vet-eye

INVESTOR PRESENTATION

2020 results

Dr. Jan Kot, President & CEO



Safe harbor statement

This presentation includes forward-looking statements within the meaning of the “safe harbor” provisions of the US Private Securities Litigation Reform Act of 1995 that relate to future events or our future financial performance regarding, among other things, the plans, strategies and prospects, both business and financial, of the Company. These statements are based on the beliefs and assumptions of the Company’s management team.

Although the Company believes that its plans, intentions and expectations reflected in or suggested by these forward-looking statements are reasonable, the Company cannot assure you that it will achieve or realize these plans, intentions or expectations. Forward-looking statements are inherently subject to risks, uncertainties and assumptions.

Generally, statements that are not historical facts, including statements concerning possible or assumed future actions, business strategies, events or results of operations, are forward-looking statements. These statements may be preceded by, followed by or include the words “believes,” “estimates,” “expects,” “projects,” “forecasts,” “may,” “will,” “should,” “seeks,” “plans,” “scheduled,” “anticipates” or “intends” or similar expressions. The forward-looking statements are based on projections prepared by, and are the responsibility of, the Company’s management.

HIGHLIGHTS

2020 at a glance

Revenue grew by more than a quarter and the company moved from an operating loss to an operating profit.

$16.2M

Revenue

+27.8% vs. 2019

66.1%

Gross margin

56.5% in 2019

$0.9M

Operating profit

−$3.1M in 2019

$2.8M

Net income

−$2.5M in 2019

Source: audited consolidated financial statements for 2020 (IFRS), in U.S. dollars.

WHAT WE DO

We design and manufacture high-end veterinary ultrasound scanners

vet-eye is headquartered in Lublin, Poland.

2
sites

45+
employees

10,000+
veterinary clinics use our equipment daily



OUR PRODUCTS

Three portable systems for veterinary practice



vet pro-key 75

Our sharpest image, ready to scan in under 25 seconds



vet portable 15

High-end imaging you can take anywhere



vet pro 70

All-digital, configured for the practice

MARKET OPPORTUNITY

A growing global market

$488.9M

expected size of the global animal ultrasound market by 2028

11%

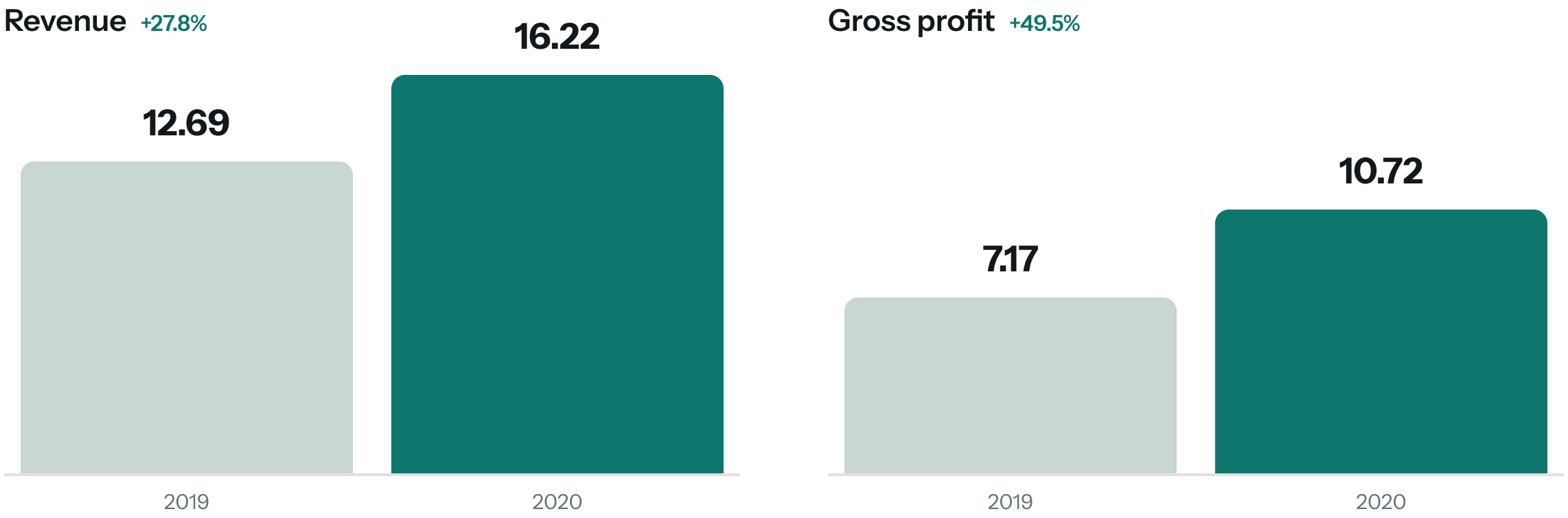
compound annual growth rate

Source: Grand View Research, Inc.



2020 PERFORMANCE

Revenue up 27.8%, gross margin at 66.1%



Cost of goods sold was flat at $5.5M, so all of the additional revenue reached gross profit. (USD million)

Income statement summary

USD MILLION	2020	2019	CHANGE
Revenue	**16.22**	12.69	+27.8%
Cost of goods sold	**5.50**	5.52	−0.4%
Gross profit	**10.72**	**7.17**	**+49.5%**
Sales and marketing	**4.94**	4.86	+1.6%
Research and development	**1.16**	1.04	+11.8%
Administration	**2.52**	2.86	−11.8%
Stock-based compensation	**0.34**	0.63	−45.9%
Depreciation and amortization	**0.90**	0.84	+7.3%
Total operating expenses	**9.86**	10.23	−3.5%
Operating result	**0.86**	**−3.06**	
Net income (loss)	**2.82**	**−2.50**	

Operating result is gross profit less operating expenses. Net income for 2020 includes $2.6M of non-cash fair-value gains on warrants and the derivative preferred share liability, a $0.5M foreign exchange gain and $1.1M of interest expense. Source: audited consolidated financial statements for 2020 (IFRS), in U.S. dollars.

FINANCIAL POSITION

A stronger balance sheet

$2.8M

Cash and cash equivalents

+16.6% vs. 2019

$4.1M

Shareholders' equity

+45.0% vs. 2019

$11.4M

Total liabilities

−5.7% vs. 2019

$15.4M

Total assets

+3.9% vs. 2019

- Debentures reduced from $5.9M to $2.6M
- Deferred consideration on acquisition down from $1.65M to $0.45M
- Preferred shares of $2.5M and a related derivative liability of $2.9M at year end

Source: audited consolidated financial statements for 2020 (IFRS), in U.S. dollars.

OUTLOOK

Near-term goals to drive growth



Clinical partnerships

Broaden partnerships with clinical leaders.



Commercial expansion

Partner across care settings, specialties and geographies to accelerate adoption.



Innovation

Keep investing in innovation. R&D spending rose 11.8% to $1.2M in 2020.

SUMMARY

Key takeaways

- Revenue of $16.2M, up 27.8% year on year
- Gross margin of 66.1%, up from 56.5%
- Operating profit of $0.9M after a $3.1M loss in 2019
- Cash up 16.6% and shareholders' equity up 45.0%
- A global market expected to grow 11% a year to 2028



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Thank you



INVESTOR RELATIONS

Tomek Klekowski