

25 November 2019

Intelligent Ultrasound Group plc
("Intelligent Ultrasound" or the "Company" or the "Group")

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014. Upon the publication of this announcement via a Regulatory Information Service ("RIS"), this inside information is now considered to be in the public domain.

Contingent Liability Update

Intelligent Ultrasound Group (AIM: MED), the intelligent ultrasound software and simulation company, is pleased to announce that HMRC has informed the Group that it will not be seeking repayment of R&D tax credits paid to its subsidiary, Intelligent Ultrasound Limited ("IUL"), for the periods ended 14 June 2013 through to 30 September 2016.

In early 2019, the Group was made aware of a potential over-claim of R&D tax credits made by IUL in the above periods which were prior to its acquisition by the Company and consequently made full disclosure of this matter to HMRC. The potential amount that IUL could have been asked to repay was noted as a contingent liability in the Group's annual report and accounts for the year ended 31 December 2018 and in its half yearly report to 30 June 2019. In light of the information now received from HMRC, the Company believes that there is no longer a liability, contingent or actual, in respect of this potential over-claim of R&D tax credits.

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Intelligent Ultrasound (AIM: MED) develops artificial intelligence-based clinical image analysis software tools for the diagnostic medical ultrasound market and hi-fidelity virtual reality simulators for the ultrasound training market.

Based in Cardiff and Oxford in the UK, Atlanta in the US and with representation in Beijing in Asia, the Group operates two divisions:

Clinical AI Division

Focusses on developing deep learning-based algorithms to make ultrasound machines smarter and more accessible. Products in development include ScanNav which uses machine-learning based algorithms to automatically identify and grade ultrasound images to provide scan assessment and audit of protocol-based ultrasound scanning; and ScanNav AnatomyGuide, which aims to simplify ultrasound-guided needling by providing the user with real-time AI-based needle guidance software for a range of medical procedures.

Simulation Division

Focusses on hi-fidelity ultrasound education and training through simulation. Its three main products are the ScanTrainer OBGYN training simulator, the HeartWorks echocardiography training simulator and the BodyWorks Eye Point of Care and Emergency Medicine training simulator. To date over 800 simulators have been sold to almost 500 medical institutions around the world.

www.intelligentultrasound.com