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If you are in any doubt about the contents of this Document or as to the action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 (as amended) if you are resident in the United Kingdom or from another appropriately authorised independent financial adviser if you are resident in a territory outside the United Kingdom. The whole of this Document should be read.

If you have sold or otherwise transferred all of your Existing Ordinary Shares, please immediately forward this Document, together with the accompanying Form of Proxy as soon as possible, to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. However, these documents should not be forwarded into a Restricted Jurisdiction or transmitted in or into any jurisdiction in violation of local securities laws. If you have sold only part of your holding of Existing Ordinary Shares, please contact your stockbroker, bank or other agent through whom the sale or transfer was effected immediately.

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The Placing Shares shall only be available to qualified investors for the purposes of the Prospectus Rules or otherwise in circumstances not resulting in an offer of transferable securities to the public under section 102B of FSMA. The Placing does not constitute an offer to the public requiring an approved prospectus under section 85 of FSMA and accordingly this Document does not constitute a prospectus for the purposes of the Prospectus Rules made by the Financial Conduct Authority of the United Kingdom ("FCA") pursuant to sections 73A(1) and (4) of FSMA and has not been pre-approved by the FCA pursuant to sections 85 and 87 of FSMA, the London Stock Exchange, any securities commission or any other authority or regulatory body. In addition, this Document does not constitute an admission document drawn up in accordance with the AIM Rules for Companies.

The Company and the Directors, whose names are set out on page 5, accept responsibility, both collectively and individually, for the information contained in this Document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Intelligent Ultrasound Group plc

(Incorporated in England and Wales under the Companies Act 1985 with registered no. 09028611)

Placing of 49,400,000 new Ordinary Shares at 10.5 pence per share

and

Notice of General Meeting

Your attention is drawn to the letter from the Chairman of the Company which recommends that you vote in favour of the Resolutions to be proposed at the General Meeting referred to below.

Notice of a General Meeting of the Company, to be held at The Cardiff Medicentre, Heath Park, Cardiff, Wales CF14 4UJ, at 11.00 a.m. on 4 May 2020, is set out at the end of this Document. To be valid, the accompanying Form of Proxy for use in connection with the General Meeting should be completed, signed and returned as soon as possible and, in any event, so as to reach the Company's registrars, Link Asset Services, by not later than 11.00 a.m. on 30 April 2020 (or, in the case of an adjourned meeting, no later than 48 hours (excluding non-Business Days) before the time of such meeting, excluding any part of a day

that is not a Business Day). In accordance with current Government regulations in relation to COVID-19, Shareholders are encouraged to vote by proxy in advance of the General Meeting, as to attend the General Meeting in person would, as at the date of this Document, be inconsistent with the relevant regulations. Shareholders who attempt to attend the General Meeting in person in breach of the stay at home measures will not be admitted. Further details of the Government's regulations relating to COVID-19 can be found at www.gov.uk/coronavirus.

The Existing Ordinary Shares are admitted to trading on AIM. Application will be made to the London Stock Exchange for the Placing Shares to be admitted to trading on AIM. It is expected, subject to, *inter alia*, the passing of the Resolutions at the General Meeting, (i) conditional on the First Admission occurring, the EIS/VCT Shares are expected to be admitted to trading on AIM and that dealings in the EIS/VCT Placing Shares is expected to commence at 8.00 a.m. on 5 May 2020, and (ii) conditional on Second Admission occurring, the General Placing Shares are expected to be admitted to trading on AIM and that dealings in the General Placing Shares is expected to commence at 8.00 a.m. on 6 May 2020. The Placing Shares will, when issued at each of the First Admission and the Second Admission, rank in full for all dividends and other distributions declared, made or paid on the Ordinary Shares and otherwise rank *pari passu* in all respects with the Existing Ordinary Shares.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the United Kingdom Listing Authority (being the FCA acting as competent authority for the purposes of Part V of FSMA) ("UKLA"). A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Neither the London Stock Exchange nor the UKLA has examined or approved the contents of this document. The AIM Rules for Companies are less demanding than those of the Official List of the UKLA. It is emphasised that no application is being made for admission of the Existing Ordinary Shares or the Placing Shares to the Official List of the UKLA.

Cenkos Securities, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting as nominated adviser and broker to the Company in connection with the Placing. Persons receiving this Document should note that Cenkos Securities will not be responsible to anyone other than the Company for providing the protections afforded to customers of Cenkos Securities or for advising any other person on the arrangements described in this Document. No representation or warranty, expressed or implied, is made by Cenkos Securities as to any of the contents of this Document and Cenkos Securities has not authorised the contents of, or any part of, this Document and no liability whatsoever is accepted by Cenkos Securities plc for the accuracy of any information or opinions contained in this Document or for the omission of any information. Cenkos Securities, as nominated adviser and broker to the Company, owes certain responsibilities to the London Stock Exchange which are not owed to the Company or the Directors.

This Document does not constitute an offer to sell or an invitation to subscribe for, or solicitation of an offer to subscribe for or buy Placing Shares to any person in any jurisdiction to whom it is unlawful to make such offer or solicitation. In particular, this Document must not be taken, transmitted, distributed or sent, directly or indirectly, in, or into, the United States of America, Canada, Australia, the Republic of South Africa or Japan or transmitted, distributed or sent to, or by, any national, resident or citizen of such countries, where to do so would breach any applicable law or regulation. Accordingly, the Placing Shares may not, subject to certain exceptions, be offered or sold, directly or indirectly, in, or into, the United States of America, Canada, Australia, the Republic of South Africa or Japan or in any other country, territory or possession where to do so may contravene local securities laws or regulations. The Placing Shares have not been, and will not be, registered under the United States Securities Act of 1933 as amended (the "Securities Act") or qualified for sale under the laws of any state of the United States or under the applicable laws of any of Canada, Australia, the Republic of South Africa or Japan and, subject to certain exceptions, may not be offered or sold in the United States or to, or for the account or benefit of, US persons (as such term is defined in Regulation S under the Securities Act) or to any national, resident or citizen of Canada, Australia, the Republic of South Africa or Japan.

Although copies of this Document will be kept at the offices of Intelligent Ultrasound Group plc at The Medicentre, Heath Park, Cardiff, Wales CF14 4UJ, for a period of one month from the date of

this Document, allowing Shareholders entry to the Company's offices would, as at the date of this Document, be inconsistent with Government regulations in relation to COVID-19. This Document will however be available at www.intelligentultrasoundgroup.com.

IMPORTANT INFORMATION

The Placing Shares have not been and will not be registered under the Securities Act, or under the applicable securities laws of any state or other jurisdiction of the United States or qualified for distribution under any applicable securities laws in any other restricted jurisdiction. The Placing Shares may not be offered, sold, taken up, resold, transferred or delivered, directly or indirectly, within, into or in the United States except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with the securities laws of any state or other jurisdiction of the United States. Subject to certain exceptions, the Placing Shares are being offered and sold only outside the United States in offshore transactions within the meaning of, and in accordance with, the safe harbour from the registration requirements in Regulation S under the Securities Act. There will be no public offer of the Placing Shares in the United States.

Cenkos Securities makes no representation or warranty to any offeree or subscriber for the Placing Shares regarding the legality of any investment in the securities by such offeree or purchaser under the laws applicable to such offeree or purchaser. Each investor should consult with his, her or its own advisers as to the legal, tax, business, financial and related aspects of a purchase of the Placing Shares. None of the Placing Shares, this Document, the Form of Proxy, nor any other document connected with the Placing have been or will be approved or disapproved by the United States Securities and Exchange Commission or by the securities commissions of any state or other jurisdiction of the United States or any other regulatory authority, nor have any of the foregoing authorities or any securities commission passed upon or endorsed the merits of the offering of the Placing Shares or the accuracy or adequacy of this Document or any other document connected with the Placing. Any representation to the contrary is a criminal offence.

Notwithstanding anything to the contrary herein, each prospective investor may disclose to any and all persons, without limitation of any kind, the US federal income tax treatment and tax structure of the Company and of the Placing. For this purpose, "tax structure" shall mean any fact that may be relevant to understanding the purported or claimed US federal tax treatment of the Placing; provided that none of the following shall for this purpose constitute tax treatment or tax structure information: the name of or other identifying information relating to the performance of the Company or its operations.

This Document includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "forecasts", "plans", "prepares", "anticipates", "projects", "expects", "intends", "may", "will", "seeks", "should" or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this Document and include statements regarding the Company's and the Directors' intentions, beliefs or current expectations concerning, amongst other things, the Company's prospects, growth and strategy. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. The Company's actual performance, achievements and financial condition may differ materially from those expressed or implied by the forward-looking statements in this Document. In addition, even if the Company's results of operations, performance, achievements and financial condition are consistent with the forward-looking statements in this Document, those results or development may not be indicative of results or developments in subsequent periods. Any forward-looking statements that the Company makes in this Document speak only as of the date of such statement and (other than in accordance with their legal or regulatory obligations) neither the Company, nor Cenkos Securities nor any of their respective associates, directors, officers or advisers undertakes any obligation to update such statements. Comparisons of results for current and any prior periods are not intended to express any future trends or indications of future performance, unless expressed as such, and should only be viewed as historical data.

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DIRECTORS AND ADVISERS

Directors	Riccardo Pigliucci (<i>Non-Executive Chairman</i>) Stuart Gall (<i>Chief Executive Officer</i>) Helen Jones (<i>Chief Finance Officer</i>) Nicholas Sleep (<i>Chief Technology Officer</i>) Ian Whittaker (<i>Chief Operating Officer</i>) Nazar Amso (<i>Non-Executive Director</i>) David Baynes (<i>Non-Executive Director</i>) Nick Avis (<i>Non-Executive Director</i>) Andrew Barker (<i>Non-Executive Director</i>)
Registered Office	The Cardiff Medicentre Heath Park, Cardiff Wales CF14 4UJ
Company website	www.intelligentultrasoundgroup.com
Nominated Adviser and Broker	Cenkos Securities plc 6.7.8 Tokenhouse Yard London EC2R 7AS
Legal advisers to the Company	Memery Crystal LLP 165 Fleet Street London EC4A 2DY
Legal advisers to Cenkos	CMS Cameron Mckenna Nabarro Olswang LLP Cannon Place 78 Cannon St London EC4N 6AF
Registrars	Link Asset Services The Registry 34 Beckenham Road Beckenham Kent BR3 4TU

PLACING STATISTICS

Placing Price (per share)	10.5 pence
Number of Existing Ordinary Shares	219,996,792
Number of General Placing Shares	13,762,231
Number of EIS/VCT Placing Shares	35,637,769
Total number of Placing Shares	49,400,000
Enlarged Share Capital	269,396,792
Placing Shares as a percentage of the Enlarged Share Capital	18.3%
Gross proceeds of the Placing	£5.2 million

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Announcement of the Placing, publication and posting of this Document and Form of Proxy	17 April 2020
Latest time and date for receipt of completed Forms of Proxy	11.00 a.m. on 30 April 2020
General Meeting	11.00 a.m. on 4 May 2020
Announcement of result of General Meeting	4 May 2020
Admission and commencement of dealings in the EIS/VCT Placing Shares on AIM (First Admission)	8.00 a.m. on 5 May 2020
Admission and commencement of dealings in the General Placing Shares on AIM (Second Admission)	8.00 a.m. on 6 May 2020
Despatch of definitive share certificates in certificated form in respect of EIS/VCT Placing Shares	Within 10 days of First Admission
Despatch of definitive share certificates in certificated form in respect of General Placing Shares	Within 10 days of Second Admission

Notes:

- (i) References to times in this Document are to London time (unless otherwise stated).
- (ii) If any of the details contained in the timetable above should change, the revised times and dates will be notified by means of an announcement through a Regulatory Information Service.

DEFINITIONS

The following definitions apply throughout this Document unless the context otherwise requires:

Act	the Companies Act 2006 (as amended)
Admission	the First Admission and the Second Admission, as context requires
AI	artificial intelligence
AIM	the market of that name operated by the London Stock Exchange
AIM Rules	the AIM Rules for Companies published by the London Stock Exchange from time to time
Business Day	a day (other than a Saturday or Sunday) on which commercial banks are open for general business in London, England
Cenkos or Cenkos Securities	Cenkos Securities plc
certificated form or in certificated form	an Ordinary Share recorded on a company's share register as being held in certificated form (namely, not in CREST)
Clinical Products	ScanNav Audit, ScanNav AutoCapture, ScanNav AnatomyGuide, ScanNav Assist and ScanNav HealthCheck
Company or Intelligent Ultrasound	Intelligent Ultrasound Group plc, a company incorporated and registered in England and Wales under the Companies Act 2006 with registered number 09028611
CREST	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the operator (as defined in those regulations)
CREST Manual	the rules governing the operation of CREST, consisting of the CREST Reference Manual, CREST International Manual, CREST Central Counterparty Service Manual, CREST Rules, Registrars Service Standards, Settlement Discipline Rules, CREST Courier and Sorting Services Manual, Daily Timetable, CREST Application Procedures and CREST Glossary of Terms (all as defined in the CREST Glossary of Terms promulgated by Euroclear on 15 July 1996 and as amended since) as published by Euroclear
CREST member	a person who has been admitted to CREST as a system-member (as defined in the CREST Manual)
CREST Regulations	the Uncertificated Securities Regulations 2001 (SI 2001/3755) (as amended)
CREST sponsor	a CREST participant admitted to CREST as a CREST sponsor
CREST sponsored member	a CREST member admitted to CREST as a sponsored member
Directors or Board	the directors of the Company whose names are set out on page 5 of this document, or any duly authorised committee thereof
Document	this document which, for the avoidance of doubt, does not comprise a prospectus (under the Prospectus Rules) or an admission document (under the AIM Rules)
EIS	enterprise investment scheme
EIS/VCT Placing	Placing Shares to be issued under the Placing and either (i) in respect of which EIS relief is to be claimed; or (ii) constituting a qualifying holding for VCT purposes
EIS/VCT Placing Shares	the 35,637,796 new Ordinary Shares to be issued and allotted to the Placees pursuant to the EIS/VCT Placing

Enlarged Share Capital	the entire issued share capital of the Company following completion of the Placing following First Admission and Second Admission
EU	the European Union
Euroclear	Euroclear UK & Ireland Limited, the operator of CREST
Existing Ordinary Shares	the 219,996,792 Ordinary Shares in issue at the date of this Document, all of which are admitted to trading on AIM
FCA	the UK Financial Conduct Authority
FDA	the US Food and Drug Administration
First Admission	the admission to trading on AIM of the EIS/VCT Placing Shares
Form of Proxy	the form of proxy for use in connection with the General Meeting which accompanies this Document
FSMA	the Financial Services and Markets Act 2000 (as amended)
General Meeting	the general meeting of the Company to be held at The Cardiff Medicentre, Heath Park, Cardiff, Wales CF14 4UJ at 11.00 a.m. on 4 May 2020, notice of which is set out at the end of this Document
General Placing	the Placing Shares to be issued which do not constitute EIS/VCT Shares
General Placing Shares	the 13,762,231 new Ordinary Shares to be issued and allotted to the Placees pursuant to the General Placing
Group	the Company and its subsidiaries
HMRC	Her Majesty's Revenue and Customs (which shall include its predecessors, the Inland Revenue and HM Customs and Excise)
ISIN	International Securities Identification Number
IUL	Intelligent Ultrasound Limited, a wholly owned subsidiary of the Company
Link Asset Services or Link	a trading name of Link Market Services Limited
London Stock Exchange	London Stock Exchange plc
Long Stop Date	29 May 2020
Money Laundering Regulations	The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017, the Criminal Justice Act 1993 and the Proceeds of Crime Act 2002
Notice of General Meeting	the notice convening the General Meeting which is set out at the end of this document
OEM	Original Equipment Manufacturer
Ordinary Shares	ordinary shares of £0.01 each in the capital of the Company
Placee	the subscribers for the Placing Shares pursuant to the Placing
Placing	the EIS/VCT Placing and General Placing
Placing Agreement	the agreement entered into between the Company and Cenkos Securities in respect of the Placing dated 17 April 2020, as described in this Document
Placing Price	10.5 pence per Placing Share
Placing Shares	the 49,400,000 new Ordinary Shares to be issued pursuant to the Placing

Prospectus Rules	the Prospectus Rules made in accordance with the EU Prospectus Directive 2003/71/EC in relation to offers of securities to the public and the admission of securities to trading on a regulated market
Regulatory Information Service	has the meaning given in the AIM Rules for Companies
Resolutions	the resolutions set out in the Notice of General Meeting
Restricted Jurisdiction	each and any of Australia, Canada, Japan, New Zealand, the Republic of South Africa or the United States and any other jurisdiction where the Offer would breach any applicable law or regulations
Second Admission	the admission to trading on AIM of the General Placing Shares
Shareholders	holders of Ordinary Shares
Simulation Products	ScanTrainer, HeartWorks and BodyWorks ultrasound training simulators
UK or United Kingdom	the United Kingdom of Great Britain and Northern Ireland
Uncertificated or Uncertificated form	recorded on the relevant register or other record of the Shares or other security concerned as being held in uncertificated form in CREST, and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
US Person	has the meaning given in the United States Securities Act 1933 (as amended)
VCT	Venture Capital Trust
voting rights	all voting rights attributable to the share capital of the Company which are currently exercisable at a general meeting
£ and p	United Kingdom pounds sterling and pence respectively, the lawful currency of the United Kingdom

LETTER FROM THE CHAIRMAN OF INTELLIGENT ULTRASOUND GROUP PLC

Intelligent Ultrasound Group plc

(Incorporated in England and Wales under the Companies Act 1985 with registered no. 09028611)

Directors:

Riccardo Pigliucci (*Non-Executive Chairman*)
Stuart Gall (*Chief Executive Officer*)
Helen Jones (*Chief Finance Officer*)
Nicholas Sleep (*Chief Technology Officer*)
Ian Whittaker (*Chief Operating Officer*)
Nazar Amso (*Non-Executive Director*)
David Baynes (*Non-Executive Director*)
Nick Avis (*Non-Executive Director*)
Andrew Barker (*Non-Executive Director*)

Registered office:

The Cardiff Medicentre
Heath Park, Cardiff
Wales
CF14 4UJ

17 April 2020

Dear Shareholder

PROPOSED PLACING OF 49,400,000 NEW ORDINARY SHARES AT 10.5 PENCE PER SHARE AND NOTICE OF GENERAL MEETING

1. Introduction

On 17 April 2020, the Company announced a proposed Placing, pursuant to which it proposes to raise, subject to certain conditions, £5.2 million (before expenses) by the conditional Placing of 49,400,000 Placing Shares at the Placing Price to certain institutional and other investors.

The proceeds of the Placing will be used to develop the Company's products and provide additional working capital for the Group, as described in more detail in paragraph 2. The Placing Price equates to a 8.7 per cent. discount to the closing mid-market price of 11.5 pence on 16 April 2020 and a 1.7 per cent. discount to the 20 day volume weighted average share price of 10.7 pence per Ordinary Share for the 20 trading days prior to the announcement of the proposed Placing on 17 April 2020.

The Placing, which has been arranged by Cenkos Securities pursuant to the terms of the Placing Agreement, is also conditional on the Company obtaining approval from its Shareholders to disapply statutory pre-emption rights and to grant the Board authority to allot the Placing Shares and upon the First Admission and the Second Admission respectively.

The purpose of this Document is to provide you with information about the background to and the reasons for the Placing, to explain why the Board considers the Placing to be in the best interests of the Company and its Shareholders, as a whole, and why the Board recommends that you vote in favour of the Resolutions to be proposed at the General Meeting, notice of which is set out at the end of this Document.

2. Background to and reasons for the Placing

Intelligent Ultrasound is making ultrasound easier for clinicians to use both in the clinic, via artificial intelligence-based clinical ultrasound image analysis software for medical ultrasound machines, and in the classroom, via advanced ultrasound training simulators to teach medical practitioners.

On 4 July 2019, Intelligent Ultrasound signed its first long-term licence and co-development agreement for its AI software with one of the world's leading ultrasound equipment manufacturers. The long-term agreement will enable the integration of Intelligent Ultrasound's real-time image analysis software onto a range of specialty specific ultrasound systems marketed in the global healthcare market, with the first royalty per unit revenues expected during 2021, following regulatory approval. Terms of the agreement are confidential and undisclosed for commercial reasons.

The Company has also completed the development for the first five nerve blocks of its ScanNav AnatomyGuide software and the regulatory and commercial partner process has started, with the aim of generating the first revenues from the product during 2021.

The Directors intend to use the net proceeds of the Placing to expand the development team and databases to develop a number of new ScanNav based software products, as well as to provide additional working capital to the Company, should the impact of COVID-19 be longer and more disruptive than currently expected.

Background to the Company

Based in Cardiff in the UK, Atlanta in the US and with representation in Beijing in Asia, the Group operates two divisions: an AI software development based Clinical AI Division and a revenue generating Simulation Division.

Originally focused on developing and selling hi-fidelity simulators to the professional ultrasound training market, in 2017 the Company acquired Intelligent Ultrasound Limited, an early stage spin-out company from The University of Oxford that was developing ultrasound image analysis algorithms. This acquisition enabled the Group to form a Clinical AI Division based on the work of Professor Alison Noble OBE, FREng, FRS, one of the world's leading academics in ultrasound image analysis using AI.

The Clinical AI Division has planned a software development pathway, under the "ScanNav" family brand name, which in the first phase comprises AI software based on the ScanNav Audit, ScanNav AutoCapture and ScanNav AnatomyGuide product lines; and subsequently expects to include additional variants of the first phase of software, as well as the development of a diagnostics product range (ScanNav Assist) and ultimately a consumer product range (ScanNav HealthCheck).

Software products in development include:

ScanNav Audit

The ScanNav Audit software provides real-time support for ultrasound practitioners performing the 20-week fetal anomaly scan. ScanNav Audit aims to ensure that a complete set of scan images, that conform to the required global scanning protocols, are captured during the procedure. The ScanNav software acts as a live 'virtual' peer-review, ensuring that the scan is performed correctly by highlighting issues to the sonographer as he or she saves each image. The software will also provide a record of each sonographer's performance, allowing managers to monitor staff and form part of the record keeping and audit requirements of the clinic. ScanNav Audit requires regulatory approval prior to launch.

The Group expects to develop multiple obstetrics variants of ScanNav Audit to complement the 20-week protocol software described above.

ScanNav AutoCapture

The ScanNav AutoCapture software automatically captures and analyses all the ultrasound image planes in real-time, as the sonographer moves the ultrasound probe over the patient's abdomen during the 20-week fetal anomaly scan. The software then automatically selects and saves the key images required to meet the global protocols. The Directors believe that the ScanNav AutoCapture software has the potential to:

- speed up workflow – as the software automatically captures the correct images, operators do not need to manually freeze and save each image required by the protocol – allowing them to focus on their dynamic assessment of the fetus; and
- improve accuracy and consistency – the use of AI software should reduce the operator variability from the procedure, which is expected to result in more accurate and consistent image capture.

ScanNav AutoCapture requires further development and regulatory approval prior to launch.

The Group also expects to develop multiple obstetrics variants of ScanNav AutoCapture to complement the 20-week protocol software described above.

ScanNav AnatomyGuide

ScanNav AnatomyGuide is an AI based ultrasound software product which can automatically and in real-time identify anatomical structures on the live ultrasound scan image, highlighting structures such as arteries that must be avoided during a needling procedure. The software is currently being developed for use during Peripheral Nerve Block (PNB) procedures to support less experienced practitioners. Its development has been partly funded by Innovate UK.

PNB is a form of anaesthesia using needling that can be used for certain surgical procedures as an alternative to general anaesthesia and as a form of pain relief (potentially reducing the need for opioid analgesia). The PNB procedure requires less time and resource and is safer than general anaesthetic. However, PNB requires significant skill to guide the needle safely through the patient's anatomical structures and AnatomyGuide aims to assist the anaesthetist during the procedure.

In May 2019, the Company made the first live demonstration of the ScanNav AnatomyGuide software to clinicians at the Annual Scientific Meeting of Regional Anaesthesia United Kingdom (RA-UK).

The product development for the first five nerve blocks is completed and the regulatory and commercial partner process has started, with the aim of generating the first revenue from the product during 2021.

Future ScanNav products for development include:

ScanNav Assist

ScanNav Assist aims to facilitate the automatic recognition of abnormalities within a general ultrasound scan by confirming that a clinician has correctly scanned the anatomical area of interest and then flagging any areas of potential abnormality, so the patient can be triaged to the appropriate specialist. The Directors believe that ScanNav Assist will have the potential to allow more point-of-care medical practitioners to use ultrasound imaging for frontline diagnosis.

The Directors anticipate that the proceeds from the Placing will allow the Group to progress with the initial development of potential products targeted at liver scanning, prostate scanning and COVID-19 lung scanning.

ScanNav HealthCheck

In the longer term, the Group is investigating the potential development of AI software that could enable consumers to scan themselves at home. ScanNav HealthCheck aims to develop the current ScanNav technology to enable consumers to perform scans on themselves. When combined with the next generation of low-cost ultrasound devices, this software could have the potential to enable health conscious individuals to benefit from the ability to scan themselves at home.

The Group's strategy is to focus on the provision of AI ultrasound image analysis software for medical professionals before moving into the consumer AI market, as and when the relevant hardware becomes affordable for the consumer.

The Simulation Division

The Simulation Division designs, develops and sells hi-fidelity ultrasound training systems for teaching ultrasound scanning to medical professionals in institutions and medical device companies.

The Group's comprehensive range of ultrasound training simulators are, in the main, high value, capital sales made to the global medical institution market and sold through direct sales forces in the US and UK and a network of almost 30 resellers in the rest of the world. In 2019 the Simulation Division grew revenue by 11% to £5.9 million in 2019 (2018: £5.3 million), and the Division is recognised as one of the gold standard providers of ultrasound training simulators in the obstetrics/gynaecology (OBGYN), echocardiography/anaesthesiology (ECHO) and emergency medicine/point-of-care (PoCUS) markets.

In March 2020 the Group launched a COVID-19 version of its BodyWorks Point-of-Care simulator, designed to train healthcare providers to use lung ultrasonography. Ultrasound has major utility for the management of respiratory related COVID-19 due to its safety, repeatability, absence of radiation, low cost, ease of disinfection and point of care use. This new training simulator, as well as the free COVID-19 upgrade training module available for all existing BodyWorks customers,

includes a number of examples of lung ultrasound appearances typical of COVID-19 infection to enable frontline clinical staff to practise and train in the use of lung ultrasound. The module was made available to the market on 24 March 2020 and the first systems are already in use in the UK and US, including in the newly created NHS Nightingale Hospital at London's ExCel centre. The Group hope this initiative will help with the training of healthcare professionals working in the frontline of this global emergency.

The development team will continue to develop new versions of this module as the fight against the virus evolves, as well as developing a new born child version of the BodyWorks simulator for the neonate training market, for launch in 2021.

3. Use of proceeds

The Company intends to raise net proceeds of approximately £4.8 million by way of the conditional Placing. The primary purpose behind the Placing is to fund the expansion of the AI software development team and databases to develop a number of new ScanNav based software products, as well as to provide additional working capital to the Group, should the impact of COVID-19 be longer and more disruptive than currently expected.

The net proceeds of the Placing will be used by the Company for the following purposes:

- (a) to strengthen the balance sheet for current OEM partners and on-going negotiations;
- (b) to complete the initial development work on the next ScanNav products that include liver, prostate and COVID-19 variants;
- (c) to develop a new neonate simulator; and
- (d) for general working capital purposes.

4. Current trading and prospects

The Company announced its results for 2019 on 26 March 2020 and reported revenues for the period under review of £5.9 million up 11 per cent. (2018: £5.3 million) and a cash balance of £7.3 million (31 December 2018: £5.6 million). The Clinical AI Division performed particularly well in 2019, meeting all its milestones including signing its first licensing agreement with a major OEM and progressing development and commercial discussions for its second AI software product. The Simulation Division also worked hard to grow revenue, retain margins and keep its overheads in line with expectations.

However, the COVID-19 virus is currently impacting all regions in which the Group operates and the Group has therefore implemented a number of cost-saving measures to seek to off-set the potential impact of any associated reduction of revenue, prior to the Group generating its first AI-based software revenues, expected during 2021.

Following the conditional Placing, the Group will continue to develop additional variants of its COVID-19 lung ultrasound training module, as the frontline fight against the virus continues; as well as progressing its ScanNav and AnatomyGuide AI products to launch and accelerating the initial development of the new AI product variants. This will give the Group the potential to strengthen its AI product pipeline and the Directors believe that this may lead to the Group being in a stronger position when the current COVID-19 restrictions end.

The Directors believe that the Group remains an ambitious business that is successfully expanding into the new AI-based clinical software market and that, once the Group is through this period of COVID-19 related uncertainty, it can continue to build upon this momentum and reach the anticipated profitability inflection point from expected Clinical AI software revenues.

5. Directors' participation in the Placing

As part of the Placing, certain Directors intend to subscribe (either personally or through a nominee) for an aggregate of 409,523 Placing Shares at the Placing Price. Details of the Placing Shares for which the Directors intend to subscribe (either personally or through a nominee) are displayed below:

<i>Name</i>	<i>Title</i>	<i>Number of Existing Ordinary Shares#</i>	<i>Number of Placing Shares intended to be subscribed for#</i>	<i>Value of Placing Shares intended to be subscribed for#</i>	<i>Resulting shareholding following proposed subscription#</i>	<i>Percentage of enlarged share capital following proposed subscription#</i>
Stuart Gall	Chief Executive Officer	828,236	95,238	£10,000	923,474	0.34%
Helen Jones	Chief Finance Officer	0	95,238	£10,000	95,238	0.04%
	Chief Technology Officer					
Nicholas Sleep	Officer	326,471	95,238	£10,000	421,709	0.16%
Ian Whittaker	Chief Operating Officer	374,982	76,190	£8,000	451,172	0.17%
Nick Avis	Non-Executive Director	225,000	47,619	£5,000	272,619	0.10%

The number of Ordinary Shares presented in this table as being held or subscribed for by Directors refers to the number of Ordinary Shares held or subscribed for by them either personally or through a nominee.

6. Details of the Placing

The Company is proposing to raise £5.2 million (before expenses) pursuant to the Placing. The Placing has conditionally raised a total of approximately £3.7 million through the placing of 35,637,769 EIS/VCT Placing Shares and a total of approximately £1.4 million through the placing of 13,762,231 General Placing Shares.

Admission of the Ordinary Shares to trading on AIM will occur over two Business Days to assist investors in the EIS/VCT Placing Shares to claim certain tax reliefs available to EIS and VCT investors. Subject to, *inter alia*, the passing of the Resolutions at the General Meeting, the EIS/VCT Placing Shares are expected to be admitted to trading on AIM on or around 8.00 a.m. on 5 May 2020, being one Business Day prior to admission to trading on AIM of the General Placing Shares, which are expected to be admitted to trading on AIM on or around 8.00 a.m. on 6 May 2020. The allotment of the EIS/VCT Placing Shares will be conditional on First Admission occurring. The allotment of the General Placing Shares will be conditional on the First Admission and Second Admission occurring. Investors in the EIS/VCT Placing Shares should be aware of the possibility that, following the First Admission, the Second Admission may not occur.

Although the Company currently expects to satisfy the relevant conditions for EIS/VCT Placing Shares, and the Directors are not aware of any subsequent change in the qualifying conditions or the Company's circumstances that would prevent the EIS/VCT Placing Shares from being eligible for EIS and VCT investments on this occasion, the Company has not sought any advance assurance as to the qualifying status of the EIS/VCT Placing Shares. Neither the Directors nor the Company nor Cenkos, nor any of their respective directors, officers, employees, affiliates or advisers give any warranty or undertaking or other assurance that relief will be available in respect of any investment in the EIS/VCT Placing Shares, nor do they warrant or undertake or otherwise give any assurance that the Company will conduct its activities in a way that qualifies for or preserves its status.

As the rules governing EIS and VCT reliefs are complex and interrelated with other legislation, if Shareholders, or other potential investors, are in any doubt as to their tax position, require more detailed information, or are subject to tax in a jurisdiction other than the United Kingdom, they should consult their professional adviser.

The Placing Price equates to a 8.7 per cent. discount to the closing mid-market price of 11.5 pence on 16 April 2020 and a 1.7 per cent. discount to the 20 day volume weighted average share price of 10.7 pence per Ordinary Share for the 20 trading days prior to the announcement of the proposed Placing on 17 April 2020. The Placing Shares will represent approximately 18.3 per cent. of the Enlarged Share Capital. The Placing Shares will, following Admission, rank in full for all dividends and distributions declared, made or paid in respect of the issued Ordinary Share capital of the Company after the date of their issue following each of the First Admission and Second Admission and will otherwise rank equally in all other respects with the Existing Ordinary Shares.

7. The Placing Agreement

Pursuant to the terms of the Placing Agreement, Cenkos has conditionally agreed to use its reasonable endeavours, as agent for the Company, to place the Placing Shares with certain institutional and other investors. The Placing has not been underwritten.

The Placing Agreement is conditional upon, *inter alia*:

- Resolutions 1 and 2 below being passed without amendment;
- compliance by the Company in all material respects with its obligations under the Placing Agreement;
- First Admission taking place by no later than 8.00 a.m. on 5 May 2020 (or such later date as is agreed between the Company and Cenkos, being not later than 8.00 a.m. on the Long Stop Date); and
- Second Admission taking place by no later than 8.00 a.m. on 6 May 2020 (or such later date as is agreed between the Company and Cenkos, being not later than 8.00 a.m. on the Long Stop Date).

The Placing Agreement contains warranties from the Company in favour of Cenkos in relation to, *inter alia*, the accuracy of the information in this Document and other matters relating to the Group and its business. In addition, the Company has agreed to indemnify Cenkos in relation to certain liabilities it may incur in respect of the Placing. Cenkos has the right to terminate the Placing Agreement in certain circumstances prior to the First Admission and/or Second Admission, in particular, in the event of a breach of the warranties given to Cenkos in the Placing Agreement, the failure of the Company to comply in any material respect with its obligations under the Placing Agreement, the occurrence of a force majeure event or a material adverse change affecting the condition, or the earnings, management, business affairs, solvency or prospects of the Group as a whole.

8. General Meeting

The Directors do not currently have authority to allot all of the Placing Shares and, accordingly, the Board is seeking the approval of Shareholders to allot the Placing Shares at the General Meeting.

A notice convening the General Meeting, which is to be held at The Cardiff Medicentre, Heath Park, Cardiff, Wales CF14 4UJ at 11.00 a.m. on 4 May 2020, is set out at the end of this document. At the General Meeting, the following Resolutions will be proposed:

- Resolution 1, which is an ordinary resolution, to authorise the Directors to allot relevant securities for cash up to an aggregate nominal amount of £494,000.00, being equal to 49,400,000 new Ordinary Shares (i.e. the number of Placing Shares available under the Placing); and
- Resolution 2, which is conditional on the passing of Resolution 1 and is a special resolution, to authorise the Directors to allot 49,400,000 new Ordinary Shares for cash pursuant to the Placing on a non-pre-emptive basis.

The authorities to be granted pursuant to Resolutions 1 and 2 shall expire on whichever is the earlier of (a) the conclusion of the next Annual General Meeting of the Company; and (b) the date falling three months from the date of the passing of the Resolutions (unless renewed varied or revoked by the Company prior to or on that date) and shall be in addition to the Directors' authorities to allot relevant securities and dis-apply statutory pre-emption rights granted at the Company's Annual General Meeting held on 23 May 2019.

Effect of COVID-19 regulations on the General Meeting

In accordance with current Government regulations in relation to COVID-19, Shareholders are encouraged to vote by proxy in advance of the General Meeting, as to attend the General Meeting in person would, as at the date of this Document, be inconsistent with the relevant regulations. Shareholders who attempt to attend the General Meeting in person in breach of the stay at home measures will not be admitted. Further details of the Government's regulations relating to COVID-19 can be found at www.gov.uk/coronavirus.

Voting on the Resolutions will be by way of a poll rather than a show of hands. A poll ensures that the votes of Shareholders who are unable to attend the General Meeting, but who have appointed proxies, are taken into account in the final voting results.

Given the current restrictions on attendance in person, Shareholders are encouraged to appoint the chairman of the meeting as their proxy rather than a named person who will not be permitted to attend the physical meeting. Shareholders are further asked to appoint the chairman of the meeting as their proxy electronically where possible.

Should Shareholders wish to ask any questions in relation to the Placing or the Resolutions, which they may otherwise have asked at the General Meeting had they been in attendance, they are encouraged to contact the Company prior to the General Meeting by email to IntelligentUltrasound@walbrookpr.com.

Shareholders will find accompanying this Document a Form of Proxy for use in connection with the General Meeting. The Form of Proxy should be completed and returned in accordance with the instructions thereon so as to be received by Link Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU, as soon as possible and in any event not later than 48 hours (excluding non-Business Days) before the time of the General Meeting.

9. Recommendation

The Directors believe the Placing and the passing of the Resolutions to be in the best interests of the Company and its Shareholders as a whole. Accordingly, the Directors unanimously recommend Shareholders to vote in favour of the Resolutions as they intend so to do in respect of their beneficial shareholdings amounting to 3,324,329 Ordinary Shares, representing approximately 1.5 per cent. of the existing issued ordinary share capital of the Company.

Yours faithfully



Riccardo Pigliucci
Non-Executive Chairman

NOTICE OF GENERAL MEETING

Intelligent Ultrasound Group plc

(Incorporated in England and Wales under the Companies Act 1985 with registered no. 09028611)

Notice is hereby given that a general meeting (the "General Meeting" or the "Meeting") of Intelligent Ultrasound Group plc (the "Company") will be held at 11.00 a.m. on 4 May 2020 at the registered office of the Company, The Cardiff Medicentre, Heath Park, Cardiff, Wales CF14 4UJ, for the purpose of considering and, if thought fit, passing the following resolutions, of which resolution 1 will be proposed as an ordinary resolution and resolution 2 will be proposed as a special resolution.

PLEASE REFER TO THE NOTES BELOW THE RESOLUTIONS, IN PARTICULAR NOTES 1 TO 4 IN RELATION TO THE EFFECT OF COVID-19 REGULATIONS ON THE GENERAL MEETING.

ORDINARY RESOLUTION

1. That, in addition to all other powers granted to the directors of the Company at the annual general meeting of the Company held on 23 May 2019, the directors of the Company be generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 (the "**Act**") to allot Relevant Securities (as defined below) for cash up to an aggregate nominal amount of £494,000.00 pursuant to the Placing (as defined and set out in the circular despatched to shareholders of the Company on 17 April 2020) ("**Placing**") provided that this authority shall, unless renewed, varied or revoked by the Company in general meeting, expire on the date falling 3 months from the date of the passing of this resolution or, if earlier, at the conclusion of the next annual general meeting of the Company, save that the Company may at any time before such expiry make an offer or agreement which might require Relevant Securities to be allotted after such expiry and the directors of the Company may allot Relevant Securities in pursuance of such offer or agreement notwithstanding that the authority hereby conferred has expired. In this resolution 1, "**Relevant Securities**" means any shares in the capital of the Company and the grant of any right to subscribe for, or to convert any security into, shares in the capital of the Company.

SPECIAL RESOLUTION

2. That, in addition to all other powers granted to the directors of the Company at the annual general meeting of the Company held on 23 May 2019 and subject to the passing of resolution 1, the directors of the Company be generally empowered pursuant to section 570 of the Act to allot equity securities (as defined in section 560 of the Act) for cash as if section 561(1) of the Act did not apply to any such allotment pursuant to the general authority conferred on them by resolution 1, unless renewed, varied or revoked by the Company in general meeting, provided that such power shall:
 - (a) be limited to the allotment of equity securities up to an aggregate nominal amount of £494,000.00, in connection with the Placing; and

- (b) expire on the date falling 3 months from the date of the passing of this resolution or, if earlier, at the conclusion of the next annual general meeting of the Company, save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors of the Company may allot equity securities in pursuance of such offer or agreement notwithstanding that the power conferred by this resolution has expired.

By order of the Board

Registered Office

*The Cardiff Medicentre,
Heath Park,
Cardiff
CF14 4UJ*



Stuart Gall

Chief Executive Officer
Intelligent Ultrasound Group plc
17 April 2020

Notes:

Effect of COVID-19 regulations on the General Meeting

1. In accordance with current Government regulations in relation to COVID-19, Shareholders are encouraged to vote by proxy in advance of the General Meeting, as to attend the General Meeting in person would, as at the date of this notice, be inconsistent with the relevant regulations. Shareholders who attempt to attend the General Meeting in person in breach of the stay at home measures will not be admitted. Further details of the Government's regulations relating to COVID-19 can be found at www.gov.uk/coronavirus.
2. Voting on the Resolutions will be by way of a poll rather than a show of hands. A poll ensures that the votes of Shareholders who are unable to attend the General Meeting, but who have appointed proxies, are taken into account in the final voting results.
3. Given the current restrictions on attendance in person, Shareholders are encouraged to appoint the chairman of the meeting as their proxy rather than a named person who will not be permitted to attend the physical meeting. Shareholders are further asked to appoint the chairman of the meeting as their proxy electronically where possible. For further information on how to appoint a proxy electronically, please see notes 13 and 14 below.
4. Should Shareholders wish to ask any questions in relation to the Placing or the Resolutions, which they may otherwise have asked at the General Meeting had they been in attendance, they are encouraged to contact the Company prior to the General Meeting by email to IntelligentUltrasound@walbrookpr.com.

General Meeting

5. Pursuant to Regulation 41(3) of the Uncertificated Securities Regulations 2001/3755, the Company specifies that only those members registered on the Company's register of members at close of business on 30 April 2020 shall be entitled to attend and vote at the General Meeting.
6. If you are a member of the Company at the time set out in note 5 above, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the General Meeting and you should have received a proxy form with this notice of General Meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.
7. A proxy does not need to be a member of the Company but if you appoint another party, they must attend the General Meeting to represent you, and it may not be possible for any person who is not the chairman of the meeting to attend the meeting physically (see note 3 above). Details of how to appoint the chairman of the meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form. **We strongly suggest that you appoint the chairman of the meeting as your proxy.**
8. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, please contact the Company's registrars, Link Asset Services, at the address set out in note 9, but please take into consideration the advice at note 3 above.
9. The notes to the proxy form explain how to direct your proxy how to vote on each resolution or withhold their vote. To appoint a proxy using the proxy form, the form must be:
 - a. completed and signed by you;
 - b. sent or delivered to Link Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU; and
 - c. received by them no later than 11.00 a.m. on 30 April 2020.

The Company advises shareholders to appoint a proxy electronically wherever possible. For further information on how to appoint a proxy electronically, please see notes 13 and 14 below.

10. In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.
11. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first named being the most senior).
12. As at 5.00 p.m. on the business day immediately prior to the date of posting of this Notice of General Meeting, the Company's issued share capital comprised 219,996,792 ordinary shares of £0.01 each. Each ordinary share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at 5.00 p.m. on the business day immediately prior to the date of posting of this Notice of General Meeting is 219,996,792.
13. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the General Meeting and any adjournment(s) thereof by utilising the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members (www.euroclear.com), and those CREST members who have appointed (a) voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer's agent Link Asset Services, (ID:RA10), by 11.00 a.m. on 30 April 2020 (or, in the case of an adjournment of the General Meeting, not later than 48 hours before the time fixed for the holding of the adjourned meeting). For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed (a) voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities 2001 (as amended).
14. Shareholders holding share certificates can submit your proxy vote electronically by accessing the shareholder portal at www.signalshares.com, logging in and selecting the 'Vote Online Now' link. You will require your username and password in order to log in and vote. If you have forgotten your username or password you can request a reminder via the shareholder portal. If you have not previously registered to use the portal you will require your investor code ('IVC') which can be found on your share certificate.

