

***Ventripoint***  
*Diagnostics Ltd.*

**VENTRIPOINT DIAGNOSTICS LTD.**

**MANAGEMENT'S DISCUSSION AND ANALYSIS –  
QUARTERLY HIGHLIGHTS**

**FOR THE THREE AND NINE MONTHS ENDED  
SEPTEMBER 30, 2023**

## **Introduction**

The following Management's Discussion & Analysis ("MD&A") of Ventripoint Diagnostics Ltd. ("Ventripoint" or the "Company") has been prepared to provide material updates to the business operations, liquidity and capital resources of the Company since its last annual management's discussion & analysis, being the Management's Discussion & Analysis ("Annual MD&A") for the fiscal year ended December 31, 2022. This MD&A does not provide a general update to the Annual MD&A, or reflect any non-material events since the date of the Annual MD&A.

This MD&A has been prepared in compliance with the requirements of section 2.2.1 of Form 51-102F1, in accordance with National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the Annual MD&A, the audited annual consolidated financial statements of the Company for the years ended December 31, 2022, and 2021, and the unaudited condensed consolidated interim financial statements for the three and nine months ended September 30, 2023, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. In the opinion of management, all adjustments (which consist only of normal recurring adjustments) considered necessary for a fair presentation have been included. The results for the three and nine months ended September 30, 2023, are not necessarily indicative of the results that may be expected for any future period. Information contained herein is presented as at November 29, 2023, unless otherwise indicated.

The unaudited condensed consolidated interim financial statements for the three and nine months ended September 30, 2023, have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and interpretations of the IFRS Interpretations Committee. The unaudited condensed consolidated interim financial statements have been prepared in accordance with International Standard 34, Interim Financial Reporting.

The forward-looking statements contained or referenced herein are expressly qualified by this cautionary statement made as of this date. The Company disclaims any intention and has no obligation or responsibility, except as required by law, to update or revise any forward-looking statements.

## **Caution Regarding Forward-Looking Statements**

In the interest of providing current and potential investors in Ventripoint with information regarding the Company's future plans and operations, certain statements and information, which is included or referenced herein, contain "Forward-looking Statements."

Forward-looking Statements include, but are not limited to, statements (collectively, "Statements") with respect to status of technology, development, commercialization, market size, financing, general and administrative, and beyond. You are cautioned not to place undue reliance on forward-looking statements as there can be no assurance that the plans, intentions or expectations they are based on will occur. By their nature, forward-looking statements involve numerous assumptions, known and unknown, and risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and other forward-looking statements will not occur.

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Although the Company believes that the expectations represented by such forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. Some of the risks and other factors which could cause results to differ materially from those expressed in the forward-looking statements included or referenced herein include, but are not limited to, access to future funding (debt and/or equity) as described under the section titled "Liquidity"; general economics, business and market conditions as discussed in "Risks and Uncertainties – Financial"; the regulatory approval process as noted in "Risks and Uncertainties – Regulatory"; and the Company's ability to secure additional capital as discussed in "Risks and Uncertainties – Continued Operations". You are cautioned that the foregoing list of important factors is not exhaustive.

With respect to forward-looking statements contained in this MD&A, we have made several key assumptions including, but not limited to:

- the market for the Company's planned product and service offerings is in excess of \$1 billion worldwide and is not subject to decline in the foreseeable future;
- The Company will be able to obtain financing in a timely manner on acceptable terms;
- The current tax and regulatory regimes will remain substantially unchanged;
- The Company will be able to obtain equipment and qualified personnel in a timely manner;
- The Company will successfully market its efficient, accurate and cost-effective heart diagnostic tool that uses standard echo images to deliver functional information about the heart;

Product and service-related approvals will be obtained from all necessary agencies thereby improving healthcare outcomes. The primary objective of this new proposed product is to provide a complete echo cardiac analysis package with conventional 2D measurements as well as the 3D measurements currently uniquely provided by the VMS+ using 2D or 3D ultrasound. This will provide more quantitative data to clinicians and a visual aid to outline the interrelationships of the heart. These product advances will play a role in helping in the prevention and diagnosis of cardiac disease globally. This is especially relevant today with the need for thorough assessment of cardiac conditions due to an aging population and COVID-19.

## **Description of Business**

Ventripoint Diagnostics Ltd. (TSXV:VPT, OTCMKTS:VPTDF), headquartered in Toronto, Canada, is a medical device company engaged in the development and commercialization of diagnostic tools to monitor patients with heart disease – a leading cause of death for both men and women worldwide.

The Company is developing a suite of applications for all major heart diseases and imaging modalities, including congenital heart disease, pregnancy, pulmonary hypertension, COVID-19, technically difficult imaging and cardiotoxicity in oncology patients - a multi-billion-dollar market potential. By using images produced from existing medical imaging systems, the Ventripoint Medical System (VMS™) generates accurate heart volumetric measurements and a three-dimensional model in a rapid and inexpensive manner. Ventripoint's solution produces critical heart information by processing standard information received from existing medical imaging equipment with its patented and proprietary methods incorporating Knowledge Based Reconstruction (KBR) algorithms and proprietary cardiac databases (sometimes called catalogues). The VMS enables medical professionals to economically obtain accurate three-dimensional models from which critical volume and functional measurements of a patient's heart chambers are derived in only a few minutes more than the time needed for a routine echocardiogram. Measuring volume and

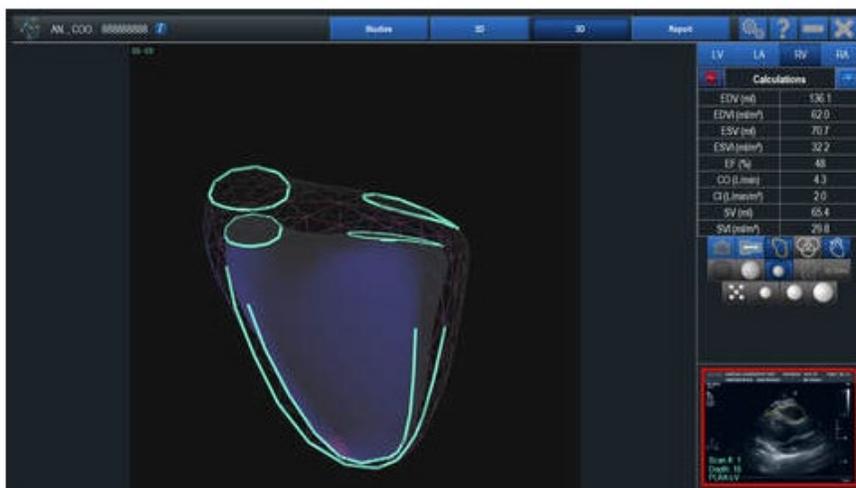
function is fundamental in evaluating patients to determine the severity and progression of their disease, assess the effectiveness of treatment, gauge prognosis and decide on the timing of surgical and pharmacological interventions. These key measurements and the 3D model for visual assessment provide medical professionals with some of the critical information necessary for clinical diagnosis and monitoring of their patients.

The Company's KBR method, a form of Artificial Intelligence (AI), allows for the creation of a three-dimensional model of all the chambers of the heart; right and left ventricles, and right and left atria, using images generated from existing 2D and 3D imaging equipment. The Company's technology platform is applicable to all heart diseases and all cardiac imaging equipment. The VMS system is based upon patented and proprietary technology that Ventripoint has licensed on an exclusive basis from the University of Washington. The VMS+3.0 system (hardware and software for 2D echocardiograms) and VMS+3.0 software (software only for 3D echocardiograms and MRI) have US FDA marketing clearance, Health Canada license and European CE Mark for all patients where volumetric information for any of the 4 chambers of the heart is warranted or desired.

Since the commencement of operations, Ventripoint has been committed to commercializing its breakthrough technology to be used as a tool in the diagnosis and management of various heart-related diseases to improve healthcare for these patients worldwide.

It is the Company's goal to have the first system on the mass market that addresses the need for an efficient, accurate and cost-effective heart diagnostic tool that uses standard 2D or 3D echocardiography, as well as MRI images to deliver 3D functional information for all four chambers of the heart. The ability to sustain the implementation of its commercialization strategies for its VMS is dependent upon the timely receipt of additional and sufficient operating capital.

### **3D view of Right Ventricle showing End-Systolic and End-Diastolic**



## **Outlook and Overall Performance**

### **Strategy**

The Company utilizes both direct sales and distributors in Europe, the UK, and USA, and direct sales in Canada. The Company continues to search for appropriate distributors in the USA market.

The Company believes the support of thought leaders is the first building block for gaining product acceptance and adoption. Accordingly, the Company has collaborated with leading echocardiologists and institutions to establish luminary sites across Canada, the UK, Europe, and the USA. To build awareness, VMS+3.0 deployments are designed to produce publications in leading medical journals and presentations at conferences.

To remain competitive, the Company has continued its work on the next generation of the VMS+ that will incorporate advanced cardiac measurement features to add further clinical value to the VMS+ products.

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of the Company's common shares; or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Further information about the Company and its operations is available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) and on the Company's website at [www.ventripoint.com](http://www.ventripoint.com).

To continue to extend its patent portfolio and thereby strengthen its intellectual property estate, the Company filed a foundational U.S. provisional patent application for its novel cardiac measurement approach in April 2021. This new measurement technique provides cardiologists with additional and more precise information about the function of the heart through motion tracking. This invention is an extension of the Company's existing artificial intelligence (AI) platform, which provides accurate and reliable volumetric measurements for all four chambers of the heart. This new technology tracks the movement of the heart and valves through the entire heartbeat and not just at the full and empty points in the cardiac cycle. This dynamic information can help in initial diagnosis and assessing the effectiveness of treatments, as well as the timing of interventions thereby improving clinical outcomes. Cardiovascular diseases continue to be the number 1 cause of death worldwide. Constantly advancing the tools available to clinicians for diagnosing and treating patients is key for the future of healthcare.

In August 2021, Ventripoint filed an international patent application under the Patent Cooperation Treaty (PCT) to protect Ventripoint's recent novel improvements to its cardiac measurement technology. Ventripoint is a pioneer in the application of artificial intelligence (AI) to heart analysis and this latest application strengthens the company's intellectual property position and coverage for Ventripoint's flagship products. With this one international patent application, Ventripoint registers its claim to this invention in at least 153 different contracting countries under the PCT. This latest patent application claims a new, improved method of using 2D and 3D echocardiography data for mapping and displaying the anatomical structure and configuration of the heart. A key novel component is the use of templates with predetermined

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anatomical landmarks so that multiple anatomical features of the heart are aligned simultaneously. This upgrade to Ventripoint's VMS+ products shortens the analysis time for both 2D and 3D echocardiograms and will help clinicians obtain more accurate and reliable results. The patent relates to the method of using 2D and 3D echocardiography data for mapping and displaying the anatomical structure of the heart for all four pumping chambers of the heart.

In its ongoing efforts to promote the clinical applications for the VMS+ products, the Company has begun publication on the corporate website of case studies and whitepapers showing the meritorious use of the VMS+ Heart Analysis System in routine clinical practice. A series of case studies and white papers have been published to showcase various limitations of current clinical practice, which are overcome by the VMS family of products. The coming topic to be added in the upcoming quarter to the website details how VMS+ handles poor quality images and/or sparse data.

2022 was a transformative year for Ventripoint. From 2019-2022, the Company underwent an extensive period of innovation and refinement of its core technology and is now well-positioned to capitalize on those investments in creating awareness and driving market adoption. In 2022, Ventripoint gained traction in sales in its key markets and continues momentum as we pursue our mission to improve the lives of patients by providing better, simpler, and more intelligent tools that give clinicians more accurate information and solve their immediate needs. We have entered 2023 with a primary strategic goal to accelerate sales growth. To this end, we have focused on scheduling evaluations of the VMS+ at numerous hospitals across the United Kingdom and Europe as well as the United States.

In 2023 Ventripoint appointed Dr. Alvira Macanovic as President and CEO, signifying its transition from a development company to a fully operating and commercialization company with a global customer base in leading hospitals. Dr. Macanovic has had increasing responsibilities within the Corporation since her appointment as Manager of Regulatory Affairs & Quality Assurance in 2017. She has been instrumental in building the current cohesive teams for manufacturing, sales and marketing, development, quality assurance, and regulatory affairs as the Vice-President of Operations, as well as effectively engaging the cardiology community and driving strategic partnerships. She has nearly 20 years of experience in pharmaceutical and medical device-related industries where she has worked with researchers, start-ups, SMEs, and multi-national companies to commercialize medical products; helping to bring 60+ medical products to market. Previously, Dr. Macanovic worked for an organization supported by the Centers of Excellence for Commercialization and Research in various leadership roles, including business development, sales, and commercialization strategy the commercialization of medical imaging technologies. She obtained a Bachelor of Science in Biochemistry from McGill University and a PhD in Chemistry from Concordia University.

### **Where we are today**

The Company has made significant strides in the last year on several fronts. Our focus on growing the team, and customer service, and increasing awareness of our brand allowed us to gain traction in key markets, including 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 impressed at how well the underlying KBR technology provides consistent, reliable, and accurate measurements.

We improved the workflow and user interface for the VMS+ and radically improved the 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, management, and care.

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

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.

We have transitioned the company from the research and development phase to the commercial operating phase which required operational changes. In the past, we focused 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. We spent 2017-2019 advancing the technology which culminated in the release of VMS+ 3.0. This change required thoughtful attention to time and resource investments, organization buildup, capabilities, and building a commercial culture. 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 continues to take shape in 2023.

## **Ventripoint Mission, Vision & Values**

### **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, 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, the founder of our technology felt there had to be a better way to provide care to children without having to rely on the highly restrictive MRI. Moreover, the primary inventor still 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 will guide us in our vision to elevate cardiac care. We will constantly strive to meet the unmet needs in cardiology.

## **Corporate Highlights**

The Company has made significant progress in implementing its development and commercialization plans. Highlights include:

### **Expansion of User base**

Over the last year, Ventripoint has been in dialogue with major cardiovascular centers in the United States, UK, and Europe. The Company has also delivered one VMS+3.0 for 3D-echo – its software-only product, to a major European center. This was the first sale of this product, which is able to analyze 3D echocardiograms from all major ultrasound machines. Our user base continues to increase, and we continue to target major cardiac centers where endorsement of the VMS+ by leading echocardiologists will influence adoption in their region.

### **Collaboration with Ascend Cardiovascular, LLC**

In August 2023, Ventripoint announced that it had entered into a strategic collaboration with Ascend Cardiovascular, LLC, a leading provider of cardiovascular IT solutions.

ASCEND Cardiovascular is a leader in innovating cardiovascular solutions that empower the provider community to improve cardiovascular care. Designed with openness in mind, its solutions integrate with EHRs, medical devices, and other systems to deliver seamless workflows that span procedure types and modalities. A complete cardiovascular solution, ASCEND provides structured reporting, image visualization, collaboration, and analytics that improve efficiency, outcomes, and ROI. With decades of experience and a practicing cardiologist at its helm, the ASCEND team brings unparalleled “know-how” in cardiology workflow, collaboration, and IT offering limitless opportunities to improve clinical, operational, and quality performance. Learn more: [www.ascendcv.com](http://www.ascendcv.com).

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. Ascend Cardiovascular has over two decades of experience in cardiovascular IT and is an expert in cardiology workflow. Ascend's clinical reporting, device interfaces, and analytics are used daily by some of the top institutions and hospital systems in North America. The teamwork between Ventripoint and Ascend leverages the strengths and expertise of both Ascend and Ventripoint to enhance cardiovascular diagnostics and improve patient care. By combining the capabilities of Ventripoint and Ascend, both companies aim to develop and integrate solutions to improve diagnostic accuracy, streamline workflows, and enhance patient experience. Ascend intends to resell Ventripoint products developed through this partnership and integrated with Ascend's cardiovascular IT platform.

This coordination is intended to explore joint research and development initiatives aimed at enhancing existing cardiovascular diagnostic technologies and identify new opportunities. This may include joint projects, knowledge sharing, and collaborative efforts to seek regulatory approvals and commercialize new products or services including, where applicable, co-marketing and sales support activities.

Both Ventripoint and Ascend are excited about the potential impact of this collaboration within the field of cardiovascular diagnostics. Ascend brings their clinical and industry knowledge, along with its proprietary structured reporting, and its echocardiogram DICOM viewer to the collaboration. Ventripoint brings its proprietary AI-based diagnostic technologies, research capabilities, and technical expertise in cardiovascular imaging and analysis. By combining the unique expertise and resources of both companies, new solutions can be made that address existing challenges within the industry.

Most recently, Ventripoint announced the development of a new integrated product with Ascend.

This announcement marks a significant milestone in Ventripoint's commitment to the collaboration between the two companies. ASCEND fits perfectly into Ventripoint's roadmap for innovation and is a key step in the company's mission to improve patients' lives and become the standard of care. ASCEND is seamlessly integrated with leading EHRs, and imaging systems. Their existing technology has been installed at 1000+ top ranked healthcare facilities and 600+ health systems with approximately 50,000 users across the United States.

Ventripoint has successfully and seamlessly integrated its specialized AI-powered 3D Echo software application with ASCEND's diagnostic viewer, InView, and reporting application, Cardiovascular Structured Reporting. This cardiovascular workflow product provides an end-to-end solution that rivals other products on the market. It is streamlined, smart, and effective for cardiology reading, reporting, and diagnostics, thereby improving diagnosis and monitoring of fetal, pediatric, and adult congenital heart disease.

After months of development, Ventripoint successfully unveiled this integrated product with its newest partner at the 8<sup>th</sup> World Congress of Pediatric Cardiology and Cardiac Surgery in Washington, DC held in August.

As the collaboration between Ventripoint and ASCEND continues to evolve, both companies remain committed to driving innovation and excellence in cardiovascular health technology. This integrated product marks an exciting milestone in the advancement of cardiac care, solving today's problems and anticipating tomorrow's challenges.

#### **Collaboration with General Electric Healthcare (GEHC)**

The Company has been seeking marketing and distribution channel partners to build awareness and access to potential customers. The Company previously announced a collaboration with (GEHC). Ventripoint has been added as an innovator under GE Healthcare's Edison Developer Program, which helps healthcare providers gain access to market-ready applications. As an innovator under this program, our installed base will be enhanced and will drive Ventripoint's commercial growth worldwide by accessing GE Healthcare's global channel.

The collaboration between GE Healthcare and Ventripoint offers the potential to enable the medical technology company's global customers to leverage the advanced 3D image analysis tools from the Ventripoint software applications for studies obtained using GE Healthcare's suite of Vivid cardiac ultrasound products. The Company continues to work with General Electric HealthCare Corporation (GEHC) through their Edison Development Program to bring our cardiac analysis tools to their existing customer base.

#### **Collaboration to Expand to Companion Animals**

The Company has initiated a collaboration to expand the use of the VMS+ to include companion animals in January 2021. This initiative is ongoing.

### **Quality Management System and Facility Certifications**

In May 2023, The Company obtained European Union Medical Device Regulation (EU MDR) certification for its cardiac diagnostic system. This significant milestone further underscores Ventripoint's dedication to delivering state-of-the-art diagnostic tools to healthcare professionals and improving patient outcomes.

The EU MDR certification came into effect in May 2021. All medical devices certified under the previous Medical Device Directive (MDD) in the EU must certify to the new requirements (MDR 2017/745) to be sold in the European Market.

By receiving its EU MDR certification, Ventripoint Diagnostics demonstrates its ability to meet the evolving regulatory landscape and provide a safe and effective cardiac diagnostic tool for hospitals and cardiac clinics. Ventripoint Diagnostics is poised to expand its presence in the European market and further its mission to transform the way cardiac diseases are diagnosed and managed.

### **Ventripoint AI Heart Technology Featured in an International News-Style Programme**

Ventripoint was featured in an international news-style programme, "The Hidden Heart", made possible by the British Heart Foundation and ITN Business. The programme, which documented how Ventripoint transforms ultrasound images into 3D models of the heart and provides cardiac metrics with an accuracy comparative to cardiac MRI, launched on World Heart Day, September 29th. Ventripoint was one of a handful of technologies chosen to demonstrate innovations in treating heart disease. The programme can be viewed on the ITN video-on-demand service and was also hosted on the British Heart Foundation website, allowing easy access to "The Hidden Heart". To watch the full programme, visit: <https://www.bhf.org.uk/hiddenheart>. The Hidden Heart was made to raise awareness of heart conditions and highlight the innovations and research underway to treat conditions such as congenital heart disease, heart attacks, heart failure, and transplants. Identifying risk factors and early detection is an important part of the programme's messaging. Ventripoint's feature in this programme highlighted the use of Ventripoint's AI technology, branded VMS+, and demonstrated how it works, as well as the benefits of this accessible technology to practitioners and patients. This "Hidden Heart" will bring attention to the prominence of heart disease, especially hidden heart disease, to the millions that suffer from this issue worldwide. There are around 7.6 million people in the UK alone living with a heart or circulatory disease, as well as many more who are not yet aware of their own cardiac condition. The ITV programme focussed on the prominence of cardiac conditions.

### **VMS+3.0 Showcased at Medical Conferences**

As part of our ongoing efforts to increase awareness and prospect for customers, Ventripoint attended conferences this year in Europe, the United Kingdom, and the United States.

#### **Europe**

In the start of 2023, Ventripoint attended two conferences in Germany with our distribution partner, Angiopro, as part of the Company's efforts to increase awareness and sales in leading hospitals in Europe, namely specializing in congenital heart disease. Ventripoint participated in the 55th annual meeting of the German Society for Pediatric Cardiology and Congenital Defects held on February 19-22 in Hamburg, Germany, and the DGK (German Society of Cardiology) conference held on April 12-15 in Mannheim, Germany.

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Ventripoint also sponsored the 56th Annual Meeting of the Association for European Pediatric and Congenital Cardiology (AEPC) held on April 26th-29th 2023 in Dublin, Ireland. The AEPC is a network of specialists in the pediatric and congenital cardiology field who strive to promote the sharing of information and resources within the community. The AEPC is currently one of the largest global associations in the cardiac field with over 1,000 pediatric cardiologists. It was exciting to be part of this highly specialized group of people to demonstrate how our products enhance cardiac care. Both our European and United Kingdom distributors, Angiopros and Cardiologic, were at our booth alongside the Ventripoint sales team. This year's theme was "Building Bridges of Collaboration Across Europe in Congenital Cardiac Care". Ventripoint is very much part of this collaboration and sponsored an Industrial Symposium with PD Dr. med. Kai Thorsten Laser speaking about "Multimodality Assessment of the RV in Pediatric Heart Disease". In particular, Dr. Laser spoke about his use of VMS over 10+ years and its importance in the management and care of patients. Dr. Laser is the Deputy Director and Senior Physician from the Department of Pediatric Cardiology and Congenital Heart Defects of Herz-und Diabeteszentrum North Rhine Westfalia | HDZ. He is a leading cardiologist in the assessment of congenital heart disease using 2D/3D imaging. The talk was well attended with 80+ attendees.

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.

This year's conference and symposium are particularly notable for Ventripoint as we have transformed VMS+ into a product that offers a valuable solution that can be applied for daily use by our customers. This was demonstrated by the case studies Dr. Laser presented in his talk.

Further, we exhibited and used this opportunity to continue to maintain our efforts to connect with clinicians within the global congenital cardiology community and to grow our reach globally. Our focus for this year is on sales as we have transitioned to a commercial operating company of which Europe is a particularly key market for the Ventripoint VMS+ products. Our products facilitate a more efficient patient journey by providing information about the structure and function of the heart with an accuracy equivalent to cardiac MRI at the time of the patient's first echo scan. This detailed information, very early on in the care journey, can potentially lead to improved quality of diagnosis, potentially shortening the diagnosis time, and increasing the efficacy of patient management and care.

Ventripoint was also a sponsor for the prestigious 51st Annual Nordic Paediatric Cardiology Meeting being held on September 13th-15th, 2023. The meeting took place in Helsinki with participants from all over the world. The event was hosted by the Finnish Cardiac Society, a member of the European Society of Cardiology. The Finnish Cardiac Society aims to bring together doctors and other cardiology professionals to support the scientific and practical development of cardiology. There are 11 active working groups within the Finnish Cardiac Society, as well as 34 industrial members representing both device and pharmaceutical companies in the cardiology field. The Nordic Paediatric Cardiology Meeting focused on updating the latest information on significant issues within pediatric cardiology, as well as the advancements in research and treatment. The Meeting included topics such as new interventions for cardiac heart disease in Nordic countries, artificial intelligence, and telemedicine in congenital heart disease in Nordic countries. The ideas and research discussed at the Meeting will play a role in further expanding cardiac heart disease research and improving care for patients around the world. This meeting provided a valuable opportunity for Ventripoint to connect with cardiac professionals in the Nordic region, participate in global discussions, and grow its network.

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Ventripoint also sponsored the German Society for Pediatric Cardiology and Congenital Heart Defects Echo Advanced Workshop, which was held on September 16th, 2023, in Bad Oeynhausen. As a sponsor, 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. The German Society for Pediatric Cardiology and Congenital Heart Defects is a non-profit medical society that aims to promote research, diagnostics, and the prevention of congenital and acquired heart disease. The emphasis on education complements the diagnostic capabilities of Ventripoint's VMS+, which was highlighted during the practical session. The session leader, PD Dr. Laser, is the Deputy Director and Senior Physician for the Department of Pediatric Cardiology and Congenital Heart Defects of Herz-und Diabetesszentrum North Rhine-Westfalia | HDZ. Dr. Laser's session discussed how the VMS+ is an effective and reliable tool in the assessment of congenital heart disease. The session had a maximum of 30 participants so that each physician could receive a hands-on learning experience. The session discussed twenty different cases and the practical portion of the workshop included patients to investigate.

### **United Kingdom**

As part of Ventripoint's marketing efforts for the United Kingdom alongside Ventripoint's distributor, Cardiologic, Ventripoint sponsored the Advanced Imaging 2023: Pericardial Disease meeting in London, England on July 18, 2023. This is a prestigious joint meeting sponsored by the British Society of Echocardiography and the Royal Society of Medicine. The conference included a comprehensive overview of multimodality imaging and intervention for pericardial disease. This was Ventripoint's inaugural attendance at this conference as a partner of the British Society of Echocardiography. Advanced Imaging 2023 served as a unique platform where leading professionals, researchers, and healthcare practitioners can collaborate and exchange knowledge, advancements, and best practices in the field of multimodality imaging and intervention for pericardial disease. With the overarching goal of advancing patient care and cardiovascular health for pericardial disease, the conference offered a diverse program of lectures and interactive case discussions.

Ventripoint's AI Heart Imaging Technology was presented at the British Society of Echocardiography's (BSEcho) annual conference as a lead sponsor to demonstrate its use of Artificial Intelligence to create an MRI-quality model of the heart from ultrasound images. The highly anticipated hybrid conference in Cardiff, UK brought together renowned experts and professionals in the field of echocardiography from Oct. 13th to 14th. The BSEcho is the leading global forum for the study and advancement of ultrasound imaging and Doppler techniques in cardiology. Some of the topics discussed this year at the BSEcho were the use of AI in routine scans, LV functional assessment, musculoskeletal health, stress echocardiography, and much more. As a gold sponsor, Ventripoint Diagnostics had a prominent presence at the BSEcho Conference with an interactive booth in the main hall. The booth gave attendees an opportunity to learn about the VMS+ 3.0 system, engage in hands-on demonstrations, and interact with the Ventripoint team to gain deeper insights into the technology and clinical applications. Ventripoint also had designated sponsorship activities such as direct emails to members, social media broadcasts, and inclusion to Echo eNews. This is the second year that Ventripoint was highlighted in the meeting, demonstrating its commitment to advancing cardiovascular diagnostics and its dedication to supporting the scientific community. The company is excited to collaborate with leading experts and thought leaders at the conference and play a role in improving research and patient outcomes.

Ventripoint also demonstrated its AI-powered heart imaging technology at The British Congenital Cardiac Association (BCCA) annual conference this year in Bristol, UK from Nov. 13th to Nov. 14th As a Gold Level

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Sponsor, Ventripoint had a designated booth for in-person demonstrations allowed attendees to observe the VMS+ system in real-time, using AI to obtain MRI-equivalent cardiac metrics from ultrasound images. The BCCA supports and represents medical practitioners in the practice or research of congenital heart disease. The BCCA attracts over 300 delegates worldwide, including cardiologists and sonographers focused exclusively on congenital heart defects in children and adults. Ventripoint was also joined by its UK representatives from Cardiologic, who specialize in medical devices in the cardiology field. This gave attendees the opportunity to connect with Cardiologic, which has extensive experience working with cardiologists, cardiac surgeons, and technicians.

### **United States**

To increase the awareness of our products in the U.S., we attended the American Society of Echo's "State of the Art Echocardiography" held on February 18-23, 2023, in Scottsdale, Arizona. The themes of the program included structural heart disease, myocardial and pericardial disease, coronary artery disease, and interventional echocardiography. The faculty consists of recognized leaders in the field of echocardiography. Attendees included adult and pediatric cardiologists, cardiovascular surgeons, anesthesiologists, radiologists, nurses, sonographers, and fellows in training.

Ventripoint attended the Echocardiography in the Nation's Capital event held on May 5-7, 2023, in Washington DC that was organized by Mayo Clinic Rochester, MN. Echocardiography in the Nation's Capital was focused on providing a practical review of the current uses and limitations of two-dimensional echocardiography, Doppler, and color flow imaging in the assessment of adult myocardial, ischemic, pericardial, and valvular disease. We engaged in enlightening discussions on the practical view of adult echo and explored upcoming trends. The VMS+ demo generated tremendous excitement among cardiologists and sonographers, including Mayo Clinic doctors.

Ventripoint also attended the 8th World Congress of Pediatric Cardiology and Cardiac Surgery in Washington, DC from August 27<sup>th</sup> – September 1<sup>st</sup>, 2023. This is the first time the congress was held in the continental United States. As an attendee of this prestigious event, Ventripoint had the opportunity to engage with professionals in the pediatric cardiology field, as well as our distributors to continue to build our global network. This is a great event to showcase our AI empowered technology and products in the treatment and monitoring of congenital heart conditions and disease. We continue to build awareness of our products through these types of engagements. The World Congress is typically held every four years and brings together over 4,500 participants comprised of international leaders in pediatric cardiology, cardiac surgery, cardiac intensive care, and other topics. The conference was focused on congenital heart disease, echocardiography, pulmonary hypertension, big data, new technology and artificial intelligence. The scientific program is interdisciplinary and was developed by leaders in all disciplines of pediatric cardiac care. A program of unparalleled breadth and depth features 22 subspecialty tracks designed so professionals from all disciplines can customize their learning experience, based on their own needs. More than 1,500 scientific posters showcased the latest science. An interactive Multidimensional Anatomy Lab showcased the evolution of cardiac imaging and a Digital Transformation Hub showcased advanced technology that can be integrated into cardiovascular practice to drive innovative care. Ventripoint was a participant in the digital Futures Time Series Data Lab being held on August 30, 2023, where attendees were able to interact with the VMS+.

To further increase awareness of the Ventripoint VMS+ products in the United States, Ventripoint participated as a Gold Sponsor for the 8th Annual Pediatric Echo Society Symposium held in Orlando,

Florida on September 9th, 2023. The Pediatric Echo Society Symposium, a nationwide event, was staged by Advent Health for cardiologists and sonographers. The symposium aimed to foster collaboration, share cutting-edge research, and discuss best practices in pediatric echocardiology. The symposium featured an array of educational sessions, panel discussions, and demonstrations. Ventripoint had a prominent presence throughout the symposium, showcasing the latest diagnostic advancements of the VMS+ and hosting an interactive booth, offering attendees the opportunity to engage with the team and experience the VMS+.

### **Planned and Ongoing Clinical Studies**

The Company is currently assisting in planning or monitoring 15 investigator-initiated clinical studies where VMS+ 3.0 is being used to improve diagnostics and improve patient care. Two of these studies are seeking to make the VMS+3.0 the “standard of care” in certain patient groups. There has never been a greater understanding of the need for better assessment of the heart and the unique ability of the VMS+3.0 to easily deliver quality data to allow physicians to confidently diagnose, treat, and monitor their heart patients. On March 1, 2022, the Company announced its support of a world-first study on maternal cardiovascular changes during pregnancy, which will be conducted at the Mazankowski Alberta Heart Institute in Edmonton, Alberta, Canada. This Heart & Stroke Foundation of Canada-funded research will explore the contribution of inadequate heart function (use of Ventripoint) and vascular health and their interaction with adverse pregnancy outcomes. The use of the Ventripoint system will facilitate cardiac function investigations even in women with more challenging heart geometry. It is anticipated this innovative work will lead to improved strategies to optimize the cardiovascular health of these mothers leading to healthier pregnancies and infants.” Cardiovascular disease complicates 1-4% of pregnancies and is more common in women with hypertensive disorders, which is the leading cause of maternal death (Ramlakhan, K.P., Johnson, M.R. & Roos-Hesselink, J.W, 2020). One of the areas of focus for the study will be looking at the vascular and ventricular function in pregnant women with cardiovascular disease. A combination of vascular measuring techniques and heart assessments will be used to understand ventricular and vascular interactions in mothers during pregnancy. A study of this nature has never been attempted before and will provide fundamental information on changes in cardiac function during pregnancy. The VMS+3.0 will be used to perform heart assessments in this study and will allow for quick, accurate and repeat measurements in this groundbreaking study of women’s health.

The Company has fifteen investigator-initiated clinical projects underway or being planned. This shows the innovative nature of the VMS+3.0 in enabling clinicians to study a variety of heart problems by analyzing the whole heart for the first time. All these studies are being funded through institutional sponsorships or grants. The Company is providing equipment, training for research staff and logistical support for these ground-breaking studies which are conducted by leading cardiologists and the studies are still ongoing. The following projects are currently underway:

1. Normal and Abnormal Maternal Heart Function during Pregnancy at the Mazankowski Alberta Heart Institute in Edmonton, Alberta, Canada under the direction of Dr. Lisa Hornberger, Principal Investigator and Dr. Jonathan Windram, Co-Investigator.
2. Congenital Heart Defects with Septal Defects; Canada, United States, UK, and Europe to expand sales of VMS+3.0 units.

The Company continues to build its sales funnel by actively marketing VMS+ 3.0 and has a number of installs worldwide of which some are used as reference sites.

### **Expanding Product Distribution in Europe and North America**

The Company has a distributor partnership with a medical device distributor, CardioLogic Ltd. In the UK. CardioLogic Ltd specializes in the development, marketing, and distribution of medical devices for cardiac care and has an extensive network and customer base. Ventripoint does have prominent UK hospitals using the VMS+3.0, but the UK market is largely untapped.

CardioLogic is continuing to expand Ventripoint's UK footprint with a sales team calling on echocardiologists, interventional cardiologists and cardiac surgeons, who would benefit from the VMS+3.0 system's efficient and reliable diagnostic imaging. The process for purchase or lease of medical devices in the UK is controlled by Health Trusts and the National Health Service (NHS) and CardioLogic's experience in dealing with these processes will accelerate the approval of sales and allow a more rapid expansion into hospitals and cardiac facilities across the UK.

The Company has appointed Angiopros GmbH as Ventripoint's European Distributor for Ventripoint's products and has engaged AngioConsult, their affiliated company, to tailor the marketing efforts to the different countries in the EU. AngioConsult and Angiopros are both based in Germany. While AngioConsult is a consulting firm that specializes in market access, product management, sales organization as well as training programs in one company, Angiopros is a classic distributor company focusing on the distribution of medical devices and software products in the cardiology, vascular surgery, and radiology/angiology fields. AngioConsult has combined its consulting arm with its distribution partner, Angiopros, to position Ventripoint in the European market. AngioConsult was selected based on its reputation in the cardiovascular market, alignment with Ventripoint's current customer base, and an extensive distribution network with contacts to professional decision makers in the cardiovascular field.

In 2022, The Company appointed 11 distributors in the United States which included MediTek Lifesciences LLC as Distributor for the California market. MediTek distributes products specific to cardiology research and treatment centers throughout the State of California, USA. California's economy is poised to be the 4th largest in the world (<https://www.bloomberg.com/opinion/articles/2022-10-24/california-poised-to-overtakegermany-as-worlds-no-4-economy>), California has a number of leading cardiac centers and is an excellent base to begin to advance cardiac diagnostics in the USA. MediTek has multiple sales representatives with a combined experience of over 45 years in the cardiology sector within the Californian market and understand how the VMS+ meets doctors' needs by providing reliable echocardiography measurements. The representatives have completed training, and their initial focus has been the clinicians and cardiologists who treat patients with congenital heart disease, which is a life-long condition where accurate regular assessments of right-heart function are critical to the planning and monitoring of appropriate care. With an established customer base of more than 100 clinical sites, MediTek will grow Ventripoint's awareness within the California market and further expand its customer base.

The Company increased its sales team in May 2022 with the hires of two strategic sales account managers for U.S., Europe, and UK. These sales personnel have assisted in the expansion of global sales. Each account manager has the required skill set for managing the sales and distribution of the VMS+ product on a global scale.

The strategic sales lead that was in charge of the United Kingdom/European sales and distribution has over two decades of experience in medical device sales. He has managed international sales teams within the cardiac device market, as well as working extensively with multiple distributors. Ventripoint benefited from

the entrepreneurial and start-up mindset of this new hire and has seen an increase in traction in the UK and Europe in early 2023 with this added support.

The account manager in charge of the United States sales and distribution also has over two decades of experience in medical device sales. He has experience working with contracting Group Purchasing Organizations (GPOs) and Integrated Delivery Networks (IDNs). They also have extensive experience training multiple teams of clinical sales representatives, along with managing teams of clinical sale specialists.

Ventripoint grew rapidly within the past year and has expanded into new markets. The two sales account managers are an integral part of Ventripoint's sales and marketing efforts towards meeting and surpassing the sales goals of the VMS+.

### **Commercialization**

To date, the Company has installed machines in cardiac centers in North America and the United Kingdom, where the following studies have been started or completed in 2022:

1. LA Enlargement as an Earlier Indicator of Heart Failure with Diastolic Dysfunction.
2. Right Atrial (RA) and Right Ventricular (RV) Enlargement as an Indicator of Tricuspid Valvular Dysfunction.
3. Retrospective Analysis of Benefits of VMS+3.0 for Determining Optimal Point for Pulmonary Valve Replacement (PVR) in Young Adults with Tetralogy of Fallot.
4. Single ventricle cardiac function in children with Dr. Piers Barker as the lead investigator at Duke Pediatric and Congenital Heart Center.

The other remaining studies will address hypertension, cardiotoxicity, valvular disease, Duchenne muscular dystrophy, acute COVID-19, long-haul COVID-19, COVID-19 in elite athletes, and surgical planning in valve replacements. The Company will provide details on these studies when they have been approved by the host institutions.

In June 2022, the Company reported that one of the clinical projects was underway, which included a collaboration with Duke University School of Medicine in a new study that analyzes single ventricle cardiac function in children. This study is still ongoing. This will be the first study to validate the VMS+3.0 in children with functional single ventricles. "The goal of non-invasive pediatric cardiac imaging is always to make the most accurate diagnosis, while simultaneously disturbing the child as little as possible" states Dr. Piers Barker, Pediatric Cardiologist at the Duke Pediatric and Congenital Heart Center. "New 3-dimensional technologies could have the potential to help us better achieve that goal for our patients with the most complex congenital heart disease." Congenital heart disease represents the most common single-organ birth defect, with an incidence of approximately 1 in 100 live births. Many of these children are born with critical congenital heart disease, requiring cardiac surgery or other interventions before their first birthday to survive. One of the most critical conditions occurs when children have only a functional single ventricle, in which only one of the two pumping chambers is developed. These children require the most intensive diagnostic and interventional care due to the enormous complexity of how each heart forms, through infancy and into adulthood. Children with functional single ventricles typically undergo a series of three staged surgeries in order to achieve adequate blood flow to both the body and the lungs. However, complications and a risk of heart failure accompany every stage, with the risk becoming greater as children approach

adulthood. Standard echocardiography assessments are difficult to apply to these patients given how different the cardiac anatomy is as compared to a normal heart. Novel, 3-dimensional diagnostic tools like VMS+3.0 therefore provide a great opportunity to accurately assess heart function and enable proactive treatment prior to the development of heart failure or deterioration to the point of transplantation or death. The research study will utilize the strengths of the Ventripoint system with the patient databases of the Duke Pediatric and Congenital Heart Center and the Duke Cardiovascular Magnetic Resonance Center to validate the VMS+ for use in this patient population.

### **New Chief Financial Officer**

On October 3, 2023, the Company announced that Victor Hugo resigned as Chief Financial Officer (“CFO”) of the Company, and Jimmy Jeon was appointed as the new CFO of the Company.

### **Business Objectives and Milestones**

The Company has the following milestones:

- Grow cumulative cardiac base in the United States, Europe, and the United Kingdom (See “VMS+3.0 Purchase Orders and Commitments to Customers” and “Commercialization” above).

The Company has built a small direct salesforce, partnered with distributors to accelerate sales of its products, and hired staff for manufacturing, clinical applications, and preparation of marketing material. The Company exhibited at 10+ major cardiology and medical device conferences this year to build brand awareness in the CHD market and build its sales funnel.

- Establish sales and marketing infrastructure:

In 2022, Ventripoint invested in tactical growth in its salesforce, channel partner, and trial teams. These investments in sales and marketing included:

1. Key hires of strategic sales leaders to cover the United States, Europe, and the United Kingdom.

2. Hires in clinical applications and technical support to support its sales team, including direct sales and distributors.

3. Partnerships with 11 distributors to cover the United States, Europe, and the United Kingdom; all with a focus in cardiology therapy bringing the sales team to 33 representatives covering all our target markets, i.e., across the USA, Europe, and the UK. These distributors sell complimentary cardiology products from other manufacturers, thereby providing a broader category of ancillary products to the end user.

4. Investing in marketing initiatives to increase awareness of VMS+. One of these major initiatives was attending and sponsoring 12 medical conferences in North America, Europe, and the United Kingdom where the Company has aggressively marketed its VMS+ products and engaged hundreds of clinicians. This aggressive marketing is continuing in 2023. Ventripoint's direct sales teams and distributors have started out the new year strong and have an aggressive schedule of

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booked clinical evaluations for the coming months which are key to closing sales and increasing reference sites.

All these representatives are now fully trained and actively following up with their existing customers, as well as the regional leads that were acquired from medical conferences. With the assistance of our distributors and our internal sales force, the Company now has a list of over 4,000 cardiologists who have a practice where the VMS+ would improve their ability to assess and monitor their patients. In addition, our sales team (direct and distributor) already has a relationship with all these potential customers in the US, UK, and Europe. Hence, the Company now has a full funnel of leads. The Company's sales and marketing efforts continue to focus on the latest generation of VMS+ products to leading hospitals and clinics worldwide. Clinicians who have evaluated the technology see the potential for our products to elevate the care they provide to their patients and are impressed with how well Ventripoint products provide consistent, reliable, and accurate measurements, especially for their most complex cases.

- GE Healthcare product resulting from collaboration (see "Distribution Agreements" and "GE Healthcare Collaboration" above. The Company will continue to collaborate with GE Healthcare through the Edison program.
- Upgrade of VMS+3.0 to VMS+4.0. We have listened to our customers and continue to evolve our products based on their feedback. We continue to work closely with our customers and KOLs to incorporate their ideas and experiences with the technology to continually advance our products. The new product elevates the VMS+ product by offering features unparalleled in competitor products. All the features are a culmination of listening to the feedback of our customers and KOLs over the last 3 years. VMS+ continues to provide a full solution with Ventripoint's unique AI technology. As we look to the next generation of the VMS+, we have advanced the technology to the next level to deliver to our customers and their patients. The next generation of the Company's products will be focused on 4D (motion) analysis and enhanced tracking and user-friendly features to accelerate analysis and optimize visualization of all 4 chambers of the heart. The new design will also significantly lower the cost of manufacturing the product. This design and development will be done by Ventripoint in-house. It is estimated that the completion of the development of the VMS+4.0 and validation will occur within the next 3 months. Regulatory market approvals will then be done by the Company in-house and transfer to production will follow thereafter. The current facility has scaled to manufacture at least 5 units/week with a full-time assembler and quality control personnel.

### **Current Focus for Sales Efforts**

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 primary strategic priority for 2023-2024 is 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 unmet needs being met with 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.

With the traction gained in 2022, we have carried that momentum into 2023. We have evaluated the issues of our customers, and quantified their pain points, and they see our product as the solution.

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The priority for 2023 continues to be to drive sales and increase our footprint and awareness so that Ventripoint is a well-recognized brand and solution in the cardiology space. The sales activities and marketing efforts will ensure that (1) sufficient numbers of leads are obtained through marketing campaigns (2) advanced in the funnel, (3) sufficient new leads from territory prospecting are added to achieve revenue growth, and (4) distributors are supported to achieve the revenue growth. Marketing will ensure that marketing campaigns fill the sales funnel with qualified leads to enable the funnel to be advanced adequately to meet the revenue growth. As we did in 2022, we continue to get in front of more cardiologists/clinicians and increase awareness of our product within the cardiology community.

We have the right sales & marketing strategy. Our strategy consists of a 3-pronged approach which includes:

- Nurturing key sites to build credibility and reputation.
- Building an ecosystem of partners.
- Direct sales to hospitals, clinics, Integrated Delivery Networks, and major hospital networks and working with distributors.

We have 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.

We have the right team. We have assembled a strong cross-functional sales and marketing team. Working together with customers, we are determining what they need.

In July 2023, Ventripoint announced a significant sale to the largest heart center in Germany, Deutsches Herzzentrum der Charité (DHZC), German Heart Center, in Berlin, Germany.

Prof. Felix Berger, Director of the Clinic for Congenital Heart Disease – Pediatric Cardiology at DHZC stated, "VMS+ not only gives us a very precise spatial view of complex congenital malformations at any time, but it also provides us with important data on the function of the heart muscle. This allows us to plan therapy even more precisely, check it at any time, and adjust it if necessary."

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 Charité is one of Germany's most research-intensive medical institutions and was ranked this year as the 7<sup>th</sup> best hospital in the world and the best in Europe by Newsweek (<https://www.newsweek.com/rankings/worlds-best-hospitals2023>). The DHZC's departments for Congenital Heart Disease – Pediatric Cardiology and Congenital and Pediatric Heart Surgery are among the leading institutions in Europe for the diagnosis and therapy of congenital and acquired heart disease (CHD). In 2021, the unit treated 1,005 statutory and 2,300 ambulatory CHD children. These numbers are continuously growing with the patients coming from Eastern Europe and neighboring countries.

Approximately 6,000 children are born in Germany every year with heart defects that require treatment and lifelong monitoring. The German Heart Center is the central point of contact for advice, diagnostics, and therapy for the life of patients with CHD. The VMS+ will be an asset to the hospital's pediatric cardiology led by Prof. Dr. med. Felix Berger, a world-renowned pediatric cardiologist. The innovative product was purchased in order to improve efficacy and patient management in the CHD department. The VMS+ offers an accessible and timely cardiac diagnostic alternative to cMRI. The VMS+ with Knowledge-Based Reconstruction (KBR™) produces metrics that are more accurate and reliable compared to other standard

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ultrasound measurement techniques. This exciting new site will give the VMS+ larger visibility in the European market.

The DHZC's purchase was enabled by Ventripoint's partner in Europe, Angiopro GmbH, a leading German-based distributor.

A second significant sale was made to Medical Center – University of Freiburg im Breisgau, Germany through the efforts of our European Distributor, Angiopro GmbH.

The University Medical Centre Freiburg is notably one of the largest hospitals in Europe and is recognized as the supra-regional center for the treatment of complicated heart disease. It treats 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 center 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.

Furthermore, Ventripoint upgraded the VMS+ at Evelina London Children's Hospital (part of Guy's and St Thomas' NHS Foundation Trust). Dr. Saleha Kabir, Lead Physiologist in Pediatrics and Advanced Echocardiography stated: "Having had experience with the older Ventripoint system, the new VMS + system with its increased functionality is a great addition to our echo lab. The more compact console increases accessibility and mobility which allows us to use it in a variety of settings and the simplified workflow makes image acquisition faster, which is fantastic for our small and easily distracted pediatric patients!"

Evelina London Children's Hospital is a specialist NHS hospital in London, England and is the second largest provider of children's services in London caring for children and young people from across south London and southeast England. Evalina London has a range of children's heart clinics including the fetal cardiology clinic and arrhythmia clinic. The children's heart services (cardiology) cares for around 6,000 patients each year with all kinds of children's heart problems including:

- those present from birth, known as congenital heart disease.
- those that develop after birth, known as acquired heart disease.
- rhythm disturbances.

The VMS+ 3.0 system will provide the pediatric cardiology team with a way to obtain accurate volumes of all four chambers of the heart. The VMS+ uses standard 2D echo to obtain the necessary metrics with the accuracy of a cardiac MRI. The VMS+ will support Evelina London's patient load and have a positive impact in patient care.

Key market segments include the following:

### **(1) Congenital Heart Disease**

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 strategy is to get a strong worldwide hold in this market thereby establishing our technology as the standard of care.

Transthoracic echocardiography (TTE) (including 2D and 3D) is an important tool for diagnosis and follow-up of patients with congenital heart disease (CHD). It remains the first-line imaging modality. 2D and 3D echocardiography are integral parts of functional assessment.

Children born with a heart abnormality almost universally have a defect in the right ventricle (RV). The VMS+ system was originally developed to address this need and it continues to be a focus for the Company. Currently, a number of pediatric hospitals are using the VMS+3.0 to evaluate such patients as it is critical to monitor the size of the RV as the children grow to be sure it is not dilated. There is a significant risk of permanent damage to the RV, if it is left dilated for an extended period. Hence the ASE guidelines call for an echocardiogram with estimation for RV size every 3 months. Stollery Children's Hospital (Canada), The Alberta Children's Hospital (Canada), The Hospital for Sick Children in Toronto (Canada), Seattle Children's Hospital (United States), Duke University Medical Center (United States), Evelina London Children's Hospital (United Kingdom) and Erasmus MC Sophia Children's Hospital (Netherlands) have VMS+3.0 systems.

While Tetralogy of Fallot and septal shunts are the majority of CHD patients (about 1% of all births), there are a number of other more rare but clinically challenging abnormalities. The VMS+ product is used in standard clinical practice for these CHD patients, and we continue to assist with investigations in these types of CHD patients in major children's hospitals around the world. CHD patients now live a normal life span and so there are a number of adult CHD patients who still need to be monitored for RV dilation throughout their life. Toronto General Hospital (see NR November 5, 2020) has a large cohort of these patients, and this is one of the foci for the use of the VMS+3.0 in adults.

### **(2) Cardiotoxicity of Chemotherapy Treatments for Cancer**

There is a growing literature base to show all chemotherapy agents are cardiotoxic, with many patients developing chronic heart disease following cancer therapy. A study published in Echo Res Pract. (2016, Sept 3(3): 79-84) entitled "Right heart function deteriorates in breast cancer patients undergoing anthracycline-based chemotherapy", by a group led by Dr. Boczar at the University of Ottawa Heart Institute, Ottawa, Ontario, Canada, concluded: "This study demonstrates that breast cancer patients receiving anthracycline-based chemotherapy experience adverse effects on both right atrial size and RV function". The Ottawa Heart Institute has purchased a VMS+3.0 system. The Company has been contacting cardiologists within cancer centers to determine the need to accurately determine RA and RV size and function during and after cancer therapy.

There are 1.7M new cancer patients/year in the USA. The lifetime risk of cancer is 42% in men and 38% in women. Cancer has surpassed cardiovascular disease as the number one killer in the USA with 600,000 deaths per year. The leading cause of death in cancer, for both women and men (27%), is lung cancer where RV failure is a major risk. Direct medical costs for cancer in the US in 2013 were \$74.8B billion and \$30B (40%) were for inpatient hospital stays. In the USA, there are more than 1,400

cancer-care facilities, which are accredited by the Commission on Cancer of the American College of Surgeons. These centers have been adding cardiologists to their staff as cardiotoxicity is now well established.

MD Anderson Hospital received a VMS+3.0 system (see NR October 8, 2020) to use for routine clinical assessment of oncology patients to determine cardiac changes during and after treatments. When the Company met with the cardiology team to assess their experience to date, they indicated the VMS+3.0 resolved all their operational concerns. MD Anderson has been one of the top two cancer centers in the USA for decades. It receives the highest number of research grants from the National Cancer Institute and is the recognized leader in the diagnosis and treatment of cancer.

### **(3) Pulmonary Hypertension (PH) and Covid**

Lung congestion results in increased blood pressure in the pulmonary artery. This results in increased load on the right heart and dilation of the RV. There are now a number of drugs to treat PH and it is critical to determine when a particular drug is effective and when to change to another therapy. Once again, if the RV is allowed to be dilated for a long time, there is a great chance of right heart failure and death. The ASE guidelines call for echocardiogram and RV size determinations every 3 months, but this is not done currently as the standard technique to quantify RV size is not reliable. The VMS+3.0 has been verified to give accurate and reliable results equivalent to MRI in PH patients. One of the foci for the Hospital for Sick Children and the Toronto General Hospital (see NR November 5, 2020) is to use the VMS+3.0 on pediatric and adult PH, respectively.

Lung congestion and RV dilation is being seen now in COVID patients worldwide and there have been studies correlating RV size with mortality in ICUs. It is now clear COVID-19 significantly damages the heart and results in both acute and chronic cardiac dysfunction. The Company is engaging with two major cardiac centers to conduct clinical studies on COVID-19 patients. The literature has shown RV, LV and biventricular dysfunction can be detected with echocardiography using crude analysis of the heart. The Company anticipates it will be able to significantly improve the results for echocardiograms from COVID-19 patients. King's College London is primarily focused on using the VMS+3.0 in COVID patients.

### **(4) Technically Difficult Imaging**

Technically difficult imaging is a continual problem in echocardiography. About 20-30% of patients yield unreadable images using conventional 2D echo due to their particular anatomy. When a result is needed, a contrast medium is injected into the patient while the study is re-done to increase the contrast between the heart muscle and the blood. This results in a readable image about 80% of the time, but the procedure has a number of drawbacks. It takes extra time as the study needs to be redone. It requires a patient to approve an infusion and requires an IV nurse to be summoned to do the infusion, which can also take time. As well, the contrast media is expensive and only provides one view (typically apical 4-chamber view) as compared with the 16 views taken during a standard echocardiogram. With conventional 2D echo, there are usually some views that can be difficult to interpret due to either borders that are not easily distinguishable or areas of drop out (fading). The VMS only needs a small number of points to analyze the heart and once the heart can be located in the views, other anatomical landmarks become recognizable. The Company believes it can significantly reduce the use of contrast media, which would save time, money and patient discomfort.

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The Company installed the VMS+3.0 whole heart analysis system at the University of Alberta Mazankowski Alberta Heart Institute under the supervision of Dr. Jonathan Windram, Staff Cardiologist, Northern Alberta Adult Congenital Heart Program and Associate Clinical Professor of Medicine, Division of Cardiology, Department of Medicine, University of Alberta Mazankowski Alberta Heart Institute. The first clinical study addressed technically difficult patients and the ability of the VMS+ to reduce the use of contrast media. In 10-25% of patients the images collected by standard 2D ultrasound are not clear enough to allow for interpretation using conventional methods. Using the artificial intelligence (AI) approach embedded in the VMS+ heart analysis system, the standard images can be analyzed. Normally in these patients, a second exam is immediately performed using the injection of a contrast media, which enhances the ability to see the heart walls and allows for conventional analysis in most cases. The reduction in the number of contrast-enhanced 2D echo studies would represent a significant savings in time and costs for echocardiology departments. It would also reduce the need to inject the patient with contrast media. The use of contrast-enhanced ultrasound is increasing in the western world with the burgeoning population of heavier people making it more difficult to obtain clear images using ultrasound.

The Mazankowski Alberta Heart Institute is the advanced cardiac care center for Edmonton, Northern and North-Central Alberta, Northern BC, Saskatchewan, Manitoba, Yukon and Northwest Territories. Located on the Walter C. Mackenzie Health Sciences Centre Campus in Edmonton, Mazankowski is physically integrated with the University of Alberta and Stollery Children's Hospitals, making it one of the very few heart institutes to accommodate both adult and pediatric patients. The Mazankowski has one of the most technologically advanced echo labs in the world employing leading-edge imaging techniques.

The Company will be focusing on the above four applications and approaching leading cardiologists who have published in these areas to make them aware of the VMS+3.0.

### **Off-Balance-Sheet Arrangements**

As of the date of this filing, the Company does not have any off-balance-sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company, including, and without limitation, such considerations as liquidity and capital resources.

### **Proposed Transactions**

The Company routinely evaluates various business development opportunities which could entail optioning properties, direct acquisitions, trades and/or divestitures. In this regard, the Company is currently in discussions with various parties, but no definitive agreements with respect to any proposed transactions have been entered into as of the date of this MD&A. There can be no assurances that any such transactions will be concluded in the future.

## **Discussion of Operations**

### **Three months ended September 30, 2023, compared with three months ended September 30, 2022**

The Company's recorded sales of \$nil and a net loss totaled \$1,174,285 for the three months ended September 30, 2023, with basic and diluted loss per share of \$0.01. This compares with sales of \$15,460 and a net loss of \$1,404,688, with basic and diluted loss per share of \$0.01 for the three months ended September 30, 2022. The decrease in net loss was principally because:

- For the three months ended September 30, 2023, general and administrative expenses were \$572,592, compared to \$974,754 for the three months ended September 30, 2022. The decrease in general and administrative was primarily due to decreases in salaries, professional fees, investor relations, and share-based compensation, and partially offset by an increase in travel costs.
- For the three months ended September 30, 2023, research and development expenses were \$408,586, compared to \$194,216 for the three months ended September 30, 2022. The increase in research and development was primarily due increases in salaries and design costs.
- For the three months ended September 30, 2023, sales and marketing expenses were \$198,877, compared to \$276,714 for the three months ended September 30, 2022. The decrease in sales and marketing was primarily due to a decrease in travel costs.

### **Nine months ended September 30, 2023, compared with nine months ended September 30, 2022**

The Company's recorded sales of \$7,781 and a net loss totaled \$3,634,823 for the nine months ended September 30, 2023, with basic and diluted loss per share of \$0.02. This compares with sales of \$40,060 and a net loss of \$3,768,472, with basic and diluted loss per share of \$0.02 for the nine months ended September 30, 2022. The decrease in net loss was principally because:

- For the nine months ended September 30, 2023, general and administrative expenses were \$2,116,675, compared to \$2,570,048 for the nine months ended September 30, 2022. The decrease in general and administrative was primarily due to decreases in salaries, professional fees, investor relations, and share-based compensation, and partially offset by an increase in travel costs.
- For the nine months ended September 30, 2023, research and development expenses were \$872,718, compared to \$687,247 for the nine months ended September 30, 2022. The increase in research and development was primarily due to an increase in salaries and offset by decreases in design costs and external consultants.
- For the nine months ended September 30, 2023, sales and marketing expenses were \$701,134, compared to \$576,107 for the nine months ended September 30, 2022. The increase in sales and marketing was primarily due to an increase in consulting fees as the Company ramped up its sales and marketing activities.

The Company recorded deferred sales for the nine months ended September 30, 2023, of 71,984. This will be recorded as revenue when the clients accept the units.

## **Liquidity and Financial Position**

The activities of the Company, principally the development and commercialization of diagnostic tools to monitor patients with heart disease, are financed through the completion of equity transactions such as equity offerings and the exercise of stock options and debt financing. There is no assurance that debt financing and equity capital will be available to the Company in the amounts or at the times desired or on terms that are acceptable to the Company, if at all.

Cash used in operating activities was \$2,812,122 for the nine months ended September 30, 2023, compared to \$3,091,712 for the nine months ended September 30, 2022. Operating activities for the nine months ended September 30, 2023, were affected by net loss of \$3,634,823 plus adjustments of \$485,155 primarily related to share-based compensation and the positive change in non-cash working capital balances of \$337,546, primarily related to a decrease in amounts receivable and an increase in accounts payable and accrued liabilities.

Cash used in financing activities was \$72,958 for the nine months ended September 30, 2023, compared to cash provided by financing activities of \$74,924 for the nine months ended September 30, 2022. Financing activities for the nine months ended September 30, 2023, primarily included lease and federal loan repayments.

At September 30, 2023, the Company had \$2,303,405 in cash and cash equivalents (December 31, 2022 - \$5,185,770).

The Company has minimal revenues and therefore must utilize its funds obtained from the equity financing and other financing transactions to maintain its capacity to meet ongoing the commercialization of VMS+3.0.

As of September 30, 2023, and to the date of this MD&A, the cash resources of the Company are held with the Canadian Imperial Bank of Commerce and Royal Bank of Canada.

The Company's use of cash at present occurs, and in the future will occur, principally in two areas, namely, funding of its general and administrative expenditures and funding of its development and commercialization activities. The Company has no development commitments on its property interests over the next 12 months. Management may reassess its planned expenditures based on the Company's working capital resources, the scope of work required to advance exploration on its projects and the overall condition of the financial markets.

The Company's working capital of \$1,366,333 at September 30, 2023, (December 31, 2022 - \$4,607,687), and is sufficient to satisfy current liabilities. Based on the rate of expenditure, the Company does not have sufficient cash on hand and will have to raise equity capital in the near term in amounts sufficient to fund both general and administrative costs and working capital requirement. The Company has been successful in raising funds to date, however, there is no assurance that future equity capital or debt will be available to the Company in the amounts or at the times desired or on terms that are acceptable to the Company, if at all. However, management is increasingly confident that with the continued support of advisors, shareholders and creditors and improving equity markets, it will be able to proceed with its strategy.

## **Recent Accounting Pronouncements**

### **New Accounting Standards Adopted**

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2023. None are applicable or do not have a significant impact to the Company and have been excluded.

### **New Standards Not Yet Adopted And Interpretations Issued But Not Yet Effective**

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2024. Management is still assessing the impact, if any, the new accounting pronouncements will have on the financial statements.

## **Critical Accounting Estimates**

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenue and expenses.

Information about critical judgments in applying accounting policies and assumptions and estimation uncertainties that have the most significant effect on the amounts recognized in the consolidated financial statements includes the assumptions and model used to estimate share-based compensation and the valuation of warrants and other derivative liabilities, the capitalization and expensing of development costs, the impairment of assets which requires judgement in determining if the facts and circumstances suggest that the carrying amount exceeds the recoverable amount, the allocation of revenues between amounts recognized upon installation and amounts deferred and recognized over the initial warranty period, the designation of the Canadian dollar as the Company's functional currency, and factors considered in inventory obsolescence.

Reported amounts and note disclosure reflect the anticipated measures management intends to take. Actual results could differ from those estimates. The above estimates and assumptions are reviewed regularly. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

## **Related Party Transactions**

Related parties include the Board of Directors, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions. Related party transactions conducted in the normal course of operations are measured at the amount established and agreed to by the related parties.

(a) Remuneration of directors and key management personnel of the Company was as follows:

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	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
	\$	\$	\$	\$
Salaries, fees and short-term benefits	95,625	111,937	302,250	313,874
Share-based payments	77,565	38,018	251,064	175,015
Directors fees	15,000	21,000	63,000	63,000
<b>Total</b>	<b>188,190</b>	<b>170,955</b>	<b>616,314</b>	<b>551,889</b>

Executive Officers and Directors participate in the Stock Option Plan and the DSU Plan. Officers also participate in the Company's health plan. Directors receive monthly and meeting fees for their service and the Company has accrued for directors fees for the three and nine months ended September 30, 2023, and the amount of \$57,000 is outstanding as of September 30, 2023.

(b) Other transactions of directors and key management personnel of the Company was as follows:

- For the three and nine months ended September 30, 2023, the Company expensed \$12,194 and \$51,223, respectively (three and nine months ended September 30, 2022 - \$20,329 and \$56,438, respectively) to Marrelli Support Services Inc. ("Marrelli") for: the Chief Financial Officer ("CFO") of the Company; and for bookkeeping services. The CFO is an employee of Marrelli. These services were incurred in the normal course of operations for general accounting and financial reporting matters.
- As at September 30, 2023, \$59,333 (December 31, 2021 - \$2,318) was included in accounts payable and accrued liabilities due to related parties.

### **Disclosure of Internal Controls**

Management has established processes to provide them sufficient knowledge to support representations that they have exercised reasonable diligence that (i) the unaudited condensed interim consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the unaudited condensed interim consolidated financial statements; and (ii) the unaudited condensed interim consolidated financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), this Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:

- i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP (IFRS).

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost-effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

## **Risks and Uncertainties**

An investment in the securities of the Company is highly speculative and involves numerous and significant risks. Such investment should be undertaken only by investors whose financial resources are sufficient to enable them to assume these risks and who have no need for immediate liquidity in their investment. Prospective investors should carefully consider the risk factors that have affected, and which in the future are reasonably expected to affect, the Company and its financial position. Please refer to the section entitled "Risk and Uncertainties" in the Company's Annual MD&A for the fiscal year ended December 31, 2021, available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

## **Additional Funding Requirements**

The Company's success in raising new operating capital has enabled it to finalize its VMS+ development and implement initial commercialization strategies. The Company will require additional operating capital to sustain and grow the level of its operations and to further implement its commercialization strategies. The Company is in discussions with multiple parties related to its financing, development and commercialization efforts to secure sufficient additional capital and resources for commercialization of its VMS+ technology and to achieve cash flow break-even. The need, success and timing of additional financings and/or strategic relationships cannot be projected with any certainty and their ultimate success is necessary for the Company to continue operations and to achieve its near term commercial and development milestones.

## **Continued Operations**

Without sufficient additional capital being secured in a timely manner, Company operations may have to be curtailed; the result of which could render the Company unable to pursue commercialization of its products and services, or to continue its operations.

There is no certainty whether the Company will generate significant revenues or attain profitable operations in the near future and there can be no assurance that it will achieve profitability in the future, as it incurred a loss of \$3,634,823 and had a negative cash flow from operating activities of \$2,812,122 for the nine months ended September 30, 2023, and has accumulated \$52,255,835 of losses as at September 30, 2023

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(December 31, 2022 - accumulated losses of \$48,621,012). As a result, there is a material uncertainty which creates significant doubt regarding the Company's ability to continue as a going concern. The Company's ability to continue as a going concern is dependent on its raising of future required capital, bringing its products to market and achieving and maintaining profitable operations. The outcome of these matters cannot be predicted at this time.

### **COVID-19**

Since December 31, 2019, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company and its operations in future periods.

### **Reliance on Professional Advisors and Service Providers**

The Company relies on a number of professional advisors and service providers, including external auditors, legal counsel and its accounting and CFO service provider. These professionals are subject to their respective professional and/or regulatory requirements and they may not comply with all regulatory requirements or may fail to perform to their respective professional standards. They may not comply with their obligations to the Company or perform their services in a timely or acceptable manner. The failure of such professionals to comply with their respective regulatory requirements or professional standards could affect the Company in ways that are not predictable, including ways that could have a material adverse effect on the Company's business, prospects, results of operations and financial condition.

### **Subsequent events**

- Subsequent to September 30, 2023, the Company granted 500,000 stock options to a consultant of the Company with an expiry date of October 24, 2025 and exercise price of \$0.18. The options vest 1/4 on each of January 24, 2024, April 24, 2024, July 24, 2024 and October 24, 2024.
- Subsequent to September 30, 2023, the following stock options expired unexercised:
  - 350,000 options, expiry date of October 3, 2023, with an exercise price of \$0.30; and
  - 250,000 options, expiry date of October 3, 2023, with an exercise price of \$0.40.