

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



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

Unaudited Interim Results

*August 2024*

## Sale of Clinical AI business

- GE HealthCare acquiring IUG's Clinical AI business for £40.5m cash, subject to regulatory approval from the UK's National Security and Investment Authority and Competition and Markets Authority
- An implied value of 12.4p per Ordinary Share on current issued share capital
- 33.75 times multiple of the 2023 revenues for Clinical AI Business (ex NeedleTrainer)
- Expected to complete on 1 October 2024

## Interim results (continuing and discontinuing operations combined)

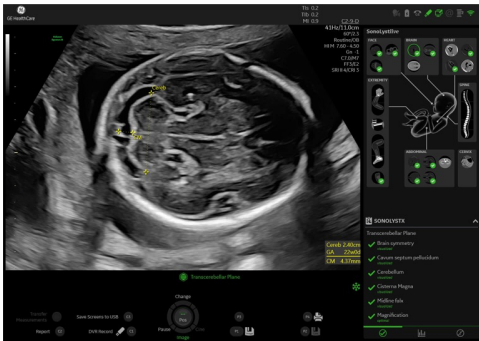
- Group revenue in the first half of the year declined by 18% to £5.0m (H1 2023: £6.1m)
  - Continuing operations (Simulation & NeedleTrainer) sales down 22% to £4.54m (H1 2023: £5.8m)
  - Discontinued operations (Clinical AI software) related revenue doubled to £0.44m (H1 2023: £0.2m)
- Cash overheads in the business reduced to £4.4m (H1 2023: £4.9m)
  - Continuing operations: £3.3m (H1 2023: £3.7m)
  - Discontinued operations: £1.1m (H1 2023: £1.2m)
- Reduced cash burn in H1 2024 of £2.0m (H1 2023: £3.8m) leaving cash at 30 June 2024 of £1.0m (31 December 2023: £3.0m)

# Clinical AI sales

## Discontinued operations (being acquired by GE HealthCare)

### GE HealthCare

- SonoLystLive launched on the new Voluson Signature ultrasound machine as a standard feature



### ScanNav Anatomy PNB

- New femoral block added



### ScanNav Fetal Check

- Gates Foundation trial continues in Africa
- Additional units sold to Rwanda

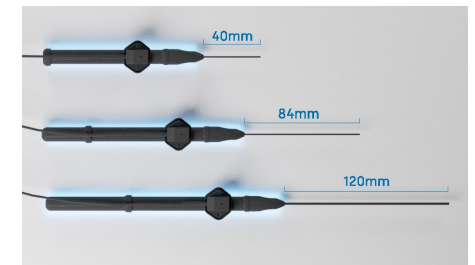


H1 revenue grew to £0.4m  
(H1 2023: £0.2m)

## Moving to continuing operations

### NeedleTrainer

- New v2.6 launched
- New blocks and e-learning added
- New needle lengths



H1 revenue increased to £1.0m  
(H1 2023: £0.5m)

# Continuing operations (Simulation including NeedleTrainer)



**CLASSROOM SIMULATION**  
Hospital training rooms  
and sim centres  
c.\$200m market by 2026 <sup>1</sup>

SCANTRAINER®



SCANTRAINER®  
COMPACT



HEARTWORKS®



BODYWORKS|Eve®



BABYWORKS

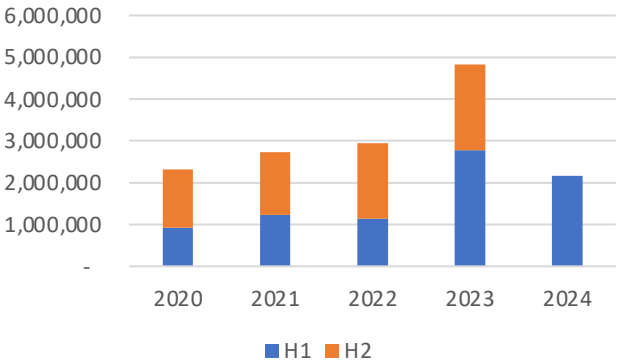


NEEDLETRAINER®

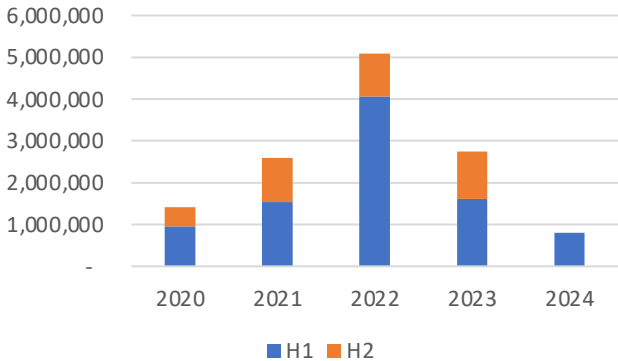


🌐 A disappointing first half with revenue down 22% to £4.5m (H1 2023: £5.8m)

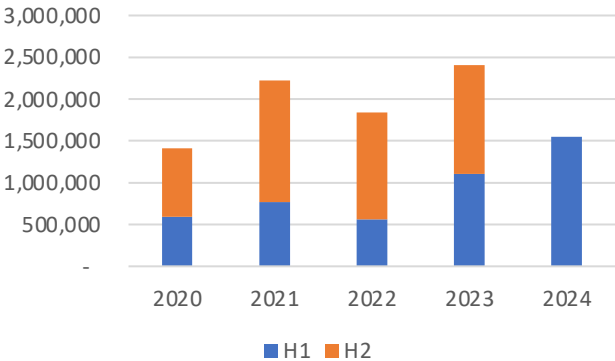
IUNA -23%



UK -58%



ROW +37%





# Simulation R&D

● In the period we focussed on releasing the:

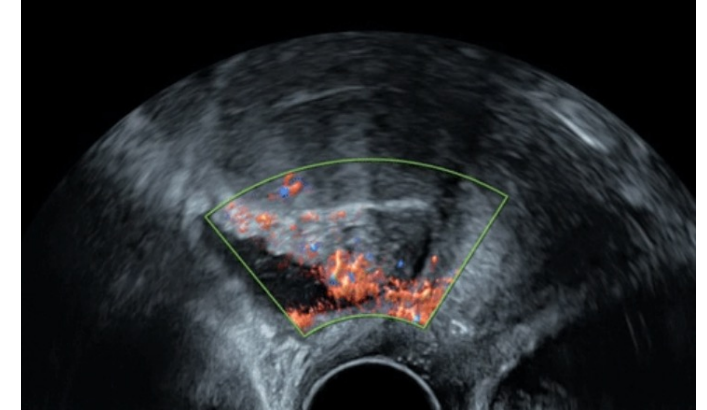
- HeartWorks cardiac updates to our BabyWorks 2.0 simulator
- New needling functionality for our BodyWorks POCUS simulator
- New first to market Endometriosis Compact simulator



NEW Cardiac for BabyWorks



NEW Needling on Eve



NEW Endometriosis Plus  
Compact simulator launched



HeartWorks



BodyWorks



AR tablet



NEW

Needling on Eve



TVS



TAS/TVS

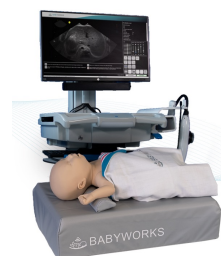


COMPACT

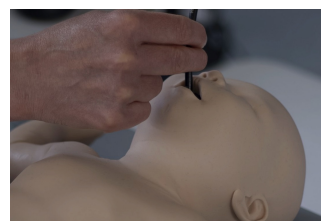


NEW

ENDOMETRIOSIS PLUS



BabyWorks POCUS



BabyWorks Cardiac



NEW

# Board Changes and ESG

- On completion of the GE HealthCare transaction, Nicholas Sleep will be resigning as Director and joining the GE HealthCare team
- In May we published our third ESG report in the 2023 annual report and accounts. We continue to instigate new initiatives to promote better employee and local engagement and believe we are having a positive impact locally, nationally and globally.

# Sale of the Clinical AI business

- It is the Board's intention to make a material return of capital following a review of the growth potential and capital requirements of the post-transaction business and taking legal and tax advice on structure of a return.
- An announcement detailing the proposed use of funds and future strategic direction for the post-transaction business is expected to be made by the time of completion of the Proposed Transaction, which, dependent on the timing of the Regulatory Consents, is expected to be in October this year.



# H1 2024 Basis of presentation

## Continuing operations

- Simulation segment adjusted to include Needletrainer
- 90% of Group revenue
- 79% of total admin costs
- Corporate and central costs that will remain with the Group post sale completion

**£4.5m**

↓22%

**Revenue**

H1 2023: £5.8m

**£2.6m & 57%**

**Gross profit and margin**

H1 2023: £3.5m & 61%

**£(1.3m)**

**Loss after tax**

H1 2023: £(0.5)m

## Discontinued operations

- IUL plus certain assets
- Presented in the income statement as one line - Loss after tax
- Income statement for H1 2023 and FY 2023 restated
- Classified as Held for Sale in the Balance Sheet at 30 June 2024

## Loss after tax from discontinued operations

H1 2024: £(0.7)m

H1 2023: £(0.8)m

FY 2023: £(0.9)m

**Assets Held For Sale: £2.2m**

**Liabilities Held For Sale: £(9.5m)**

**Cashflows: £(0.9m)**

## Balance Sheet & Cashflow

**£8.0m**

**Net assets**

December 2023: £11.0m

**£2.0m**

**Net cash outflow**

H1 2023: £3.8m

*Working capital timing differences despite lower operating losses*

**Cash at 30 June of  
£1.0m**

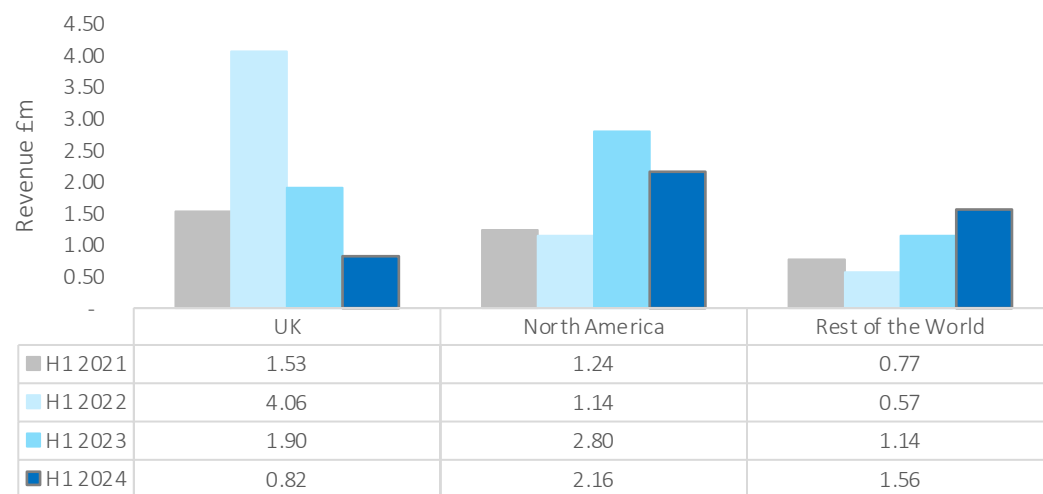
# H1 2024 Headlines

- Simulation: Declined by £1.30m (22%) to £4.54m (H1 2023: £5.84m)
  - UK sales down by £1.08m to £0.82m
  - North America sales down by £0.63m to £2.16m
  - ROW increased by £0.42m to £1.56m
- Clinical revenues doubled to £0.44m (H1 2023 £0.22m) with royalty income continuing to increase
- Group administrative costs reduced to £4.98m (H1 2023: £5.13m):
  - Continuing: £3.95m (H1 2023: £4.12m)
  - Discontinued: £1.03m (H1 2023: £1.15m)
  - Group cost savings of £0.58m in the period offset by higher amortisation charges (£0.73m), annual pay increases (£0.15m) and some initial one-off costs associated with the sale (£0.10m).
- Cash at the end of the period was £0.95m; a cash burn of £2.0m in the period. Impact of working capital movements significantly reduced compared to H1 2023

# Simulation and Clinical AI Revenues

Simulation (including NT) – continuing operations			
£m	H1 2024	H1 2023	Movement
Revenue	4.5	5.8	-21%
Gross profit	2.6	3.6	-4%
Gross margin %	57%	61%	-

Clinical AI - discontinued operation			
£m	H1 2024	H1 2023	Movement
Revenue	0.4	0.2	+94%
Gross profit	0.4	0.2	+143%
Gross margin %	95%	98%	+10%



Includes GEHC Royalty income and ScanNav FetalCheck software revenue

- UK: Sales more than halved with public sector budget constraints significantly impacting sales
- North America: Down by 23% partly due to both timing and delivery backlog
- ROW: Up 37% and continuing to recover after a difficult few years, particularly in China

# H1 2024 Income Statement

£m	H1 2024	H1 2023		<i>Discontinued</i>	<i>Continuing</i>
Revenue	5.0	6.1		0.44	4.54
Gross profit*	3.0	3.8		0.42	2.58
<i>Gross margin %</i>	<i>60%</i>	<i>62%</i>		<i>95%</i>	<i>57%</i>
Sales, marketing & distribution	(1.7)	(1.9)		-	(1.65)
Expensed R&D	(0.7)	(0.8)		(0.57)	(0.09)
Other cash G&A	(1.5)	(1.7)		(0.18)	(1.37)
Non-cash costs	(1.1)	(0.9)		(0.28)	(0.84)
<b>Total Administrative costs</b>	<b>(5.0)</b>	<b>(5.3)</b>		<b>(1.03)</b>	<b>(3.95)</b>
Operating loss	(2.0)	(1.5)		(0.61)	(1.37)
Interest & tax	-	0.3		(0.05)	0.04
<b>LOSS AFTER TAX</b>	<b>(2.0)</b>	<b>(1.2)</b>		<b>(0.66)</b>	<b>(1.33)</b>
<i>Total R&amp;D spend</i>	<i>(1.2)</i>	<i>(1.5)</i>		<i>(0.9)</i>	<i>(0.3)</i>
<i>Total cash costs (inc capitalised R&amp;D)</i>	<i>(4.4)</i>	<i>(4.9)</i>		<i>(1.1)</i>	<i>(3.3)</i>
- Variable	(0.3)	(0.4)		-	(0.3)
- Fixed	(3.6)	(3.8)		(0.8)	(2.8)
- Capitalised R&D	(0.5)	(0.7)		(0.3)	(0.2)

• Total Admin costs reduced by £0.3m in H1 2024 despite:

- £0.1m higher amortisation
- £0.1m exceptional costs
- £0.1m annual pay rises of 4%

• Cost savings in H1 2024 totalled £0.6m through:

- Freeze on recruitment/non replacement of leavers
- Lower Clinical AI external R&D
- Lower sales, marketing and exhibition costs



# Balance sheet at June 2024

£m	June 2024	Dec 2023	
Non-current assets	3.6	5.4	
Current assets	16.9	8.3	
Inventories	1.4	1.5	
Trade & other receivables	2.6	3.4	£0.8m lower trade receivables (debtor days 55)
Intercompany receivable	9.5		Intercompany receivable from the Clinical AI business
Cash & cash equivalents	1.0	3.0	
Assets held for sale	2.2	-	Assets of the Clinical AI business
Current liabilities	(11.8)	(3.3)	
Trade and other payables	(2.3)	(3.3)	Trade and other payables lower by £1m (lower activity and timing)
Liabilities held for sale	(9.5)	-	Intercompany loan from IUL to parent and sister company
Non-current liabilities	(0.7)	(0.8)	
<b>Net assets</b>	<b>8.0</b>	<b>9.7</b>	

# Summary

- Clinical AI business sold to GE HealthCare for £40.5m (subject to regulatory approval)
  - Having spent the last seven years successfully creating first-to-market AI products and building a strong capability in AI image analysis, we are delighted that our achievements have been recognised
- The remaining simulation business will be boosted by the inclusion of the NeedleTrainer range, which generated £1.0m revenue in H1 2024
- We are conducting a comprehensive review of the simulation business, but it is the Board's intention to make a material return of capital following a review of the growth potential and capital requirements of the post-transaction business and taking legal and tax advice on structure of a return
- An announcement detailing the proposed use of funds and strategic direction for the Company is expected to be made in October when the sale is expected to complete

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