13 July 2020

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.

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

Trading Update

Intelligent Ultrasound Group plc (AIM: MED), the artificial intelligence (AI) based ultrasound software and simulation company, announces that Group turnover for the six months to 30 June 2020, which is currently generated entirely by the Group's Simulation Division, is expected to be £2.5m (H1 2019: £3.1m). The shortfall is due to the effect of COVID-19 on the Group's reseller sales, especially in the Chinese and European markets, which declined to £0.6m (H1 2019: £1.4m). The Group's direct sales in the period grew by 4% to £1.9m (H1 2019: £1.8m) despite COVID-19 impacting US revenues.

The global COVID-19 lockdown, which has affected the majority of the reporting period, has dramatically constrained the Group's ability to demonstrate and therefore sell ultrasound training simulators to hospitals around the world. However, the directors are encouraged that despite these restrictions, the Group has increased sales in the UK, limited the sales shortfall overseas and successfully managed Group expenses to limit the adjusted EBITDA loss for the period to be between £1.3m-£1.4m (H1 2019: loss of £1.3m).

The Group continues to work flat out to bring its range of AI-based clinical software products to market and the Group remains on target to achieve its first AI related revenues in 2021, as originally planned, even though the pandemic has restricted some access to doctors and trial patients and has delayed delivery of some new hardware components.

Discussions with a number of OEMs for the Group's second ScanNav AI software agreement continue and submission of AnatomyGuide's first regulatory filing is expected this summer.

In May the Company undertook a successful placing, raising £4.8m net of costs and as such cash at 30 June 2020 was £10.1m (31 December 2019: £7.3m). Despite all the COVID-19 related restrictions that the Group is currently working under, management remain confident that this cash position, combined with a growing ultrasound simulator product range and a stream of anticipated future Clinical AI software revenues, should enable the Group to reach its profitability inflection point.

Stuart Gall, CEO of Intelligent Ultrasound Group plc, commented:

"The team has responded brilliantly to the COVID-19 restrictions. Working from home our direct sales team have found ways of continuing to sell our ultrasound training simulators to hospitals and our AI software development teams have continued to meet all our internal development milestones for the Group's new AI-based image analysis software. Some elements have been outside our control however and access to doctors and trial patients has inevitably caused some delay. Despite this we currently remain on target for first AI revenues in 2021, as planned.

"We are particularly proud to have produced a COVID-19 training module in record time and, by offering the module free to our customers, were able to play a significant role in training frontline staff, especially in London (Nightingale Hospital) and New York (VA Harbor Healthcare), in the fight against the virus."

Enquiries:

Intelligent Ultrasound Group plc	www.intelligentultrasound.com
Stuart Gall, CEO	Tel: +44 (0)29 2075 6534
Helen Jones, CFO	

Cenkos Securities plc   Tel: +44 (0)20 7397 8900
Giles Balleny/Cameron MacRitchie (Nominated Adviser)
Michael Johnson/Julian Morse (Corporate Broking)

Walbrook PR   Tel: +44 (0)20 7933 8780 or intelligentultrasound@walbrookpr.com
Anna Dunphy/Paul McManus   Mob: +44 (0)7876 741 001 / +44 (0)7980 541 893

About Intelligent Ultrasound Group www.intelligentultrasound.com

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 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.