



Ventripoint Diagnostics Ltd.

Annual General and Special Meeting 2023

Transcript

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Speakers: Alvira Macanovic President & CEO



## **ALVIRA MACANOVIC:**

Ladies and Gentlemen, dear shareholders, a warm welcome to the Annual General and Special Meeting of Ventripoint Diagnostics Ltd.

What have we achieved this year? What are the priorities? What is the path forward?

That is what I want to talk about today.

When I was appointed as President & CEO in January 2023, we had our sights firmly set on transforming Ventripoint into a commercial operating company. This required a reset. This change required thoughtful attention to the operational and resource investments, organizational capabilities, and building a commercial culture. I am pleased to say we have succeeded in these endeavors.

My first 100 days were marked with a focus of my attention on goals that would contribute to Ventripoint's success. It required that our company's mission and vision be viewed through the lens of a commercial operating company. Let me share with you our mission and vision.

### **Ventripoint Mission and Vision**

#### **Ventripoint Mission Statement: Improving the lives of patients.**

Our mission is to improve the lives of patients by providing better, simpler, and more intelligent tools that give clinicians more information, accuracy, and more trust in the numbers, and solve their immediate needs. Empowering clinicians so that they can deliver improved patient care, experiences, and outcomes is always our unyielding focus. We aim to become the standard of care.

#### **Ventripoint Vision Statement: elevate cardiac care.**

After holding the hands of hundreds of children suffering from congenital heart disease and going into an MRI, the founder (a pediatric cardiologist) of our technology identified there had to be a better way to provide care to children without having to rely on the highly restrictive MRI. In addition, the founder also wanted to provide doctors with complete and full information that they need to monitor the heart state and make a confident diagnosis and treatment decisions. It was this immediate need for change and compassion that eventually led to the idea of the VMS. It is this story that guides us in our vision to elevate cardiac care. We constantly strive to meet the unmet needs in cardiology.

It became clear that our narrative for the company had to change. From there, the growth strategies for Ventripoint were developed.

- Broaden leadership in the congenital heart defect market and then expand into other market segments,
- Focus on expanding into new user segments, and
- Accelerating integration into Original Equipment Manufacturers and thus becoming the standard of care

### **2023-2024 Strategic Priorities**

We live in an ecosystem where technology evolves quickly, and as a small company, we need to be agile to keep up with what major OEMs are doing. The strategic priorities for 2023-2024 are a natural evolution of what we achieved through our 2022 priorities of brand awareness building as to the capabilities of the product (i.e., accuracy to MRI, right ventricle, etc.) and the unfulfilled needs being met with it which has directly hit our customers' decisions to purchase our products and thereby having a direct effect on sales and growth. We made significant strides to meet the strategic goals we set in 2022.

We have evaluated the concerns and needs of our customers and quantified their pain points, and they see our product as the solution. We have identified CHD as our target market to build awareness of our brand and have designed our sales and marketing strategy to influence this segment and achieve the desired results. The pump has been primed.

I also assessed our sales projections and effectiveness because as these would influence the success of the company. We spent 2022 building a cross-disciplinary team across sales, marketing, clinical applications, operations, finance, and executive leadership. We worked together to identify areas where new cross-functional sales strategies may be helpful to or what our sales team could do to maximize their efforts, namely, how to get a customer to "yes".

Most importantly, I spent time communicating my intentions to all stakeholders: customers, shareholders, and employees. I needed to communicate the changes Ventripoint was undergoing and what we were going to deliver. We needed to let go of the past and focus on the future this year.

To know where we are going, we need to know where we started from.

So before we look at 2023, let me start with a review at the work done in 2022.

Ventripoint made significant strides in 2022 on several fronts. Our focus was on growing the team, customer service, and increasing awareness of our brand allowing us to gain traction in key markets, specifically where we have traction in the United States, Europe, and the United Kingdom.



All clinicians who evaluate the technology see the potential for the product to elevate the care they provide to their patients and are consistently surprised at how well the underlying Knowledge-Based Reconstruction (KBR) technology provides consistent, reliable, and accurate measurements compared to our competitor technology. Our technology creates a precise 3D model of all four chambers of the heart from which cardiac metrics can be derived. Our competitors rely on assumptions based on “healthy hearts” to create a 3D model. These assumptions do not hold true for “diseased” hearts, especially for complex cases. The VMS+ is about making complex cases simple.

We took steps to improve the workflow and user interface for the VMS+ and radically improved usability of the product. The replacement of the arm and transmitter box with a simple set of sensors and the ability to adjust the patient during a routine echo has allowed for improved adoption of the product in clinical practice. This change transformed the product from a clinical research product to a mainstream clinical product used in patient diagnosis and care.

We have listened to our customers and continue to evolve our system based on their feedback. We continue to work closely with our customers and Key Opinion Leaders (KOLs) to incorporate their ideas and experiences with the technology to continually advance our products. I am pleased to let you know that we are completing this year the latest model of the VMS+ product that will provide enhanced analytics to our users and will be fully automated.

Our customers consistently report high satisfaction in their interactions with our sales and servicing teams. We have adopted the mantra that our customers are our priority. We aim to deliver value to clinicians and thereby their patients.

We have transitioned the company from the research and development phase to the commercial phase. We spent 2017-2019 in advancing the technology which culminated in the release of VMS+ 3.0. Advancing the technology behind our products was required for competitiveness and now that the technology is where it needs to be, our focus has now turned to sales. We have defined “the North Star” for the Company which has set the company’s vision for how cardiac disease will be diagnosed, and treated, how it will shape the patient journey, and the outcomes it strives to give patients. This vision for the company has informed the commercial objectives, capabilities, and processes that have been built as the vision took shape.

I would like to share with you where we have invested our efforts. We invested in clinical research; numerous studies were conducted to show the superiority of the technology in providing the 3D models and cardiac metrics that clinicians can rely on. We have invested in protecting our intellectual property by way of numerous patent applications that cover all aspects of the product. We also invested in marketing initiatives to increase awareness of our product and continue to do so in 2023.

We evolved our team to reflect the new business objectives. We have consistently hired key roles in sales and customer support, including strategic sales leaders for the different



geographies we sell into, and have brought on board leading cardiologists as clinical advisors.

All the more important is that we were better prepared for the upcoming year.

With the traction gained in 2022, we carried that momentum into 2023.

### **A year of transformation and progress**

Ventripoint transformed into a commercial operating company over the past 10 months that required operational changes. In the past, we focussed on developing a new technology, where our primary focus was launching a solution that solved a particular problem. It is this underlying technology that was then transformed into a product. Introducing something new to the market and driving adoption takes a long time. Technology must be stable enough, and the market needs to be ready to hear your message. Timing is everything. And this is Ventripoint's time! Assessment of right ventricular (RV) function is a challenge, especially in patients with congenital heart disease (CHD). Regular and accurate assessment of RV function is an integral part of diagnosing, planning treatment, and follow-up in such patients. We are leaders in the accuracy of cardiac metrics equivalent to cardiac MRI.

Clinical practice has finally caught up with clinical research, and a tool like the VMS+ is needed more now than ever. Our focus this year was on the CHD market and the key markets of the U.S., UK, and Europe.

We built a community of early adopters who can tell stories as they relate to our solution. This has been evidenced through the following examples :

- our participation in the German Society for Pediatric Cardiology and Congenital Heart Defects Echo Advanced Workshop held in September in Bad Oeynhausen where Ventripoint had the opportunity to showcase the VMS+'s AI technology with 2D echo in a practical hands-on session led by PD Dr. Kai Thorsten Laser.
- Our second example is participation in an Industrial Symposium with PD Dr. med. Kai Thorsten Laser speaking about "MultiModality Assessment of the RV in Paediatric Heart Disease" at the AEPC earlier this year. In particular, he spoke about his use of the VMS+ and its importance in the management and care of patients.

I would like to now review what we have accomplished in 2023. I am very excited to say that :

### **Highlights of 2023**

- Ventripoint entered into a strategic collaboration with Ascend Cardiovascular, LLC, a leading provider of cardiovascular IT solutions and the two companies have

signed a letter of intent to explore joint research and development initiatives, knowledge sharing, and combining efforts to bring innovative AI-based solutions to the market. This collaboration has culminated in the development of a new integrated product with Ascend.

- Earlier this year, I was thrilled that we made a sale to The DHZC is the university heart center of Charité– Universitätsmedizin Berlin which is the largest heart center in Germany for the treatment of all cardiovascular diseases in patients of all ages.

The reason they purchased this innovative product was in order to improve efficacy and patient management in the CHD department. This exciting new site will give the VMS+ larger visibility in the European market.

- Sale to The University Medical Centre Freiburg im Breisgau, Germany, is notably one of the largest hospitals in Europe and is recognized as the supra-regional centre for the treatment of complicated heart disease. This is very exciting because they treat approximately 90,000 inpatients and 897,000 outpatients annually. The VMS+ will be utilized by the department of Congenital Heart Defects and pediatric cardiology who treat 4,000+ children, youth, and young adults with congenital and acquired heart diseases each year. With the VMS+, the cardiac medical centre will be able to make its diagnostic and procedural decisions more efficiently and quickly, leading to better outcomes for patients. The VMS+ will serve as an adjunct to speed up decision-making in patient treatment and as an alternative to cardiac MRI when a patient is contraindicated. Most importantly, VMS+ will be used to aid in diagnosis and in continuous monitoring of patients throughout their journey as performing a VMS+ study fits normal scanning workflows. The VMS+ will also be used to assist in the research of terminal heart failure and mechanical cardiovascular replacement and in pediatric drug trials for congenital heart defects.

- **Completion of VMS+ 4.0.**

This new product elevates the VMS+ product by offering features unparalleled in competitor products, namely the features related to 4D. All the features are a culmination of listening to the feedback of our customers and KOLs over the last 3 years. As we look to the next generation of the VMS+, we have advanced the technology to the next level to deliver for our customers and their patients. Our technology gives our customers **more** data than they can get with the tools out there, **more** accurate information, and **more** trust in the numbers so that they can better diagnose and treat their patients. We allow our clinicians to do more for their patients-provide better care to their patients.

Here are some of the highlights of the new soon to be released 4.0 that I think are important to raise this morning:

- we have advanced our 3D visualization and quantification to another level by showing the full cycle cardiac motion for all 4 chambers. With input from our KOLs we derived a way of showing the full motion of all the chambers of the heart to make it meaningful and clinical relevant to provide more understanding in difficult clinical cases.
- Also through discussions with clinicians we implemented additional strain measurements that were requested. This specifically helps in the assessment of the progression of the disease and efficacy of treatment as well as treatment planning.
- specifically for the RV we have derived unique “Heat Maps” that visually shows the extend of the motion of the wall of the RV or the lack thereof. Heat maps for the LV is well defined and understood but is lacking in the RV. At Ventripoint we are providing unique value to the study and understanding of the RV that is sorely lacking.

## **Our sales and marketing strategy**

We have:

### **The right strategy**

Our strategy consists of

a 3-pronged approach

- Nurturing key sites to build credibility and reputation
- Build an ecosystem of partners
- Direct sales (i.e. IDNs, major hospital networks) and working with distributors

Attendance at 12 conferences this year to increase awareness and prospecting for customers.

Creating “beyond the product” partnerships with healthcare providers/institutions

### **The right technology**

We understand our customers and what they need. We are constantly researching, inventing, and developing. We are good enough for today but can always be better tomorrow.

### **The right team**

We have assembled a strong cross-functional sales and marketing team.



Working together with customers, we are determining what they need.

## **Our Sales Cycle and Process**

I would just like to take you through some of the challenges we face in a sales cycle.

Our salespeople spend time qualifying potential customers before making their pitch to them. The goal is to understand:

- The customer's pain points,
- Previous solutions they have tried,
- Stakeholders involved in the decision-making process, and
- Available budgets for purchase.

Our salespeople make clear how the VMS+ features can solve the customers' problems. It is about reiterating a customer's pain points and showing them the cost savings and return on investment.

In many cases, this sales cycle stage may repeat a few times. Where multiple decision-makers are involved, salespeople may need to pitch and follow up with several stakeholders. As part of this stage, we have found that an evaluation period of 3-5 days is needed for the customer to decide whether to move forward with a purchase. Every evaluation to date has resulted in a customer deciding that they want to purchase.

The final stage is closing the sale. That does not mean the deal will happen instantly. A number of factors come into play. Depending on the hospital you sell into, and the number of stakeholders involved in the process, it can be months between the sales pitch and the issuance of a purchase order. We are learning that this process, from where a customer says "yes" to when a purchase order is issued, varies between hospitals in geography and between geographies.

We have control at the beginning and once goes internally into the procurement process of the hospital, we do not know how long it will take.

## **Sales Funnel**

Over the past few months, you the shareholders, have been asking where the sales are and I want to address that as best I can.

While Ventripoint has made real progress this year. We are still in the early stages of growth and the road to an established company I should tell you, is a marathon-not a sprint.





There has been a lot of activity since the beginning of the year of sales activities by our distributors and direct sales to get as many demos, evaluations, follow-ups, and closeout meetings.

This year we introduced the VMS+ to cardiologists from 100+ hospitals. We have hospitals in various stages of the sales cycle i.e., demonstration stage, evaluation stage, or closing stage.

All our strenuous efforts are paying off in different ways.

We did not have the flood of sales we hoped for. There are unknowns. Sales cycles is most challenging in navigating the process to get to a P.O. Capital sale purchases require due diligence that involves multiple stakeholders and departments. The procurement process is outside of our control however we do work with the hospital to fulfill all requests for information and to provide the business case for the purchase of our system. We just need to take a step back and let it unfold internally.

In a time plagued by a shortage of qualified staff and greater scrutiny on budgets and not compromising on the quality of the patient journey, we make the case for ROI and cost savings.

We lose a lot of control; however, we have found a way where I insist that my salespeople continue to speak to/follow through due to their relationships. We are in constant contact with all stakeholders to make sure the sale goes smoothly.

There are no guarantees. What I can guarantee is that every salesperson will be out there again tomorrow, following up on leads and moving sites through the sales cycle. That is my guarantee to you, the shareholders.

We are doing everything we can to reach our goal of becoming an established company with steady sales.

I am confident based on the following:

1-Our sales and marketing strategy. It is robust and active. We have a good team and a constant stream of activity.

2-Our product. Within minutes VMS+ produces MRI-quality 3D images at a fraction of the cost and time of an MRI. This offers the possibility of offering physicians and patients wider access to diagnostic imaging to treat heart disease and conditions in infants, children, and adults.

3-Our commitment to innovation. Ventripoint has become an industry leader in the application of AI (Artificial Intelligence) to echocardiography. We strongly believe our greatest achievements rested upon human compassion and dedication. Thus, we encourage our team to draw upon the heartfelt dedication that drove our founder to find



a more accessible approach to monitoring a pediatric patient's heart as a springboard to all product development.

As long as we stay our course that was established at beginning of 2023, I am confident that we will be successful in meeting our challenges in the marketplace.

We thank you, our shareholders for your trust.