19 August 2021

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

Half Year Report

Intelligent Ultrasound (AIM: IUG), the artificial intelligence (AI) based ultrasound software and simulation company, announces its unaudited half year results to 30 June 2021.

Financial highlights
- Growth in revenue of over 45% to £3.6m (H1 2020: £2.5m)
  - Direct simulation sales in the UK and North America up almost 50% to £2.8m (H1 2020: £1.9m)
  - Reseller simulation sales increased over 30% to £0.8m (2020: £0.6m)
  - Revenue includes nominal revenue of £0.1m from the Group's first clinical AI products
- Operating loss for the period of £2.3m (H1 2020: loss of £2.0m)
- Cash and cash equivalents at 30 June 2021 of £5.8m (31 December 2020: £8.8m)

Operational highlights
- ScanNav Anatomy PNB received CE regulatory approval and launched in the UK
- GE Healthcare continue the global roll-out of SonoLyst (that utilises our ScanNav Assist real-time image analysis AI software) on the Voluson SWIFT
- Excellent product development progress in both simulation and AI product pipelines
- Strengthened board with appointment of Ingeborg Øie

Current trading

- Strong simulation performance has continued into second half of the year
- Expectation that sales potential of AI in ultrasound will be realised as the pandemic progresses and access increases to medical exhibitions and hospitals and budgets are freed up

Stuart Gall, CEO, commented:

"This has been a good start to the year, with strong revenue from our simulation division, combined with encouraging performance from our clinical division through the early commercialisation of our first two AI products, and the progression of our AI product development pipeline.

Our new AI products are first to market and therefore require time to gain acceptance before significant revenue can be achieved. As the pandemic has restricted medical exhibitions, hospital access and budgets, the time required to gain this market acceptance has been extended.

2021 is therefore expected to be a year where we will continue to invest heavily in R&D. In addition, the Group is focusing on generating the compelling key opinion leader study data that will facilitate the acceptance and subsequent sales potential of AI in ultrasound to be realised from 2022 onwards.

We remain confident that we can continue to build a successful 'Classroom to Clinic' ultrasound business in this exciting sector of the market."

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About Intelligent Ultrasound Group plc

Intelligent Ultrasound (AIM: IUG) 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 and Atlanta in the US, 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 the market include:

ScanNav Assist
ScanNav Assist uses machine-learning based algorithms to automatically identify and grade ultrasound images. GE Healthcare's SonoLyst software on their Voluson SWIFT ultrasound machine incorporates the ScanNav Assist AI technology and has received CE and 510k FDA regulatory clearance. SonoLyst is the world's first fully integrated AI tool that recognises the 20 views recommended by the International Society of Ultrasound in Obstetrics and Gynaecology mid-trimester practice guidelines for fetal imaging.

ScanNav Anatomy
ScanNav Anatomy Peripheral Nerve Block (PNB) uses machine-learning based algorithms to simplify ultrasound-guided needling by providing the user with real-time AI-based anatomy highlighting software for a range of medical procedures. ScanNav Anatomy has received CE approval for sale in the UK and Europe and has also been submitted for FDA regulatory approval.

ScanNav Anatomy PNB is therefore not currently available for sale in the US, or any other territory requiring government approval for this type of product, other than in the UK and Europe.

Simulation Division

Focusses on hi-fidelity ultrasound education and training through simulation. Its main products are the ScanTrainer OBGYN training simulator, the HeartWorks echocardiography training simulator, the BodyWorks Eve Point of Care and Emergency Medicine training simulator with Covid module and the new AI-based Anatomy PNB training simulator. To date over 1,000 simulators have been sold to over 600 medical institutions around the world.

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INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2021

This has been a good trading period for the Group. A strong simulation division revenue performance was combined with encouraging clinical division achievements, that saw the early commercialisation of our first product integrated into the new GE Healthcare Voluson SWIFT women's health ultrasound machine, the launch in the UK of ScanNav Anatomy Peripheral Nerve Block (PNB), own AI product, to address the regional anaesthesia market, and progress within our AI product development pipeline.

Simulation Division

Our simulation division had an excellent trading period with revenue growing by 45% to £3.6m (H1 2020: £2.5m), our best start to a year and reflective of the hard work of the sales, marketing and R&D teams.

Sales from the Group's direct sales team, which together cover the UK and USA, grew by nearly 50% to £2.8m (H1 2020: £1.9m), helped by strong sales from the Group's ScanTrainer and BodyWorks simulators which incorporate the free of charge Covid lung training module that was developed in response to the pandemic in early 2020.

Revenue from the UK was particularly impressive, with sales growing by over 60% to £1.6m (H1 2020: £1.0m).

Sales in the Rest of the World, that are made through the Group's reseller network and were particularly hard hit by the pandemic in 2020, showed the first signs of recovery, with sales growing by over 30% to £0.8m (H1 2020: £0.6m).

During the period we launched a new remote eLearning module for the HeartWorks platform, a Saving Babies Lives module for ScanTrainer and development work continued on two new simulator platforms that are expected to launch in the second half of 2021 and are anticipated to support the continued growth of the division.

Clinical AI Division

Our clinical AI division continues to focus on moving AI into the clinic to give real-time support to clinicians whilst they are scanning. Excellent progress has been made in the early commercialisation of our first two AI products and we continue to build compelling study data with key opinion leaders, such that we can convert encouraging early-stage interest into long-term sales and realise the revenue potential of AI software in ultrasound.

During the period a nominal revenue of £0.1m was generated and we expect this revenue to accelerate once the longer than anticipated Covid restrictions relax and face-to-face medical exhibitions and congresses re-start later in the year.

ScanNav Assist

During the period GE Healthcare continued the global roll-out of SonoLyst on the Voluson SWIFT, which is the first GE ultrasound system to utilise our ScanNav Assist real-time image analysis AI software. SonoLyst is the world's first fully integrated AI tool that recognises the 20 views recommended by the ISUOG mid-trimester practice guidelines for fetal sonography imaging and is an optional add-on to the Voluson SWIFT. It is the first AI software to be launched under the Group's long-term agreement with GE Healthcare.

Although the global roll-out was impacted by the pandemic, we remain confident that AI revenues will accelerate once the longer than anticipated Covid restrictions on capital expenditure relax and face-to-face medical exhibitions and congresses re-start later in the year.

We continue to develop additional variants of ScanNav Assist that will support new protocol-based scanning markets, with anticipated launches of product during 2022.

ScanNav Anatomy

In April, the division's ScanNav Anatomy Peripheral Nerve Block (PNB) product received CE approval and in May was launched for sale in the UK. The software is sold on a stand-alone ScanNav IPU hardware platform that consists of a touchscreen mounted on a portable stand which is plugged into existing anaesthesiology ultrasound machines. ScanNav Anatomy supports, in particular, anaesthetists who are not expert in regional anaesthesia by highlighting relevant anatomy for nine common peripheral nerve blocks. The system is also available as a training only simulator for medical learning on volunteers, prior to patient contact.

In addition, we continue to progress an FDA regulatory filing to enable a version of the product to be sold in the US, as well as seeking to licence an integrated version of the product to the major ultrasound manufacturers.

Further variants of ScanNav Anatomy that aim to support scanning in both interventional radiology and general radiology, are being developed.

ScanNav Detect

ScanNav Detect aims to facilitate the automatic recognition of abnormalities within a general medical ultrasound scan, 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 a specialist. During the period, early-stage development continued in several general medical specialties.

Impact of Covid

The impact of the pandemic continues to affect both the market for new medical products that are outside the emergency medicine and critical care sector, as well as the operational environment for the Group.

Although the unexpected length of the pandemic in 2021 has impacted the speed and intensity of the roll-out of new AI products that require more face-to-face explanation and hands-on experience, the Group expects the re-starting of medical congresses and exhibitions in the second half of the year to enable new product take-up to accelerate in the second half of 2021 and 2022.

Operationally, the Group's move into a larger head office in the centre of Cardiff and a new warehouse in Caerphilly during 2020 has enabled both divisions to weather the various Covid lockdowns and continue to meet all research and development timelines and sales support commitments. In addition, the building and staffing of web-based demonstration rooms in Cardiff and Alpharetta has enabled the continuation of training and sales demonstrations, whilst international travel remains restricted.

Strengthened Board

In May 2021, we were delighted to announce that Ingeborg Øie had joined the Board as a Non-executive Director. Ingeborg brings outstanding financial, corporate governance and investor relations experience, having been a medical devices and healthcare services analyst at Goldman Sachs and Jefferies and is currently CFO of next-generation surgical robotics company, CMR Surgical. Ingeborg was also a Non-executive Director of Georgia Healthcare Group, the largest healthcare services provider in Georgia, that prior to its acquisition by Georgia Capital Plc in 2020, was listed on the London Stock Exchange. Ingeborg has also joined the Intelligent Ultrasound Audit committee and the newly formed ESG Working Group.

ESG

In April we announced the formation of our ESG Working Group that is developing an ESG policy that reflects our goal to build a sustainable and viable, long-term business that will enable ultrasound for everyone. The Working Group currently consists of five board members and two employee representatives will be joining in September.

The first ESG dashboard and report will be presented to shareholders in the 2021 Annual Report and Accounts.

Financial Review

- Revenue of £3.6m (H1 2020: £2.5m)
- Operating loss for the period of £2.3m (H1 2020: loss of £2.0m)
- Cash and cash equivalents at 30 June 2021 of £5.8m (31 December 2020: £8.8m)
- Net cash used in operating activities of £2.2m (H1 2020: £1.5m)

Driven by the strong simulation performance in the UK and the US, revenues grew by over 45% to £3.6m in the first half of 2021 (H1 2020: £2.5m), as well as exceeding our highest pre-pandemic sales. Gross profit for the period was £2.3m, an increase of £0.8m compared to the same period in 2020 (H1 2020: £1.5m). The gross profit margin improvement to 62% from 59% in H1 2021 is due to the higher proportion of direct sales in the UK and US.

During the period a nominal revenue of £0.1m was generated from our first two clinical AI products. These are very early days in the commercialisation of these first in class products and we expect this revenue to accelerate as we build compelling key opinion study data and once the longer than anticipated Covid restrictions relax and face-to-face medical exhibitions and congresses re-start later in the year

Total research and development (R&D) expenditure on product development and regulatory costs in H1 2021 increased to £1.6m (H1 2020: £1.0m) of which £0.3m has been capitalised. The majority of the increased spend relates to the continued R&D activity in the clinical AI division, a significant amount of which relates to costs incurred in the CE and FDA regulatory approval process for the ScanNav Anatomy PNB product.

The operating loss of £2.3m increased by £0.3m compared to the prior period (H1 2020: £2.0m) due to higher R&D costs and administrative expenses, relating to professional fees and insurance costs, totaling £1.1m, exceeding the increase in gross profit of £0.8m.

Cash and cash equivalents decreased over the period since 31 December 2020 by £3.0m, to £5.8m (31 December 2020: £8.8m). Net operating outflows were £2.2m in the period arising from the operating loss combined with the adverse movement in net working capital of £1.0m due to an increase in trade and other receivables of £0.7m as a result of the higher trading activity in the period and higher inventory levels required to facilitate current and expected future orders.

Outlook

This has been a good start to the year, with strong revenue from our simulation division, combined with encouraging performance from our clinical division through the early commercialisation of our first two AI products, and the progression of our AI product development pipeline.

Our new AI products are first to market and require time to gain acceptance by the market before significant revenue potential can be achieved. As the pandemic has restricted medical exhibitions, hospital access and budgets, the time required to gain this market acceptance has been extended.

2021 is therefore expected to be a year where the simulation Division continues its impressive growth, and we continue to invest heavily in R&D in both of our core businesses. In addition, the Group is focusing on generating

the compelling key opinion leader study data that will enable the acceptance and subsequent sales potential of AI in ultrasound to be realised from 2022 onwards.

We remain confident that we can continue to build a successful 'Classroom to Clinic' ultrasound business in this exciting sector of the market.

Stuart Gall
CEO

19 August 2021

CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

	Note	Unaudited 6 months ended 30 June 2021	Unaudited 6 months ended 30 June 2020	Audited year ended 31 December 2020
		£'000	£'000	£'000
REVENUE	4	3,639	2,479	5,170
Cost of sales		(1,365)	(1,018)	(1,999)
GROSS PROFIT		2,274	1,461	3,171
Other income		-	205	207
Administrative expenses		(4,610)	(3,616)	(7,859)
OPERATING LOSS		(2,336)	(1,950)	(4,481)
Finance income		1	17	17
Finance costs		(17)	(2)	(17)
LOSS BEFORE INCOME TAX		(2,352)	(1,935)	(4,481)
Taxation	5	333	116	1,175
LOSS ATTRIBUTABLE TO THE EQUITY SHAREHOLDERS OF THE PARENT		(2,019)	(1,819)	(3,306)
OTHER COMPREHENSIVE (EXPENSE)/INCOME				
Items that will or may be reclassified to profit or loss:				
Exchange (loss)/gain arising on translation of foreign operations		(15)	50	(77)
OTHER COMPREHENSIVE (EXPENSE)/INCOME FOR THE PERIOD		(15)	50	(77)
TOTAL COMPREHENSIVE EXPENSE ATTRIBUTABLE TO THE EQUITY SHAREHOLDERS OF THE PARENT		(2,034)	(1,769)	(3,383)
LOSS PER ORDINARY SHARE (PENCE) ATTRIBUTABLE TO THE EQUITY SHAREHOLDERS OF THE PARENT				
Basic and diluted	6	(0.75)	(0.76)	(1.30)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	Unaudited 30 June 2021 £'000	Unaudited 30 June 2020 £'000	Audited 31 December 2020 £'000
NON-CURRENT ASSETS				
Intangible assets	7	1,958	2,148	1,963
Property, plant and equipment		1,263	670	1,313
Trade and other receivables		61	-	61
		3,282	2,818	3,337
CURRENT ASSETS				
Inventories		1,283	1,293	1,048
Trade and other receivables		2,716	2,073	2,025
Current tax asset		1,008	131	671
Cash and cash equivalents		5,849	10,137	8,774
		10,856	13,634	12,518
TOTAL ASSETS		14,138	16,452	15,855
CURRENT LIABILITIES				
Trade and other payables	8	(1,895)	(1,216)	(1,901)
Deferred income		(167)	(287)	(142)
Lease liabilities		(206)	(66)	(170)
Provisions		(22)	(98)	(10)
		(2,290)	(1,667)	(2,223)
NON-CURRENT LIABILITIES				
Deferred income		(311)	(211)	(275)
Deferred taxation		-	(265)	-
Lease liabilities		(564)	(88)	(603)
Other payables		(65)	-	(65)
		(940)	(564)	(943)
TOTAL LIABILITIES		(3,230)	(2,231)	(3,166)
NET ASSETS		**10,908**	**14,221**	**12,689**
EQUITY				
Share capital	9	2,694	2,694	2,694
Share premium		25,959	25,959	25,959
Share warrants		126	126	126
Accumulated losses		(25,400)	(21,894)	(23,381)
Share-based payment reserve		1,095	760	842
Merger reserve		6,538	6,538	6,538
Foreign exchange reserve		(104)	38	(89)
TOTAL EQUITY		**10,908**	**14,221**	**12,689**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital £'000	Share premium £'000	Share warrants £'000	Accumulated losses £'000	Share-based payment reserve £'000	Merger reserve £'000	Foreign exchange reserve £'000	Total equity £'000
At 1 JANUARY 2020	2,200	21,653	126	(20,075)	688	6,538	(12)	11,118
Comprehensive (expense)/income for the period								
Loss for the period	-	-	-	(1,819)	-	-	-	(1,819)
Other comprehensive income	-	-	-	-	-	-	50	50
Transactions with owners, recorded directly in equity								
Issue of share capital	494	4,658	-	-	-	-	-	5,152
Cost of raising finance	-	(352)	-	-	-	-	-	(352)
Share-based payments	-	-	-	-	72	-	-	72
At 30 June 2020	2,694	25,959	126	(21,894)	760	6,538	38	14,221
Comprehensive expense for the period								
Loss for the period	-	-	-	(1,487)	-	-	-	(1,487)
Other comprehensive expense	-	-	-	-	-	-	(127)	(127)
Transactions with owners, recorded directly in equity								
Share-based payments	-	-	-	-	82	-	-	82
At 31 December 2020	2,694	25,959	126	(23,381)	842	6,538	(89)	12,689
Comprehensive expense for the period								
Loss for the period	-	-	-	(2,019)	-	-	-	(2,019)
Other comprehensive expense	-	-	-	-	-	-	(15)	(15)
Transactions with owners, recorded directly in equity								
Share-based payments	-	-	-	-	253	-	-	253
At 30 June 2021	2,694	25,959	126	(25,400)	1,095	6,538	(104)	10,908

CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited 6 months ended 30 June 2021 £'000	Unaudited 6 months ended 30 June 2020 £'000	Audited 31 December 2020 £'000
CASH FLOW FROM CONTINUING OPERATING ACTIVITIES			
Loss before tax	(2,352)	(1,935)	(4,481)
Add back:			
Depreciation	254	171	406
Amortisation of intangible assets	470	476	937
Foreign exchange	-	47	-
Loss on disposal of property, plant and equipment	-	-	26
Fair value adjustment to share warrants	-	-	21
Research and development expenditure credit	-	(38)	-
Finance costs/(income)	16	(15)	-
Share-based payments expense	253	72	154
Operating cash flows before movement in working capital	(1,359)	(1,222)	(2,937)
Movement in inventories	(236)	(630)	(389)
Movement in trade and other receivables	(691)	627	590
Movement in trade and other payables	55	(410)	199
Movement in provisions	12	4	(85)
Cash used in operations	(2,219)	(1,631)	(2,622)
Income taxes (paid)/received	(2)	168	362
NET CASH FLOWS FROM OPERATING ACTIVITIES	(2,221)	(1,463)	(2,260)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	(113)	(292)	(371)
Interest receivable	1	17	17
Movement in short term deposits	-	5,500	5,500
Internally generated and purchase of intangible assets	(465)	(193)	(568)
NET CASH (USED IN)/GENERATED FROM INVESTING ACTIVITIES	(577)	5,032	4,578
CASH FLOWS FROM FINANCING ACTIVITIES			
Issue of new shares	-	5,152	5,187
Share issue costs	-	(352)	(387)
Principal elements of lease payments	(112)	(23)	(62)
Finance costs paid	-	(2)	(17)
NET CASH (USED IN)/GENERATED FROM FINANCING ACTIVITIES	(112)	4,775	4,721
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(2,910)	8,344	7,039
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	8,774	1,790	1,790
Exchange (losses)/gains on cash and cash equivalents	(15)	3	(55)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	5,849	10,137	8,774

NOTES TO THE CONSOLIDATED INTERIM REPORT
for the six months ended 30 June 2021

1.   BASIS OF PREPARATION AND ACCOUNTING POLICIES

The financial information contained in this interim report has not been audited by the Group's auditor and does not constitute statutory accounts as defined in Section 434 of the Companies Act 2006. The Directors approved and authorised this interim report on 18 August 2021. The financial information for the preceding full year is extracted from the statutory accounts for the financial year ended 31 December 2020. Those accounts, upon which the auditor issued an unqualified opinion and did not include a statement under Section 498(2) or (3) of the Companies Act 2006, have been delivered to the Registrar of Companies.

This interim report has been prepared in accordance with UK AIM Rules for Companies. The Group has not applied IAS 34 "Interim Financial Reporting" (which is not mandatory for AIM listed companies) in the preparation of this interim report. The interim report has been prepared in a manner consistent with the accounting policies set out in the statutory accounts for the financial year ended 31 December 2020.

The Company is a limited liability company incorporated and domiciled in England & Wales and whose shares are quoted on AIM, a market operated by The London Stock Exchange. The Group financial statements are presented in pounds Sterling.

Going concern

The Board has prepared trading and cash flow forecasts for the period to end of 2022 which continue to model trade returning to pre-pandemic levels as well as updated revenue projections for royalty income and revenue from new products coming on stream over the course of the next 18 months. The forecasts indicate that the Group will continue to trade with its existing cash reserves. After modelling other downside scenarios from the base case including reductions in revenue and delays in R&D projects the Group expects to have sufficient cash for at least the next 12 months and therefore continue to adopt the going concern basis of accounting in preparing the interim statement.

2.   BASIS OF CONSOLIDATION

The consolidated interim report incorporates the results of the Company and its subsidiary undertakings.

3.   NEW ACCOUNTING STANDARDS

Several amendments and interpretations apply for the first time in 2021, but do not have an impact on the interim condensed consolidated financial statements of the Group.

4. REVENUE ANALYSIS

The following table provides an analysis of the Group's revenue by division and geography based upon location of the Group's customers.

Unaudited 6 months ended 30 June 2021	Simulation	Clinical AI	Total
	£'000	£'000	£'000
United Kingdom	1,550	19	1,569
North America	1,261	-	1,261
Rest of World	777	32	809
	3,588	51	3,639

Unaudited 6 months ended 30 June 2020	Simulation	Clinical AI	Total
	£'000	£'000	£'000
United Kingdom	959	-	959
North America	929	-	929
Rest of World	591	-	591
	2,479	-	2,479

Audited year ended 31 December 2020	Simulation	Clinical AI	Total
	£'000	£'000	£'000
United Kingdom	1,419	-	1,419
North America	2,324	-	2,324
Rest of World	1,410	17	1,427
	5,153	17	5,170

5. TAXATION

	Unaudited 6 months ended 30 June 2021	Unaudited 6 months ended 30 June 2020	Audited year ended 31 December 2020
	£'000	£'000	£'000
R&D tax credit	335	93	673
R&D tax credit relating to prior periods	-	-	214
US corporation tax	(2)	-	-
Deferred tax credit	-	23	288
	333	116	1,175

6.   LOSS PER SHARE

	Unaudited 6 months ended 30 June 2021	Unaudited 6 months ended 30 June 2020	Audited year ended 31 December 2020
	£'000	£'000	£'000
Loss for the year after taxation	(2,019)	(1,819)	(3,306)
Number of shares:	No.	No.	No.
Basic and diluted weighted average number of ordinary shares	269,396,792	240,082,506	254,915,148
Basic and diluted loss pence per share	(0.75)	(0.76)	(1.30)

In the periods ended 30 June 2021, 30 June 2020 and 31 December 2020 there were share options in issue which could potentially have a dilutive impact, but as the Group is loss making in all periods, they are anti-dilutive and therefore the weighted average number of ordinary shares for the purpose of the basic and dilutive loss per share is the same.

7.   INTANGIBLE ASSETS

The net book value of intangible assets at 30 June 2021 includes intellectual property and brands acquired with IML and IUL totalling £0.90m (31 December 2020: £1.15m, 30 June 2020: £1.39m). The remaining net book value of intangible assets in each period were made up of development costs capitalised in relation to the Simulation division.

8.   CURRENT LIABILITIES – TRADE AND OTHER PAYABLES

	Unaudited 30 June 2021	Unaudited 30 June 2020	Audited 31 December 2020
	£'000	£'000	£'000
Trade payables	894	498	842
Taxation and social security	180	23	169
Accruals	760	640	829
Warrants	61	40	61
Other	-	15	-
	1,895	1,216	1,901

9. SHARE CAPITAL

Allotted, issued and fully paid: Ordinary shares of 1p each	No.	£'000
Balance at 1 January 2020	219,996,792	2,200
Shares issued for cash	49,400,000	494
Balance at 31 December 2020	269,396,792	2,694
Balance at 30 June 2021	269,396,792	2,694

On 4 May 2020 the Company placed 49,400,000 newly issued shares of 1 pence each in the capital of the Company at a price of 10.5 pence per share. Share issue costs of £0.39m have been netted off against the share premium arising on the new share issue.

10. INTERIM ANNOUNCEMENT

A copy of this report will be posted on the Company's website at www.intelligentultrasound.com