



# 2018 Preliminary Results

Year ended 31 December 2019 (unaudited)

Presentation by:

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CEO

**Wilson Jennings**

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# 2018 UNAUDITED PRELIMINARY RESULTS



## Summary

- increased simulation training turnover
  - grew by 27% to £5.3m;
- successfully piloted ScanNav, our AI ultrasound image analysis software
  - into two UK hospital (St Georges London and RUH Bath);
- commenced a clinical trial within the Aneurin Bevan University Health Board
  - to capture data for our AnatomyGuide AI software for ultrasound-guided peripheral nerve blocks;
- expanded our AI imaging database for obstetrics
  - to over 1m images
- raised £4.8m net of costs

# Classroom

SIMULATION BASED TRAINING THROUGH SIMULATION

Medical students, trainee doctors and sonographers



INTELLIGENT  
**ULTRASOUND**  
for smarter scanning

# Clinic

ARTIFICIAL INTELLIGENCE BASED IMAGE ANALYSIS

Doctors, nurses, midwives and sonographers



## Ultrasound Medical Imaging

The cheapest, fastest and safest of the three main medical imaging modalities



Providing a range of hi-fidelity simulators for educating and training ultrasound practitioners throughout the world to improve patient care by raising scanning standards

Developing a range of AI-based software to provide real-time guidance and image analysis during ultrasound scanning, to improve the speed and standard of scanning worldwide

Over 700 simulators in over 400 institutions around the world, products in the market include:

Pre-market products in development include the following:

 SCANTRAINER®

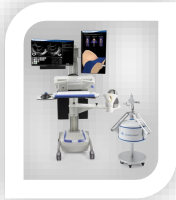
 HEARTWORKS®

 BODYWORKS|Eve

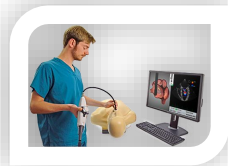
 SCANNAV™ | Audit

 SCANNAV™ | Auto Capture

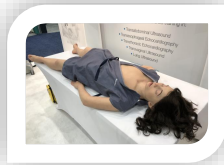
 ANATOMYGUIDE™



Obstetrics and  
Gynaecology



Heart and Lung



POCUS, Critical Care &  
Intensive Care



Obstetrics



Obstetrics

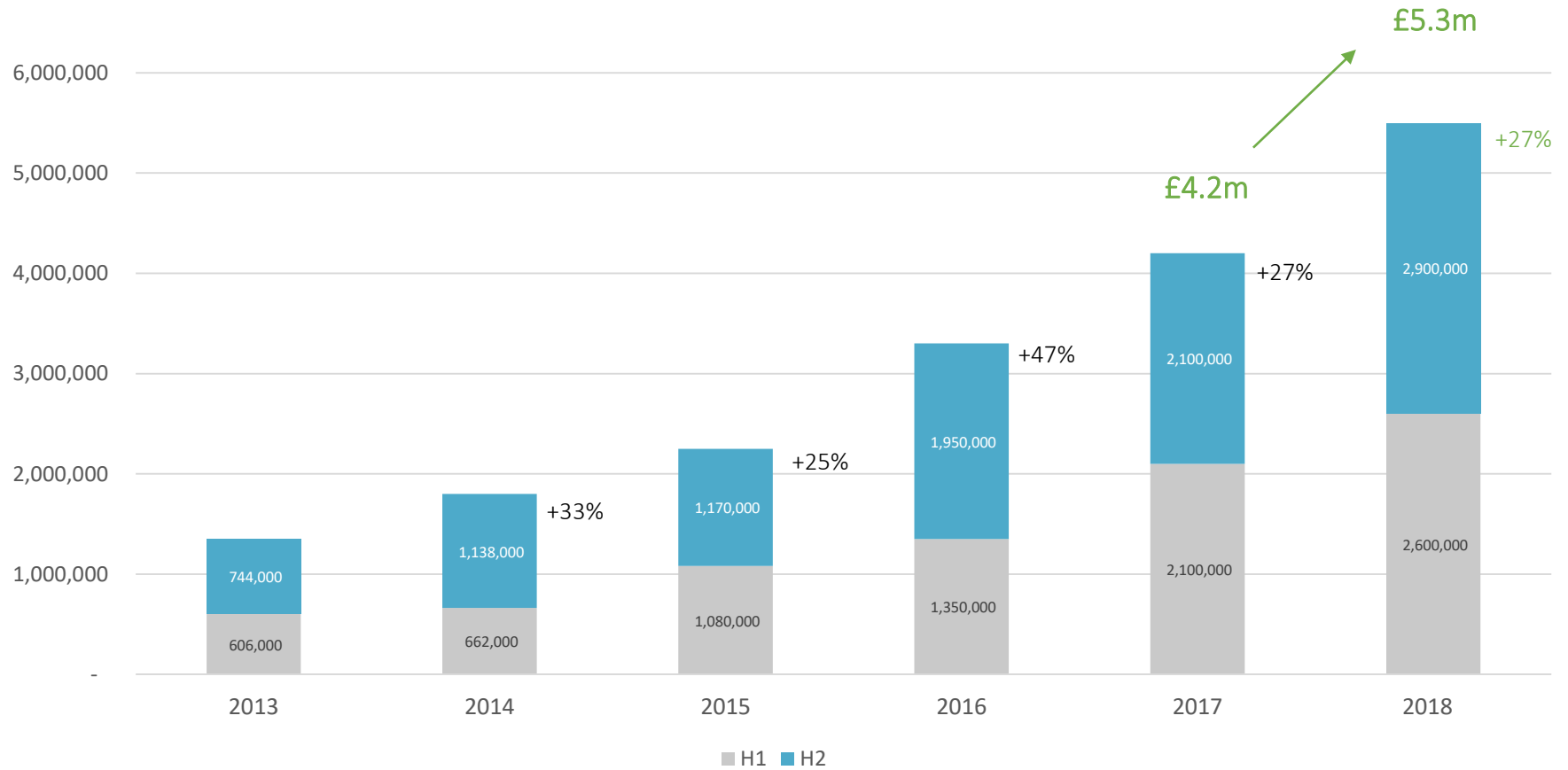


Peripheral Nerve Block

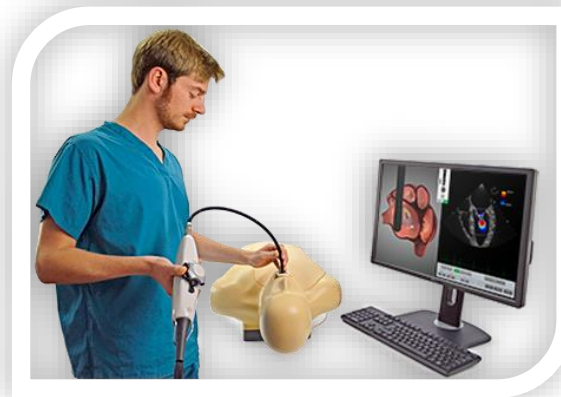
# SIMULATION DIVISION

Based in Cardiff (UK) and Atlanta (US)

# Simulation revenue:



# Simulation Division

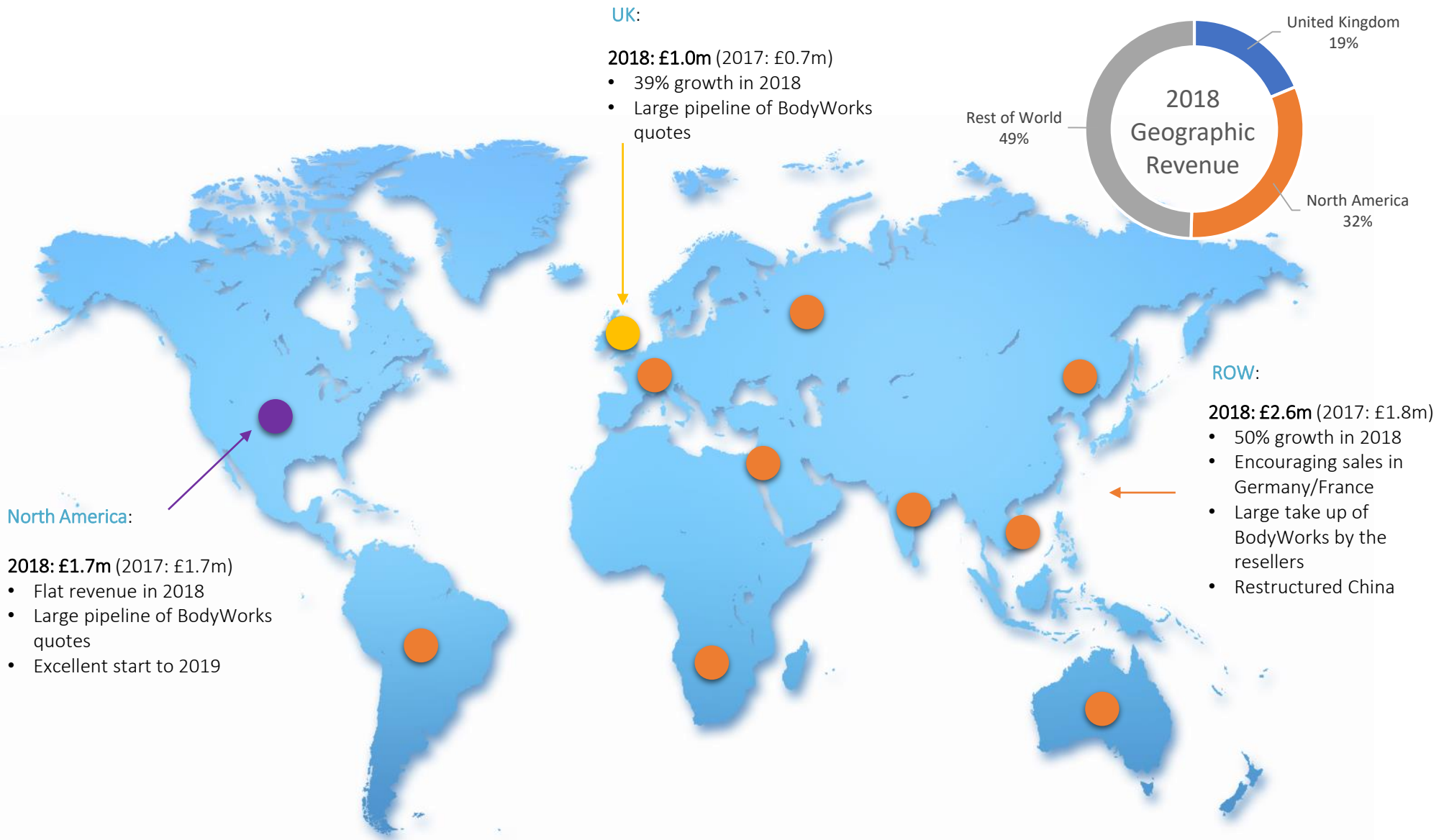


- Focus on **OBGYN** with two product types – transvaginal and transabdominal

- Focus on **echocardiology** with two product types – TOE and TEE

- Focus on point of care (**POCUS**) with ability to add HeartWorks as a module

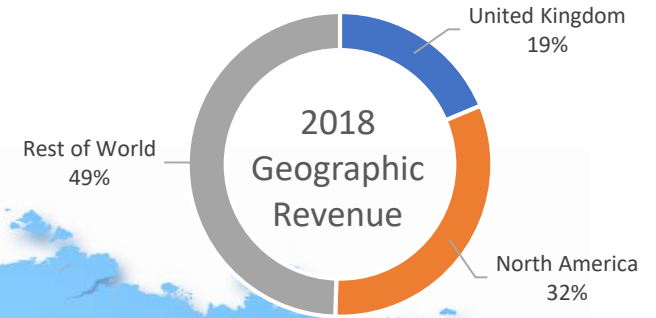
# Simulation Division – 2018 global sales



## UK:

**2018: £1.0m** (2017: £0.7m)

- 39% growth in 2018
- Large pipeline of BodyWorks quotes



## North America:

**2018: £1.7m** (2017: £1.7m)

- Flat revenue in 2018
- Large pipeline of BodyWorks quotes
- Excellent start to 2019

## ROW:

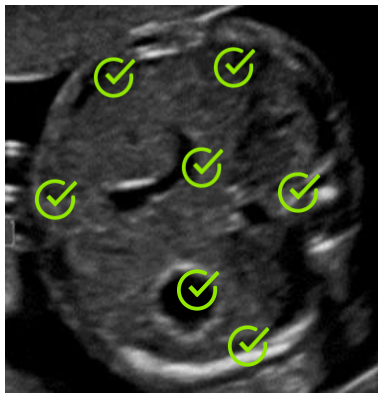
**2018: £2.6m** (2017: £1.8m)

- 50% growth in 2018
- Encouraging sales in Germany/France
- Large take up of BodyWorks by the resellers
- Restructured China

# CLINICAL DIVISION

Based in Oxford UK





Live image assessed in real-time according to global protocols (FASP, ACR, ISUOG)

3

SCANNAV<sup>™</sup> | Audit

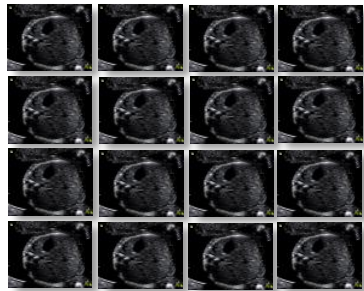
Real-time peer review of manually acquired images to ensure consistent image quality

4



# SCANNAV<sup>™</sup>

AI for ultrasound professionals

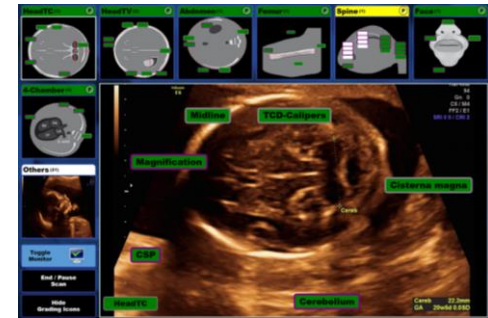


2

Image recognition algorithm taught on 350,000 graded and assessed images

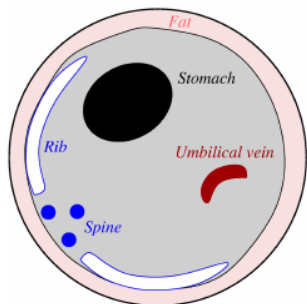


5



SCANNAV<sup>™</sup> | Auto Capture

Real-time automated image capture to shorten scanning time

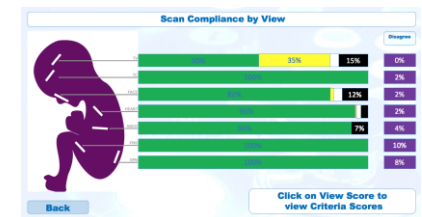


1

Key anatomical structures mapped

6

Full audit of all scans in department/hospital/region



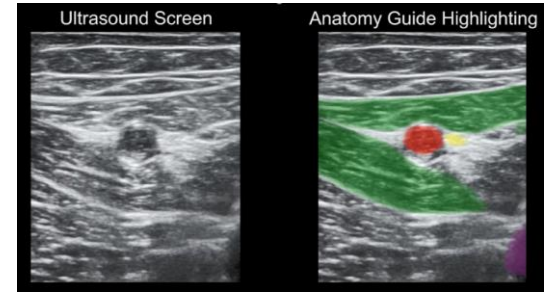


Live image assessed in real-time

3

Highlighted ultrasound image makes it easier for practitioner to identify anatomy

4



# ANATOMYGUIDE™

AI for ultrasound professionals

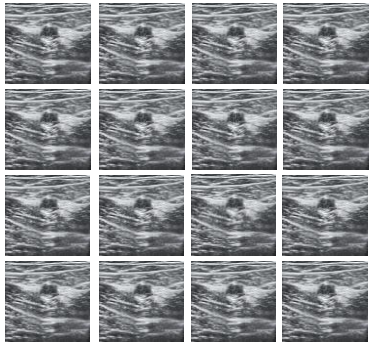


Image recognition algorithm taught on Intelligent Ultrasound image database

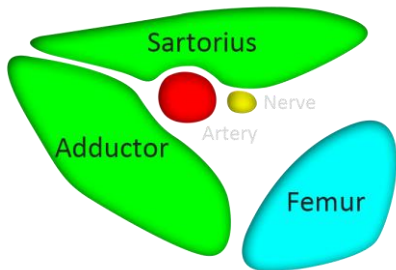
2



5

- + Popliteal fossa
- + Adductor canal
- + Rectus sheath
- + Axillary region
- + Fascia iliaca

Projected saving in a typical hospital from increased use of PNB is c. \$1m pa



1

Key Peripheral Nerve Block (PNB) anatomical structures mapped

6

Potential to enable more Family Practitioners to use needle guidance for post-op pain relief to reduce patient opioid addiction

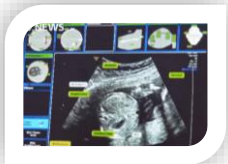


# Four AI platforms in development



SCANNAV<sup>™</sup> | Audit

- 20 week obstetrics
- 12 week obstetrics
- 30 week obstetrics
- Ovarian pathologies



SCANNAV<sup>™</sup> | Auto Capture

- 20 week obstetrics
- 12 week obstetrics
- 30 week obstetrics
- Others



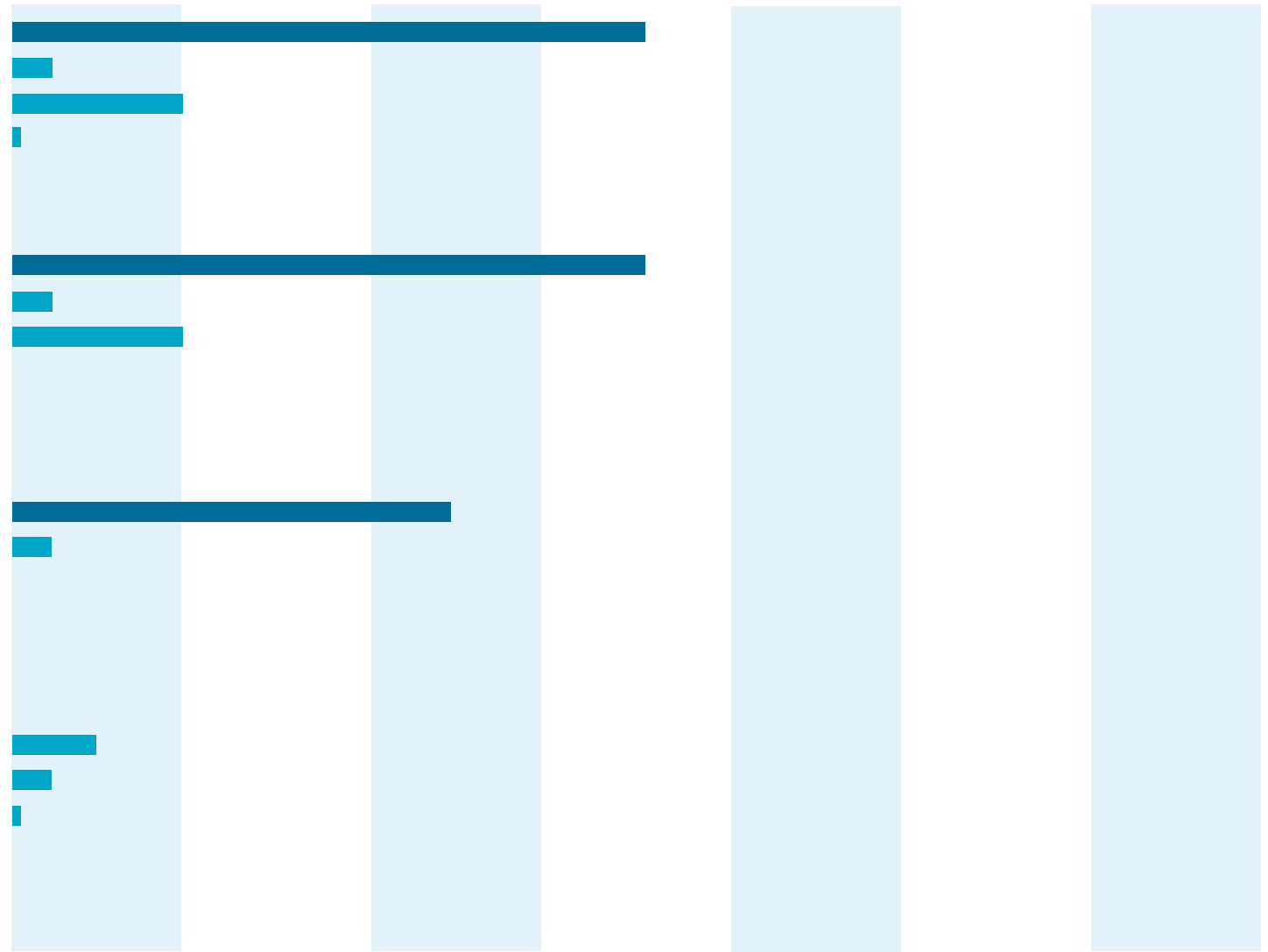
ANATOMYGUIDE<sup>™</sup>

- Peripheral Nerve Block
- GP Post Operative Pain
- Others



SCANNAV<sup>™</sup> | Assist

- Kidney
- Liver
- Others



AI PLATFORM

Product

Proof of Concept

Product in development

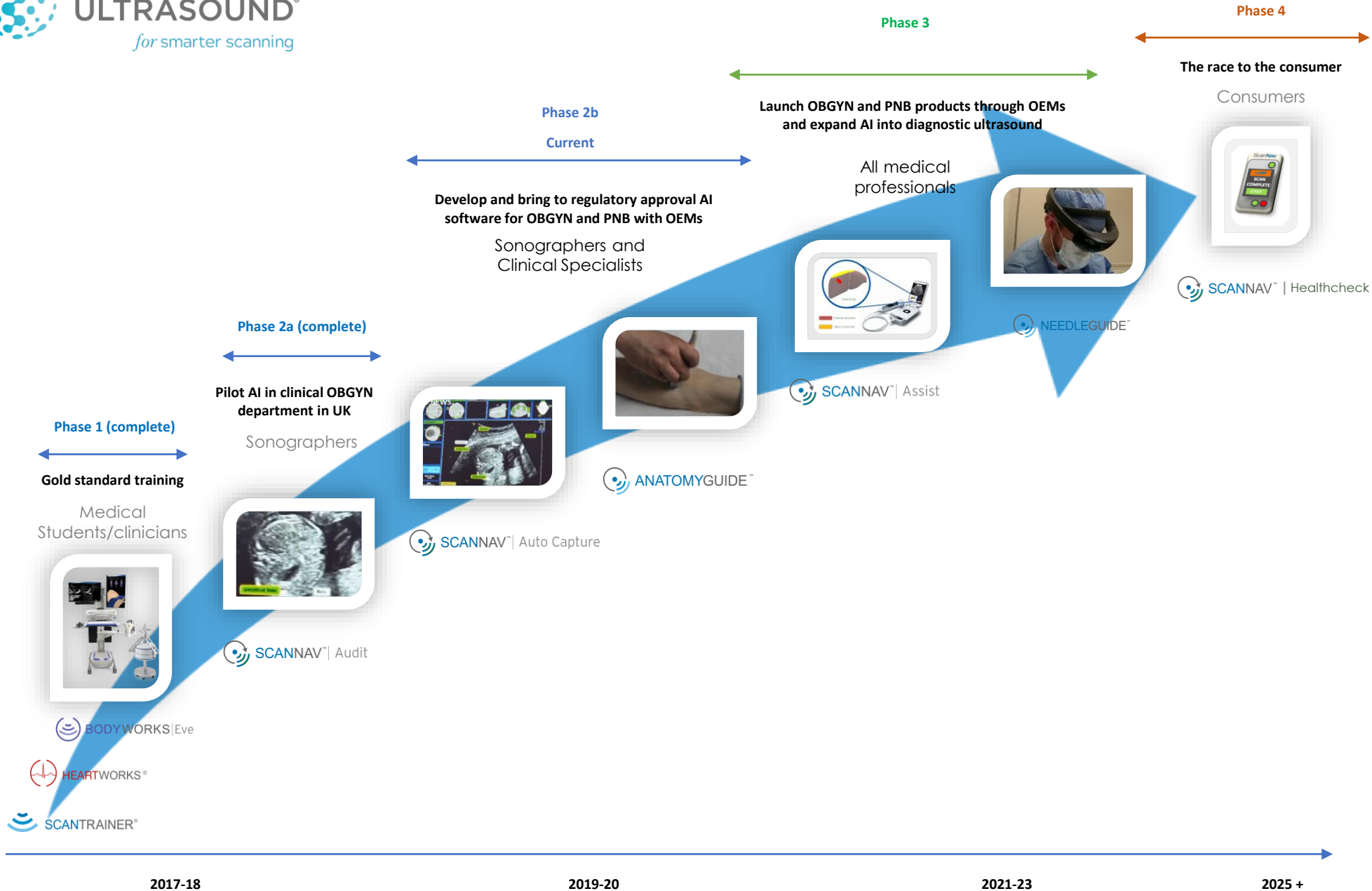
Live trials

OEM discussions

OEM integration

Regulatory approval

Product launched



# FINANCIALS

2018 UNAUDITED PRELIMINARY RESULTS



# CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2018

	Note	Unaudited <b>2018</b>	Audited 2017
		£	£
REVENUE	3	5,313,164	4,180,630
Cost of sales		(2,479,781)	(1,657,765)
Gross profit		<u>2,833,383</u>	<u>2,522,865</u>
Other income		310,475	28,225
Administrative expenses excluding exceptional costs		(7,120,434)	(5,228,211)
Exceptional administrative costs	4	362,718	(2,860,774)
Total administrative costs		<u>(6,447,241)</u>	<u>(8,060,760)</u>
OPERATING LOSS		(3,613,858)	(5,537,895)
Finance costs		(7,402)	(7,833)
LOSS BEFORE INCOME TAX		<u>(3,621,260)</u>	<u>(5,545,728)</u>
Income tax credit	5	203,796	127,609
LOSS ATTRIBUTABLE TO THE EQUITY SHAREHOLDERS OF THE PARENT		<u>(3,417,464)</u>	<u>(5,418,119)</u>
<b>OTHER COMPREHENSIVE INCOME</b>			
Items that will or may be reclassified to profit or loss:			
Exchange gain/(loss) arising on translation of foreign operations		844	31,171
OTHER COMPREHENSIVE INCOME FOR THE YEAR		<u>844</u>	<u>31,171</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO THE EQUITY SHAREHOLDERS OF THE PARENT		<u>(3,416,620)</u>	<u>(5,386,948)</u>
<b>LOSS PER ORDINARY SHARE (PENCE) ATTRIBUTABLE TO THE EQUITY SHAREHOLDERS OF THE PARENT</b>			
Basic and diluted	6	<u>(3.59)p</u>	<u>(11.70)p</u>



## REVENUE ANALYSIS

For the year ended December 2018

Year ended 31 December 2018	Simulation Division		Clinical Division	Total
	Distribution £	Direct Sales £	£	£
United Kingdom	-	994,080	-	994,080
North America	-	1,688,968	-	1,688,968
Rest of World	2,630,116	-	-	2,630,116
	<u>2,630,116</u>	<u>2,683,048</u>	-	<u>5,313,164</u>

Year ended 31 December 2017	Simulation Division		Clinical Division	Total
	Distribution £	Direct Sales £	£	£
United Kingdom	-	715,531	-	715,531
North America	-	1,708,984	-	1,708,984
Rest of World	1,756,115	-	-	1,756,115
	<u>1,756,115</u>	<u>2,424,515</u>	-	<u>4,180,630</u>



# CONSOLIDATED BALANCE SHEET

as at 31 December 2018

	Note	Unaudited 2018 £	Audited 2017 £
<b>NON CURRENT ASSETS</b>			
Intangible assets		2,886,562	3,366,477
Property, plant and equipment		417,732	312,506
		<b>3,304,294</b>	<b>3,678,983</b>
<b>CURRENT ASSETS</b>			
Inventories		851,491	413,244
Trade and other receivables		1,912,975	1,709,436
Current tax assets		80,302	-
Cash and cash equivalents		5,607,052	4,250,198
		<b>8,451,820</b>	<b>6,372,878</b>
<b>TOTAL ASSETS</b>		<b>11,756,114</b>	<b>10,051,861</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	7	(1,939,435)	(2,369,743)
Income tax		(100,000)	-
Provisions		(68,972)	(80,555)
		<b>(2,108,407)</b>	<b>(2,450,298)</b>
<b>NON CURRENT LIABILITIES</b>			
Deferred taxation		(377,994)	(467,994)
<b>TOTAL LIABILITIES</b>		<b>(2,486,401)</b>	<b>(2,918,292)</b>
<b>NET ASSETS</b>		<b>9,269,713</b>	<b>7,133,569</b>
<b>EQUITY</b>			
<b>CAPITAL AND RESERVES ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY</b>			
Ordinary share capital	8	1,566,278	907,015
Share premium		16,437,213	12,216,670
Accumulated losses		(15,854,436)	(12,436,972)
Share-based payment reserve		561,600	413,600
Merger reserve		6,538,023	6,013,065
Foreign exchange reserve		21,035	20,191
<b>TOTAL EQUITY</b>		<b>9,269,713</b>	<b>7,133,569</b>





## CONSOLIDATED CASH FLOW

for the year ended 31 December 2018

### CASH FLOW FROM CONTINUING OPERATING ACTIVITIES

	Unaudited <b>2018</b> £	Audited 2017 £
Loss before tax	(3,621,260)	(5,545,728)
Depreciation	244,957	232,369
Amortisation of intangible assets	992,586	793,543
Impairment of goodwill	-	3,328,166
Fair value adjustment on contingent consideration	(362,718)	(636,628)
Finance costs/(income)	7,402	7,833
Share-based payments	148,000	92,000
Operating cash flows before movement in working capital	<u>(2,591,033)</u>	<u>(1,728,445)</u>
Movement in inventories	(438,247)	69,094
Movement in trade and other receivables	(203,539)	(61,351)
Movement in trade and other payables	507,544	(575,798)
Cash used in operations	<u>(2,725,275)</u>	<u>(2,296,500)</u>
Income taxes received	133,494	100,844
NET CASH USED IN OPERATING ACTIVITIES	<u>(2,591,779)</u>	<u>(2,195,656)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(361,707)	(183,012)
Disposal of property, plant and equipment	11,523	11,440
Internally generated intangible assets	(512,671)	(492,118)
Cash used on acquisition of subsidiaries	-	(72,000)
Cash acquired on acquisition of subsidiaries	-	1,559
NET CASH USED IN INVESTING ACTIVITIES	<u>(862,855)</u>	<u>(734,131)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Issue of new shares	5,078,778	5,515,665
Share issue costs	(260,732)	(124,881)
Finance (costs paid)/income received	(7,402)	(7,833)
NET CASH GENERATED FROM FINANCING ACTIVITIES	<u>4,810,644</u>	<u>5,382,951</u>
Exchange gains/(losses) on cash and cash equivalents	844	31,171
NET INCREASE IN CASH AND CASH EQUIVALENTS	<u>1,356,854</u>	<u>2,484,335</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>4,250,198</u>	<u>1,765,863</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>5,607,052</u>	<u>4,250,198</u>