing peanuts are fully bio-degradable; and our pallets are locally sourced
-  We continue to increase the number of web-based demos, reducing travel and shipping impact
-  100% of the Group's 2023 CO2 equivalent greenhouse gas emissions are offset through Climate Partners

Board changes

- During the year, Ian Whittaker, who has served as an Executive Director and Chief Operating Officer (COO) since joining the Group on the acquisition of Inventive Medical Ltd in August 2016, chose to retire from the Board of Directors and his position as COO
- Ian remains with the Group in a part-time capacity to assist on projects, as required
- The Board extends its thanks to Ian for his commitment and invaluable contribution to significantly growing the simulation revenue over the last seven years and wishes him continued success in his business and personal endeavours.
- Ian's position has not been replaced

Current trading and outlook

Tight control on costs in 2024

- The start of 2024 the UK market is experiencing tougher trading conditions due to the current reduction in NHS capital expenditure spending, caused in part by the costs of covering the junior doctor's strikes
- As such we are keeping a tight control on costs to offset any softening in UK revenue, whilst we ascertain the impact on the UK market if the NHS spending restrictions continue into the second half of 2024
- When these cost controls are combined with the growing revenue from our high margin AI-related products and non-UK related simulation markets, the business continues to forecast revenue in 2024 to be between £14m to £17m and that it will reach profitability with its current cash resources.

2023 Financial Highlights

£11.2m ↑ **11%**
Total revenue

2022: £10.1m

Clinical AI revenues trebled to over £2m

£6.9m ↑ **13%**
Gross profit

2022: £6.1m

61% ↑ **1%**
Gross margin

2022: 60%

£3.0m ↓ **18%**
Operating loss

2022: £3.7m

Higher gross profit & capitalised R&D offset by higher SG&A costs

£2.6m ↓ **13%**
Loss after tax

2022: £3.0m

Impacted by lower R&D tax credits

£4.1m
Net cash outflow

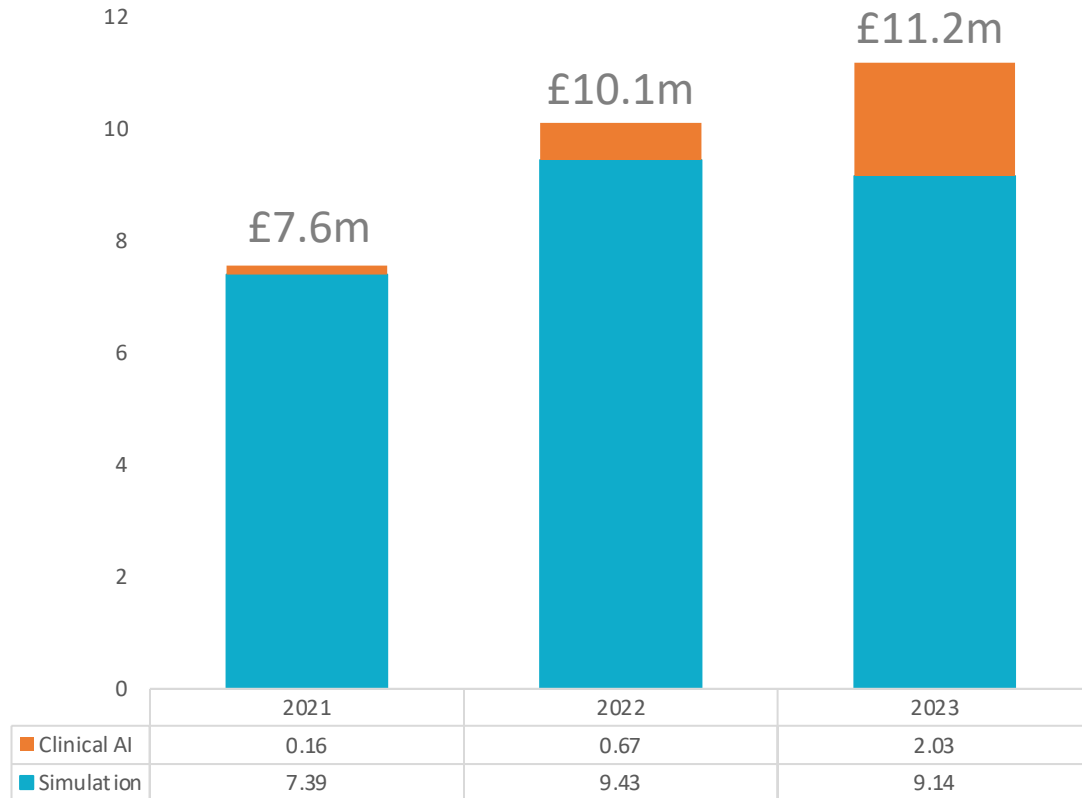
2022: £2.0m inflow

Operating cashflows impacted by working capital timing

£3.0m
Cash and cash equivalents

Dec 2022: £7.2m

Group Revenue Summary



 Group revenue **+11%**

- Simulation: -3%
- Clinical AI: +203%

 Like for like adjusted* **+36%**

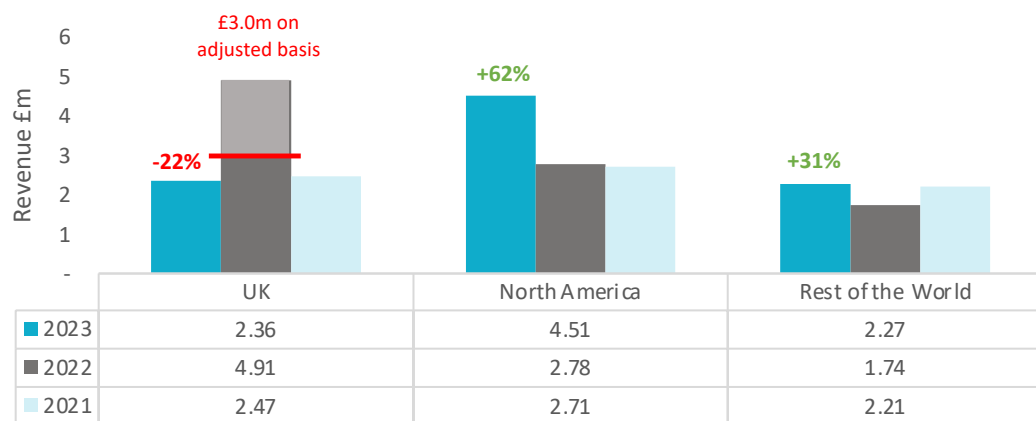
- Simulation: +21%
- Clinical AI: +203%

**2022 adjusted for £1.9m exceptional UK revenue*

Simulation and Clinical AI Revenues

Simulation			
£m	2023	2022	Movement
Revenue	9.14	9.43	-3%
<i>Revenue (2022 adjusted)</i>	<i>9.14</i>	<i>7.53</i>	<i>+21%</i>
Gross profit	5.46	5.69	-4%
<i>Gross margin %</i>	<i>60%</i>	<i>60%</i>	<i>-</i>

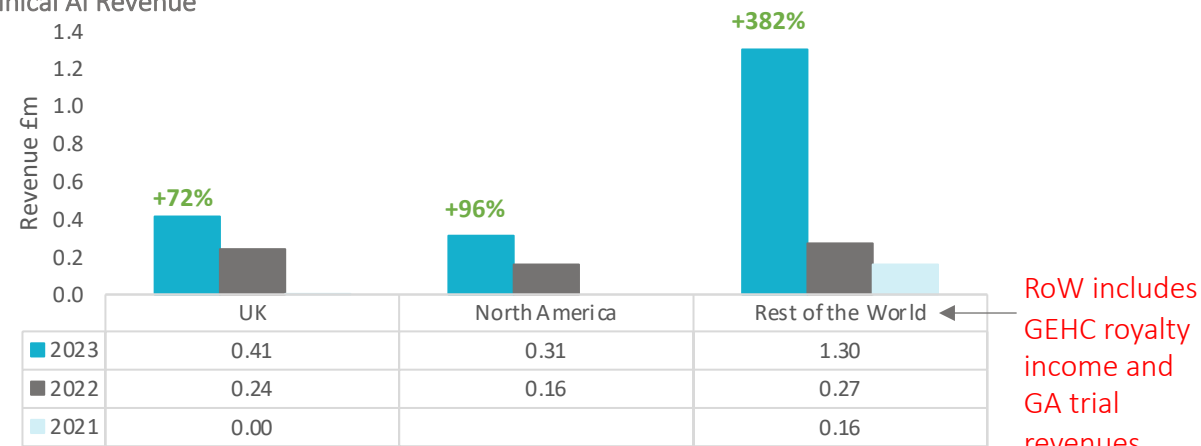
Simulation Revenue



- North America: Sales grew to £4.5m across most products and reflecting our investment in resource and marketing
- ROW: Good recovery in H2 and grew over 30%. Still remains a significant opportunity for further sales growth in a number of key markets
- UK: Down by 22% on a like-for-like basis due to a diversion of NHS training budgets to other areas as well as the merger of Health Education England with NHS England

Clinical AI			
£m	2023	2022	Movement
Revenue	2.03	0.67	+203%
Gross profit	1.38	0.39	+143%
<i>Gross margin %</i>	<i>68%</i>	<i>58%</i>	<i>+10%</i>

Clinical AI Revenue



- UK and North America Clinical AI revenues relate to direct sales of NeedleTrainer (NT)/C2C and PNB which showed good growth in 2023
- RoW includes both sales of NT, C2C and PNB as well as royalty income and other AI income relating to the ScanNav FetalCheck software used in the Gates trial in Africa

2023 Income Statement

£m	2022	2023	Movement
Revenue	10.1	11.2	0.9
Gross profit*	6.1	6.8	0.7
Gross margin %	60%	61%	1
Sales & marketing*	(3.6)	(3.8)	(0.2)
Expensed R&D	(1.6)	(1.2)	0.4
Other cash G&A	(2.8)	(3.0)	(0.2)
Non-cash costs	(1.8)	(1.9)	(0.1)
Total P&L costs	(9.8)	(9.9)	(0.1)
Operating loss	(3.7)	(3.0)	0.7
Interest & tax	0.7	0.4	(0.3)
LOSS AFTER TAX	(3.0)	(2.6)	0.4
Total R&D spend	(3.1)	(3.0)	0.1
Total costs (inc capitalised R&D)	(11.3)	(11.7)	(0.4)

• Total P&L costs of £9.9m - £0.1m higher than 2022:

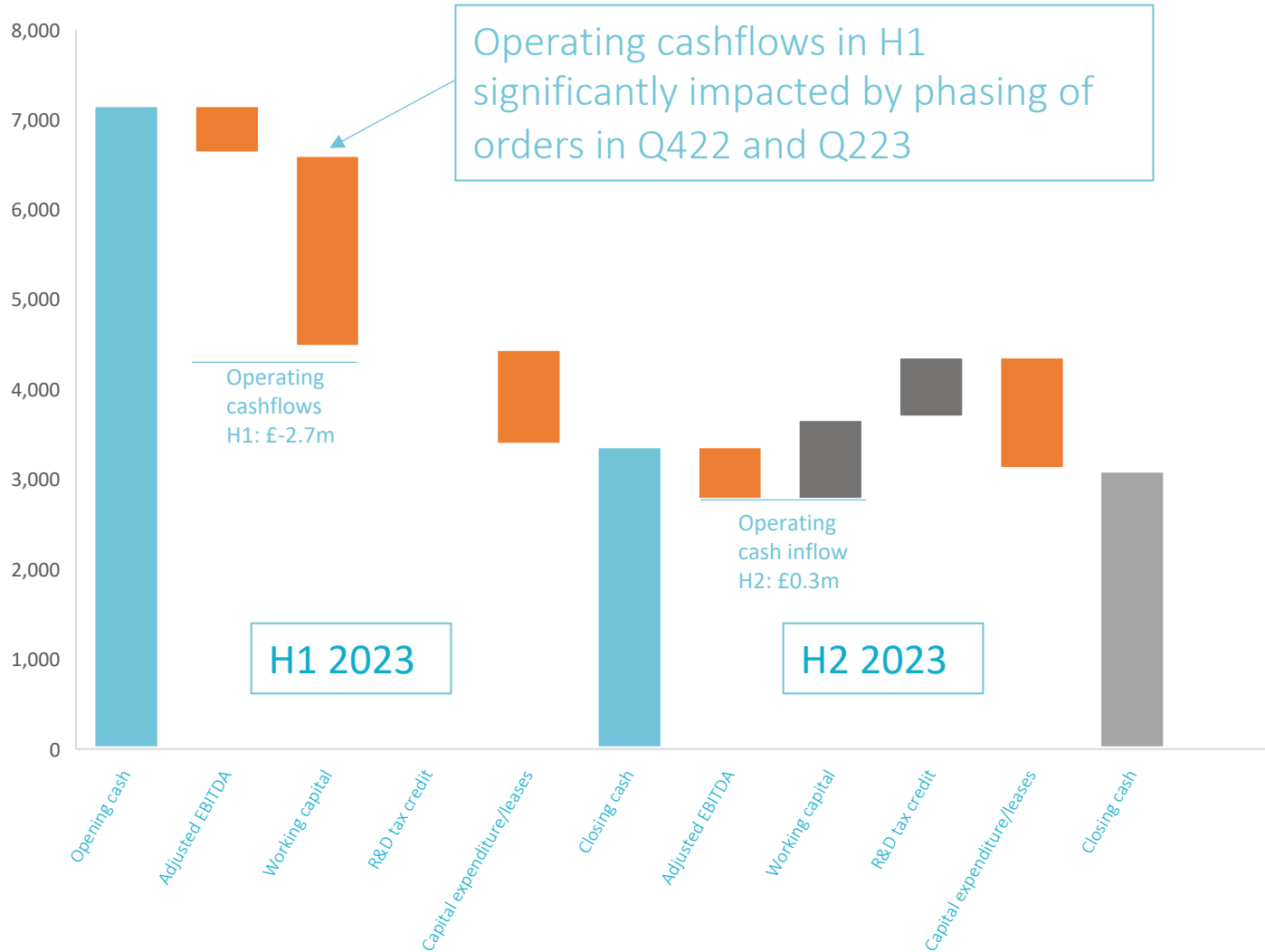
• Including capitalised R&D costs, total costs of £11.7m increased by £0.4m:

- Increased sales resource in US and UK
- Salary increases averaged 8% in FY2023
- Higher insurance costs
- Inflation impacting other G&A costs

Balance sheet at Dec 23

£m	Dec 2022	Dec 2023	Movement	
Non-current assets	4.5	5.4	0.9	Intangible assets of £4.1m (£2.1m Clinical, £2.0m Simulation)
Current assets	11.5	8.3	(3.2)	
Inventories	1.6	1.5	(0.1)	Stock increased in H1 but returned to expected levels in H2
Trade & other receivables	2.7	3.4	0.7	£3.4m revenue in Q423 v £2.2m in Q422. Debtor days: 85
Cash & cash equivalents	7.2	3.0	(4.2)	See Cashflow slide
Current liabilities	(3.3)	(3.3)	-	
Non-current liabilities	(0.6)	(0.8)	(0.2)	Higher lease liabilities due to new warehouse and IUNA office leases
Net assets	12.2	9.7	(2.5)	

Cashflow



● Cash burn in 2023: £4.1m

- Adj. EBITDA loss of £(1.2)m (2022: £(1.9)m)
- Capitalised R&D and PPE: £(2.2)m (2022: £(1.8)m)
- R&D Tax credit: +£0.7m (2022: +£0.9m)
- Working capital: £(1.2)m (2022: +£0.3m)
 - Variation in timing of orders has significant impact on working capital
 - Stock levels reduced in H2 following review
- H2 cash outflow was only £0.3m compared to £3.8m in H1

● £2m overdraft facility agreed post year end

● With expected FY24 revenues of >£14m and costs controlled in line with this we still expect current cash resources to be sufficient to get to profitability

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
- Anticipate revenue of £14-17m in FY24 with material contribution from AI related sales
- Current cash resources expected to take the group to profitability

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



INTELLIGENT
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for smarter scanning

Thank you