Results Presentation
Year Ended 31 January 2022

Inspiration Healthcare Group plc

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Our Focus

Every year, an estimated 15 million babies are born preterm[1,4] and this number is rising[3]

Preterm birth complications are responsible for approximately 1m deaths in 2015 – the largest cause of mortality in infants under 5 (18%)[3]

Our neonatal intensive care portfolio is designed to support the most vulnerable patients from the first moments of life.

Sources:
(1) Before 37 completed weeks of gestation
(3) Global, regional, and national causes of under-5 mortality in 2000-15
- Liu L et al 2016
(4) Global, Regional & National estimates of levels of preterm birth 2014 – Chawanpaiboon et al 2019

Inspiration Healthcare - a global provider of medical technology

The Beginning

- Private business
- UK distributor with small export
- Cash generative & profitable
- Grew to revenues c.£10m

2003-2015

The Growth

- Reversed onto AIM (2015)
- Invest in Regulatory Compliance and R&D
- Acquired SLE and Viomedex
- Re-engineered for driving growth

2015-2021

Today – Our Group

- Revenues: >£40m
- Employees: >200
- Distribution: >75 countries
- Branded Products: >55% of revenues
- Exports: >55% of revenues
- Achievements: 2 x Queen's Awards
- Intl. Property: 5 product groups with patents

2019-2021

World Leader

- Ground-breaking technologies
- World class support and education
- Leading UK distributor of medical technology

2022 and beyond

Strategic Highlights

to 31 January 2022

- Export growth and realising synergies
- Successfully integrated SLE and Viomedex into the Group
- Ongoing synergies throughout the enlarged Group
- Investment in new manufacturing and technology centre in the UK
- China / Japan key registrations approved for SLE6000 ventilator with orders from distribution partners
- Wave Patient Recruitment started / Patient range extension down to 24 weeks Gestational Age

Operational Highlights

to 31 January 2022

- Strengthened and expanded Management
- Integration of new branding across the Group
- Queen's Award for Enterprise and Innovation for SLE Ltd for Oxygenie® software-based algorithm
- Roll-out of the Group's ERP system into Viomedex and SLE
- Introduction of new and improved electronic quality management system throughout the Group
- Renewed long term Distribution Agreement with Micrel
- Charitable giving initiative launched and implemented
- Adopted a number of well-being initiatives for employees

Post-year end

- Launch for diagnosing antibiotic induced hearing loss from genedrive plc

Financial Highlights

to 31 January 2022

- Revenue: £41.1m (FY2021: £37.0m) increase of 11%
- Gross Margin: 50.2% (FY2021:48.7%)
- Adjusted EBITDA[1]: £6.4m (FY2021: £5.6m), increase of 14%
- Adjusted EBITDA margin 15.6% (FY2021:15.2%)
- Adjusted Operating Profit: £4.3m (FY2021: £4.3m)
- Underlying diluted EPS[2] 6.10 pence (FY2021: 7.57 pence)
- Period end net cash of £9.3m. Undrawn £5m RCF available
- Significant investment in capital expenditure: Facilities, R&D and IT systems
- Proposed final dividend of 0.41p per share

[1] Earnings before interest, tax, depreciation, amortisation, impairment, share based payments and non trading items

[2] Adjusted to exclude £0.6m acquired intangible asset amortisation and £nil of non trading items (2021: £0.3m and £1.0m respectively)

Consolidated Income Statement

	FY 2022 £'000	FY 2021 £'000
Revenue	**41,050**	**36,980**
Gross Profit	**20,592**	**18,022**
Gross profit margin	50.2%	48.7%
Admin. expenses pre non trading items	(16,337)	(13,764)
Adjusted operating profit	**4,255**	**4,258**
Non trading items	-	(1,014)
Operating profit	**4,255**	**3,244**
Net finance expense	(292)	(111)
Profit before tax	3,963	3,133
Income tax	(370)	(318)
Profit after tax	**3,593**	**2,815**
Adjusted EBITDA[1]	**6,422**	**5,611**
Adjusted EBITDA margin	*15.6%*	*15.2%*

Extracted from the audited financial statements for the year ended 31 January 2022

1 Earnings Before interest, tax, depreciation, amortisation, impairment, share based payments and non-trading items

Comments

- Increased by 11%.
- Improved margin primarily due to increased revenue from branded products offset in part by increases in cost of goods
- Admin expenses increased 18% as a result of a full 12 months of SLE, increased acquired intangible and right of use asset amortisation (in relation to the new Croydon facility) and continued investment in personnel.
- Increase due to a IFRS 16 leases and full 12 months chargeable in relation to the arranged RCF facility.
- Increased 28%.
- Increased by 14%.

Logistics not without challenges

- Supply chains around the world damaged by Covid
- Tough for foreseeable future – end 2023?

Challenge	Solution / Mitigation
Electrical components – worldwide disruption	Forward orders, Changing Components, Partnership with suppliers
Silicone for mouldings	Advanced orders, dual supply
Battery Supply (lead acid / lithium)	Buying stock, Changing components / alternative solutions
Shipping costs	Tender for better rates, consolidation of freight

Revenue Breakdown

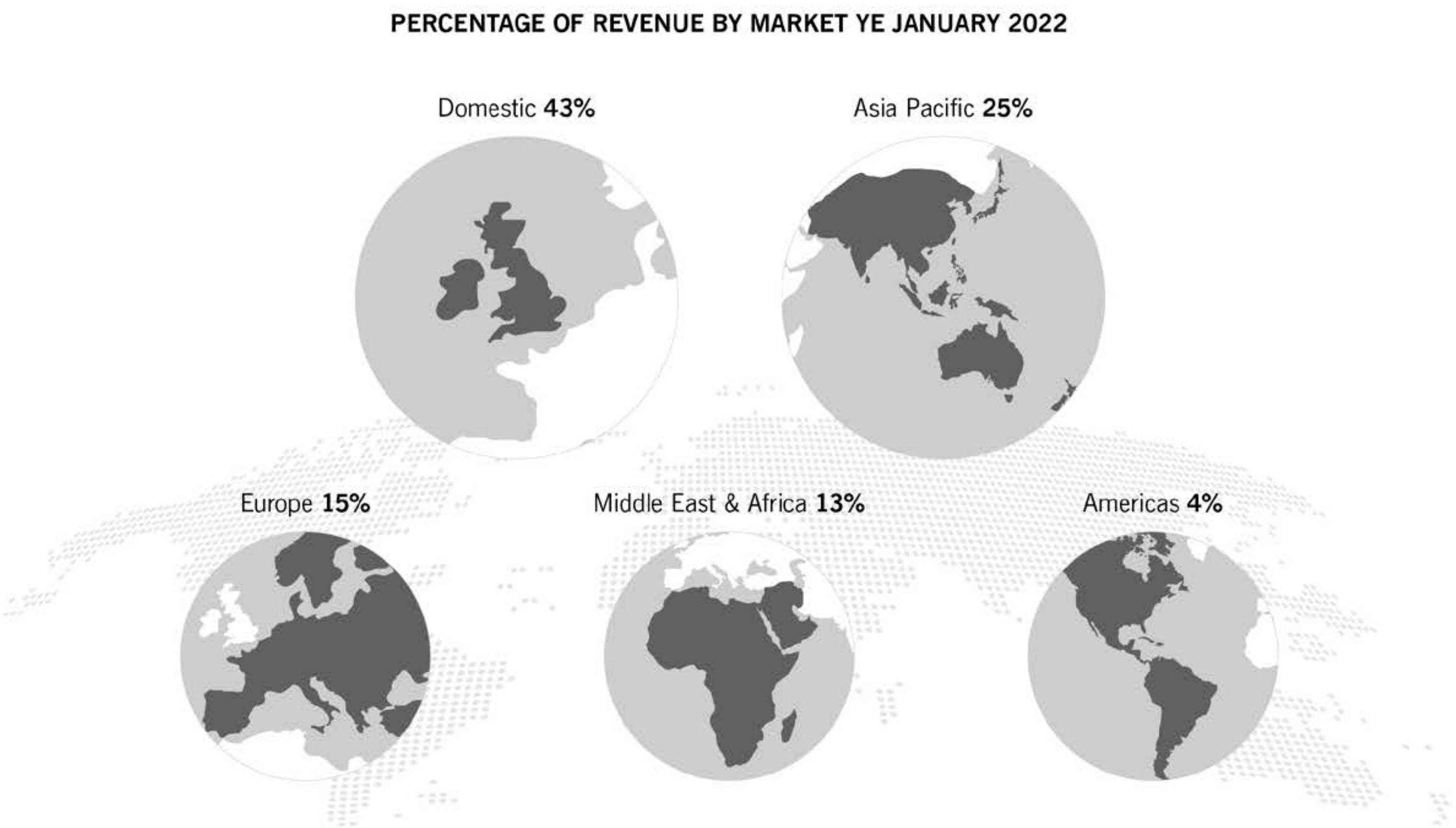
Product Ownership	Branded Products	Distributed Products	Technology Support	Covid-19	TOTAL*
YE 31 January 2022 (grey)	56% : £22.9m	33% : £13.6m	11% : £4.6m	0% : £nil	100% : £41.1m
YE 31 January 2021 (blue)	32% : £11.8m	40% : £14.9m	8% : £3.0m	20% : £7.3m	100% : £37.0m

Market Sector	Acute Care	Service	Infusion	Covid-19	TOTAL*
YE 31 January 2022 (grey)	73% : £29.8m	10% : £4.3m	17% : £7.0m	0% : £nil	100% : £41.1m
YE 31 January 2021 (blue)	56% : £20.7m	8% : £3.0m	16% : £6.0m	20% : £7.3m	100% : £37.0m

Figures reported in GREY = YE 31 January 2022 Group Revenue
Figures reported in BLUE = YE 31 January 2021 Group Revenue

* includes carriage c.1%

Revenue Breakdown Geography



Consolidated Balance Sheet

	FY 2022 £'000	FY 2021 £'000
Intangible assets	16,782	15,206
PPE	1,798	919
Right of use asset	7,383	3,102
Deferred tax asset	470	-
Total non-current assets	26,433	19,227
Net Cash	9,253	10,653
Other current assets	15,763	13,353
Total liabilities	(16,544)	(11,657)
Net assets	34,905	31,576

Comments

- Increase of £1.6m due to increased spend on development costs and Group IT systems offset by amortisation
- Increase of £0.9m primarily due to spend on the new Croydon facility
- Increase of £4.2m primarily due to lease of new Croydon facility
- Deferred tax asset in relation to future forecast loss utilisation

- £9.3m cash, no debt. £5m RCF facility available currently undrawn
- Increase 0f £2.4m primarily due to an increase in Trade Debtors as a result of timing of revenue and a reduction in inventory as a result of improved management
- Increase of £4.9m primarily as a result of increase lease liabilities in relation to the new Croydon facility.

Extracted from the audited financial statements for the period ended 31 January 2022

Consolidated Cash Flow

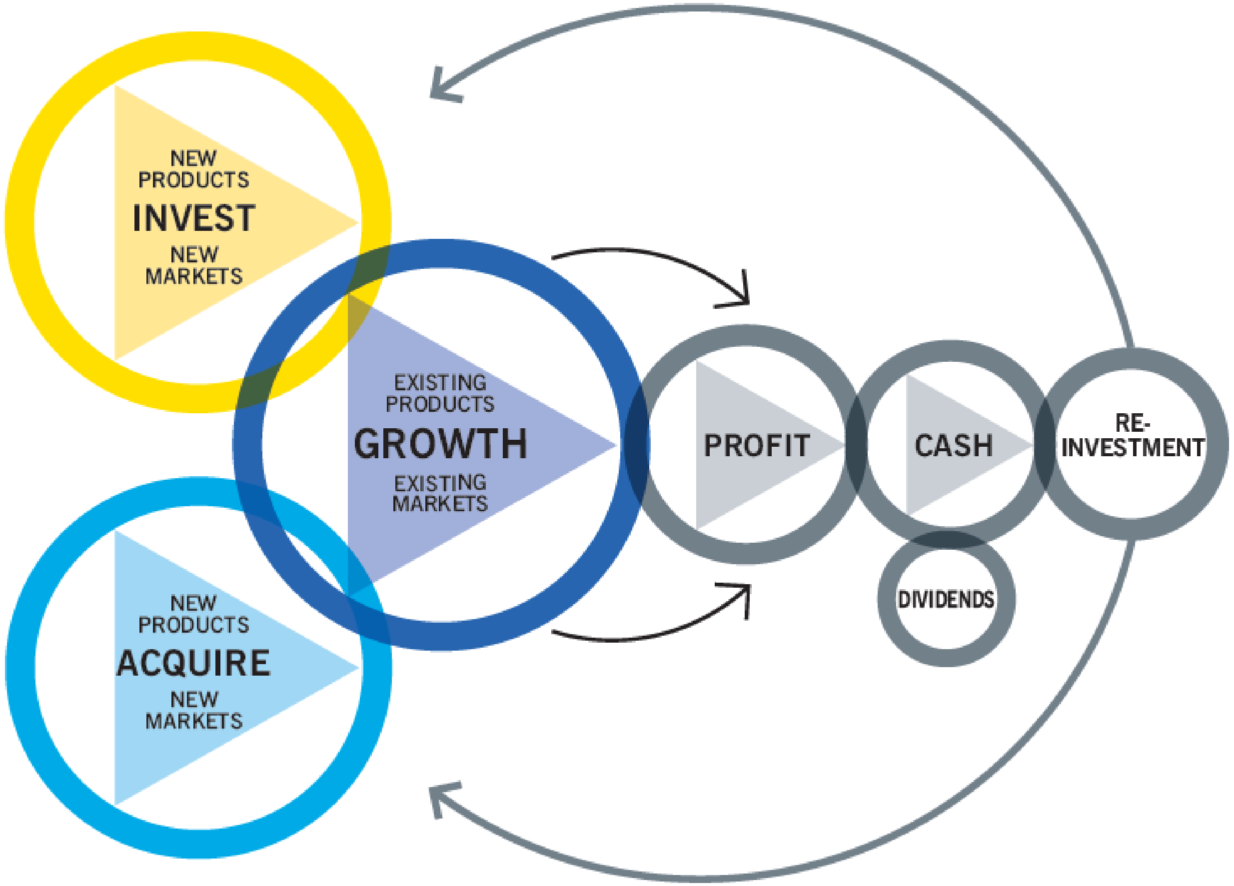
	FY 2022 £'000	*FY 2021 £'000*
Cash generated from operations	4,130	4,944
Taxation paid	(554)	(209)
Net cash generated from operating activities	3,576	4,735
Cash flows from investing activities:		
Payment for acquisition of subsidiary	-	(19,457)
Cash acquired through business combinations	-	6,314
Interest received	9	3
Capex – capitalised development costs	(2,208)	(614)
Capex – PP&E and other intangibles	(1,763)	(306)
Cash flows from financing activities:		
Proceeds from issue of shares	-	16,967
Share issue costs	-	(957)
Principle elements of lease payments	(382)	(262)
Principle elements of lease receipts	74	-
Interest paid	(294)	(114)
Dividends paid	(412)	(136)
Net (decrease)/increase in cash and cash equivalents	(1,400)	6,173
Cash and cash equivalents at the year end	9,253	10,653

Extracted from the audited financial statements for the period ended 31 January 2022

Comments

- Decrease compared to FY 2021 due to an increase in trade debtors as a result of revenue phasing offset in part by reduced inventory as a result of improved management
- Increased investment in R&D accelerating new product development programme
- Increased investment in Group wide systems and new Croydon facility
- Increased primarily due to IFRS 16 treatment of new Croydon facility lease
- Increase due to final FY 2021 dividend paid at 0.4p per share. Total FY 2021 dividend 0.6p per share. FY 2022 interim dividend 0.205p per share, Increase of 2.5%

Our Business Model



Our Growth Drivers

Significant Market Growth

- Neonatal World Market CAGR 6.5%

Market Penetration

- Optimise opportunity for all products where regulatory clearance exist (ie EU)
- Leverage route to market working with distribution partners

Market Development

- Expanding opportunity for existing products through regulatory clearance into new markets (i.e. USA)

Product Development

- Developing new products for existing markets through investment in R&D

Acquire

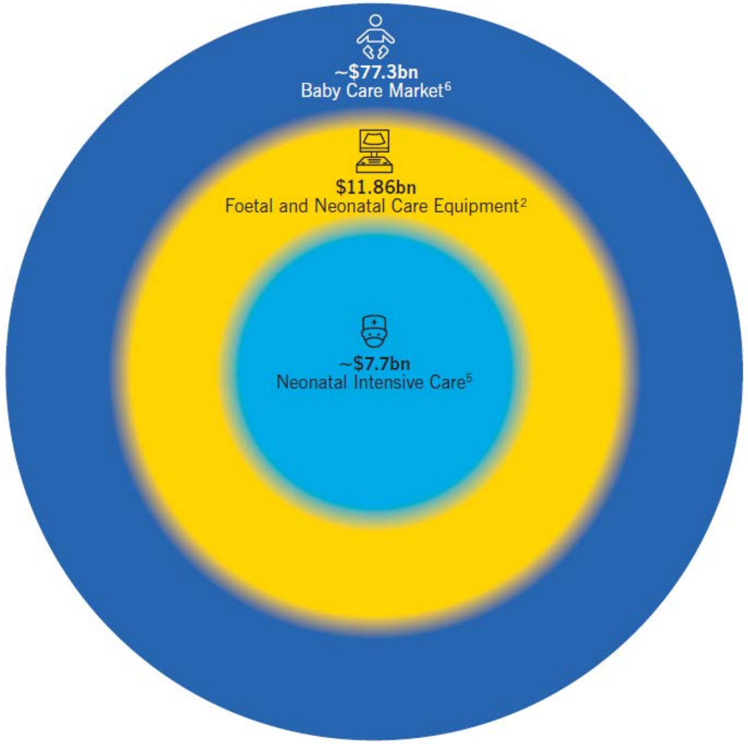
- IP through corporate transaction / strategic alliance

Our Market Opportunity – Neonatal

Worldwide Neonatal Intensive Care Unit Industry is expected to grow with a CAGR of 6.46% from 2021 to 2027[5]

Every year, an estimated 15 million babies are born preterm[1,4] and this number is rising[3]

Global neonatal market opportunity overview 2023



~£1500 cost per baby per day in neonatal intensive care

A market which supports our growth drivers

Sources:
(1) Before 37 completed weeks of gestation
(2) Stratistics MRC – March 2017
(3) Global, regional, and national causes of under-5 mortality in 2000-15 - Liu L et al 2016
(4) Global, Regional & National estimates of levels of preterm birth 2014 – Chawanpaiboon et al 2019
(5) Berkshire Hathaway 2022. Worldwide Neonatal Intensive Care Unit Industry is expected to grow with a CAGR of 6.46% from 2021 to 2027
(6) Global baby care products market value worldwide 2020-2026, Statista 2022

Investment For The Future

R&D

- Significant investment in New Product Development
- Create world leading products
- Create disruptive technologies

Regulatory

- Invest in new electronic document management system
- Invest for market access of existing products (USA, Japan, India, China etc)

Market Development

- Increase market exposure in USA to support launch when products have regulatory clearance

Acquisition Strategy

Target companies

- Revenue generating products
- Early / Established brand

Key Features

- Add to product portfolio to fill gaps / extend range
- Add capability to increase revenues (sales and service), reduce costs (manufacturing in house)

Project Wave – update

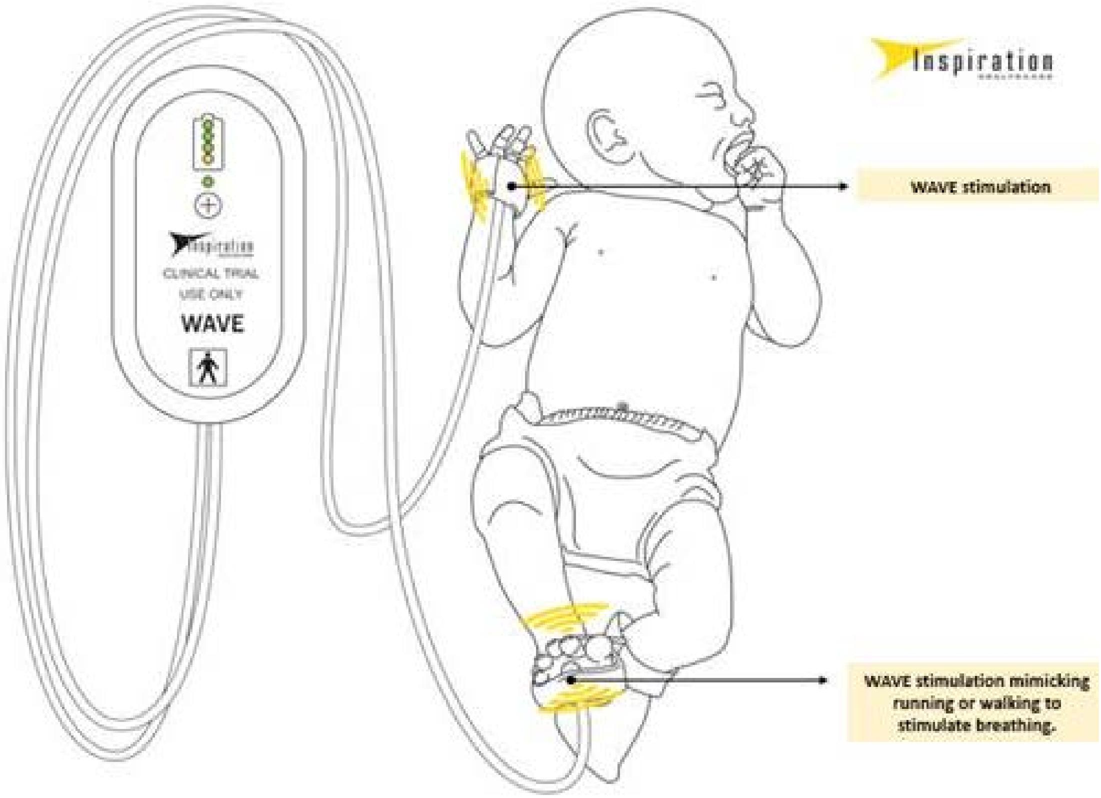
Recruitment started in 2021 but slow

Trial paused to allow scope widening from 27 weeks to 24 weeks GA

Health Protection Agency approval Autumn 2021

Recruitment restarted late 2021

7 patients studied to April 2022



Manufacturing and Technology Centre

New 4,200m^2 State of the Art New Facility
Investment £4.5m

Design considerations:
- Low carbon footprint
- Staff well-being
- Optimising efficiency
- Improved customer education facilities

Space:
- 2,000m^2 Manufacturing and Warehousing
- 1,100m^2 Office & Education Centre
- 600m^2 Research & Development Facility
- 500m^2 Technology Support Centre

ESG - Environmental

Running Ahead of NHS net zero requirements for suppliers

New Manufacturing and Technology Centre

- Using renewable energy only to obtain ‘A’ rating
- Solar Thermal systems / Natural Ventilation
- Internal Green Space

Carbon Emissions: Scope 1 and 2 measurement in place

Car Fleet: 52% fully electric

44% hybrid

Recycling/Reuse scheme for supply chain packaging extended to all partners by 2024

ESG – Social

Internal

- Working week – up to 40% WFH / Compressed – 4 long days
- “Everymind” App – mental health support and well-being
- Wellness day – shutdown day for all staff
- Improved benefits across the Group:
  - New parent leave provisions with prematurity benefits
  - Salary sacrifice – pensions / electric cars / cycle to work
  - Long service additional 'one-off' extra weeks holiday
  - Healthcare savings and shopping savings
  - SAYE share scheme

External

- Charity Initiative up and running
  - Employee committee
  - 3 donations approved to date

Summary and Outlook

Strong Performance

- Revenue £41.1m (FY2021: £37.0m)
- Adjusted Operating Profit £4.3m (FY2021: £4.3m)
- Adjusted EBITDA £6.4m (FY2021: £5.6m)
- Cash at hand £9.3m (FY2021: £10.7m) after significant investment made during FY2022

SLE and Viomedex integration finalised, synergies now on-going

Logistic challenges recognised and being managed

Deployed Capital in core areas of business

- New Product Development, Manufacturing and Technology Centre & IT Support Systems

ESG progress made

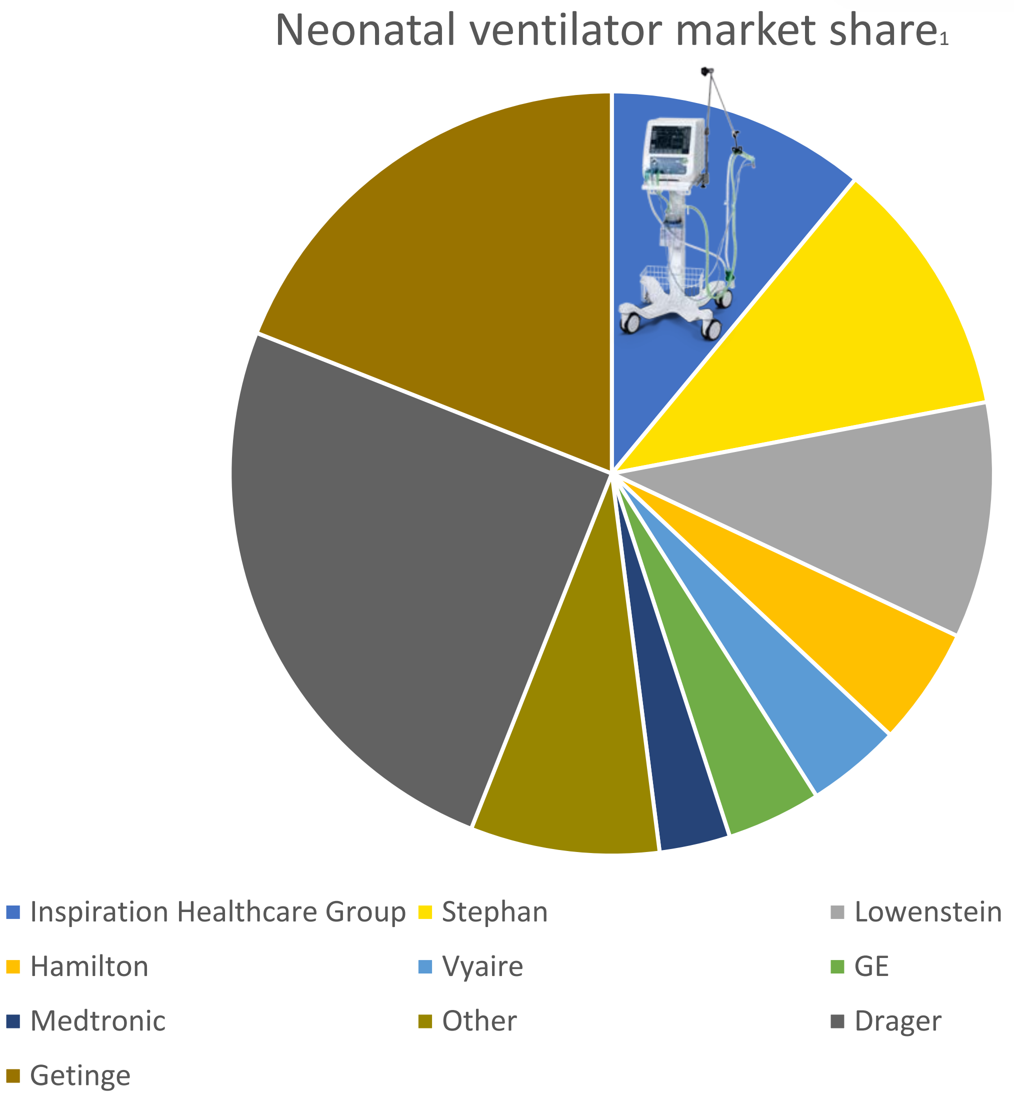
- Progress on Environmental reporting and reduction
- Adopted several well-being initiatives for staff

"We are agile in our approach to managing the challenges ahead and remain confident in our growth prospects"

1 | Appendix

Ventilator Competitors

- Currently Inspiration Healthcare Group plc’s SLE range ventilator holds ~11% vs our 'competitors'
- Growth opportunities
  - Increasing export opportunities
  - Increasing brand awareness through existing export channels



Sources
(1) The US Strategic National Stockpile Ventilators in Coronavirus Disease 2019 A Comparison of Functionality and Analysis Regarding
the Emergency Purchase of 200,000 Devices R Branson et al
CHEST 2021; 159(2):634-652

Market Opportunity – Temperature Management

Patient Temperature Management Market:

US$2.6bn ⟶ US$4. 7bn between 2019 and 2026**

Our Patient Temperature Management Products

LifeStart

AlphaCore[5]*

CosyTherm[2]

Unique+ CFM

Accessories*
(patented technology)

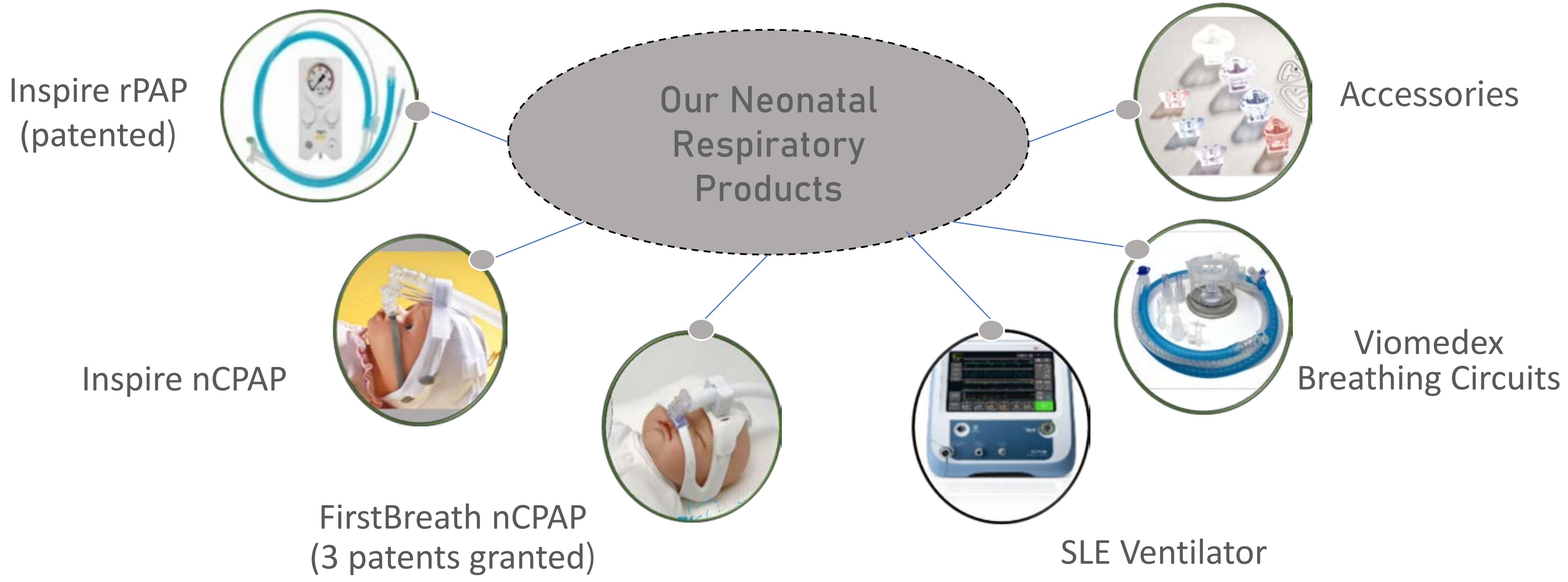
**Neonatal & Adult Applications*
***Source: Grand View Research June 2019*

Market Opportunity – Neonatal Respiratory Devices

INSPIRATION HEALTHCARE GROUP

Neonatal Intensive Care Respiratory Devices Market:

US$1.4bn → US$2.1bn between 2019 and 2027*



Disruptive Technology Development: Project Wave

** Source: Credence Research June 2019*