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

COVID-19 update and launch of new COVID-19 training simulator

Intelligent Ultrasound Group plc (AIM: MED), the ultrasound artificial intelligence (AI) software and simulation company, is updating the market on the potential impact of the COVID-19 virus on its business and the launch of a COVID-19 training module for our BodyWorks ultrasound simulator, that was made available free to existing hospital users yesterday.

Ultrasound has major utility for the management of respiratory related COVID-19 disease 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 for all our existing BodyWorks customers, includes a number of examples of lung ultrasound appearances typical of COVID-19 infection to enable clinical staff to practice and train in the use of lung ultrasound. The module was made available to the market yesterday and is already in use in the UK and USA. We hope this initiative will help with the training of healthcare professionals working in the front line of this global emergency.

The recent spread of the COVID-19 virus and the resultant downturn in global business are well documented and impacting all regions in which the Group operates. There is also considerable uncertainty over the likely duration of the disruption. Consequently, to counter the short term slow-down in global simulator sales, we have implemented a number of cost-saving measures that will enable the Group's EBITDA in FY2020 to remain broadly in line with expectations. The outlook for the medium and long term remains unchanged, with the Group expected to have sufficient funds to continue its simulation and AI business activities well into 2021, when the revenues from its first AI software licence agreement are expected to be generated.

We have implemented a work at home policy for the vast majority of our staff and the research and development team remains focussed on developing new AI software models for new variants of ScanNav, that can be accelerated to market once the pandemic restrictions are relaxed. We currently expect to be able to meet all internal development milestones, but in light of the very necessary restrictions imposed in response to the pandemic, any external development or launch milestones that are not in our direct control, cannot be guaranteed. Despite this, we currently expect to meet our main AI milestones of first AI revenues in H1 2021.

Stuart Gall, Chief Executive Officer of Intelligent Ultrasound, commented:
"Whilst COVID-19 is expected to have an impact on our global simulator sales, we are implementing a series of cost reductions, that we believe will be sufficient to enable the Group to continue well into 2021, when our first AI software licence revenues will come onstream. As such, the medium and longer-term prospects for our business remain unchanged."

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About Intelligent Ultrasound Group

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 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 Eve Point of Care and Emergency Medicine training simulator. To date over 850 simulators have been sold to over 500 medical institutions around the world.

www.intelligentultrasound.com