

THIS DOCUMENT AND THE ENCLOSED FORM OF PROXY ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION.

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.

The distribution of this Document and/or any accompanying documents into a jurisdiction other than the United Kingdom may be restricted by law or regulation and therefore should not be distributed, forwarded to or transmitted in or into Australia, Canada, Japan, New Zealand, the Republic of South Africa or the United States, nor in or into any other jurisdiction where to do so would breach any applicable law or regulation.

The Placing Shares shall only be available to qualified investors for the purposes of the Prospectus Regulation 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 Regulation 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 [6], 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)

Proposed Placing and Subscription of 56,216,220 new Ordinary Shares at 9.25 pence per share

and

Notice of General Meeting

Your attention is drawn to the letter from the Chairman of the Company which is set out in Part I of this Document and 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 Floor 6A, Hodge House, St Mary Street, Cardiff, CF10 1DY, at 11.00 a.m. on 30 November 2022, 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 Group, by not later than 11.00 a.m. on 28 November 2022 (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).

The Existing Ordinary Shares are admitted to trading on AIM. Application will be made to the London Stock Exchange for the New 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) 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 1 December 2022, and (ii) the General Shares are expected to be admitted to trading on AIM and that dealings in the General Shares is expected to commence at 8.00 a.m. on 2 December 2022. The New 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 FCA. 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 FCA 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 FCA. It is emphasised that no application is being made for admission of the Existing Ordinary Shares or the New Shares to the Official List of the FCA.

Cenkos Securities, which is authorised and regulated in the United Kingdom by the FCA, is acting as nominated adviser and broker to the Company in connection with the Fundraising and Admission. 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 New 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, Japan or New Zealand 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 New 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, Japan or New Zealand or in any other country, territory or possession where to do so may contravene local securities laws or regulations. The New 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, Japan or New Zealand 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, Japan or New Zealand.

Copies of this Document will be kept at the offices of Intelligent Ultrasound Group plc at Floor 6A, Hodge House, 114-116 St Mary Street, Cardiff, CF10 1DY, for a period of one month from the date of this Document, as well being available at www.intelligentultrasoundgroup.com.

IMPORTANT INFORMATION

The New 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 New 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 New 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 New Shares in the United States.

Cenkos Securities makes no representation or warranty to any offeree or subscriber for the New 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 New Shares. None of the New Shares, this Document, the Form of Proxy, nor any other document connected with the Fundraising 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 New Shares or the accuracy or adequacy of this Document or any other document connected with the Fundraising. 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 Fundraising. 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 Fundraising; 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.

CONTENTS

DIRECTORS AND ADVISERS	5
FUNDRAISING STATISTICS	6
EXPECTED TIMETABLE OF PRINCIPAL EVENTS	7
DEFINITIONS	8
LETTER FROM THE CHAIRMAN OF INTELLIGENT ULTRASOUND GROUP PLC	11
NOTICE OF GENERAL MEETING	17

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>) Michèle Lesiur (<i>Non-Executive Director</i>) Ingeborg Oie (<i>Non-Executive Director</i>) Christian Guttman (<i>Non-Executive Director</i>) Nick Avis (<i>Non-Executive Director</i>) Andrew Barker (<i>Non-Executive Director</i>)
Registered Office	Floor 6A, Hodge House 114-116 St Mary Street, Cardiff Wales CF10 1DY
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 (a trading name of RBG Legal Services Limited) 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

FUNDRAISING STATISTICS

Issue Price (per share)	9.25 pence
Number of Existing Ordinary Shares	270,653,485
Number of General Shares issued in the Placing	15,475,360
Number of EIS/VCT Placing Shares	27,028,752
Total number of Placing Shares	42,504,112
Subscription Shares	13,712,108
Total New Shares	56,216,220
Enlarged Share Capital	326,869,705
New Shares as a percentage of the Enlarged Share Capital	17.2%
Gross proceeds of the Fundraising	£5,200,000

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Announcement of the Fundraising, publication and posting of this Document and Form of Proxy	11 November 2022
Latest time and date for receipt of completed Forms of Proxy	11.00 a.m. on 28 November 2022
General Meeting	11.00 a.m. on 30 November 2022
Announcement of results of General Meeting	30 November 2022
Admission and commencement of dealings in the EIS/VCT Placing Shares on AIM (First Admission)	8.00 a.m. on 1 December 2022
Admission and commencement of dealings in the General Shares on AIM (Second Admission)	8.00 a.m. on 2 December 2022
New Shares credited to CREST members' accounts in respect of the EIS/VCT Shares	1 December 2022
New Shares credited to CREST members' accounts in respect of General Shares	2 December 2022
Despatch of definitive share certificates in certificated form in respect of EIS/VCT Shares	Within 10 days of First Admission
Despatch of definitive share certificates in certificated form in respect of General 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	means 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 AI Products	ScanNav Assist, ScanNav AnatomyGuide and NeedleTrainer
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 [6] 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 Regulation 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 27,028,752 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 Fundraising following First Admission and Second Admission
EU	the European Union
Euroclear	Euroclear UK & International Limited, the operator of CREST
Existing Ordinary Shares	the 270,653,485 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)
Fundraising	together the Placing and the subscription (or any part of them)
General Meeting	the general meeting of the Company to be held at Floor 6A, Hodge House, St Mary Street, Cardiff, CF10 1DY at 11.00 a.m. on 30 November 2022, notice of which is set out at the end of this Document
General Fundraising	the New Shares to be issued which do not constitute EIS/VCT Shares
General Shares	the 29,187,468 new Ordinary Shares to be issued and allotted pursuant to the General Fundraising
Group	the Company and its subsidiaries
HMRC	His Majesty's Revenue and Customs (which shall include its predecessors, the Inland Revenue and HM Customs and Excise)
ITA	Income Tax Act 2007
Issue Price	9.25 pence per New Share
Link Asset Services or Link	a trading name of Link Market Services Limited
London Stock Exchange	London Stock Exchange plc
Long Stop Date	16 December 2022
Notice of General Meeting	the notice convening the General Meeting which is set out at the end of this Document
New Shares	the Placing Shares and the Subscription Shares (or any part of them)
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 placing of Placing Shares pursuant to the Placing Agreement
Placing Agreement	the agreement entered into between the Company and Cenkos Securities in respect of the Placing dated 11 November 2022, as described in this Document
Placing Shares	the 42,504,112 new Ordinary Shares to be issued pursuant to the Placing
Prospectus Regulation Rules	the Prospectus Regulation Rules made by the FCA under Part VI of FSMA, as set out in the Prospectus Regulation Rules Sourcebook;

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 Shares
Shareholders	holders of Ordinary Shares in the Company
Simulation Products	ScanTrainer, HeartWorks, BodyWorks and BabyWorks ultrasound training simulators
SonoLyst	SonoLyst, the world's first fully integrated AI tool that recognises the 21 views recommended by the International Society of Ultrasound in Obstetrics and Gynaecology mid-trimester practice guidelines for fetal imaging and incorporates Intelligent Ultrasound's ScanNav Assist AI technology
Subscription	the subscription of 13,712,108 New Shares by certain investors pursuant to the Subscription Agreement
Subscription Letters	the agreements entered into by the Company and certain investors to subscribe for New Shares
Subscription Shares	the 13,712,108 New Shares to be subscribed pursuant to the Subscription
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)*
Michèle Lesiur *(Non-Executive Director)*
Ingeborg Oie *(Non-Executive Director)*
Christian Guttman *(Non-Executive Director)*
Nick Avis *(Non-Executive Director)*
Andrew Barker *(Non-Executive Director)*

Registered office:

Floor 6a, Hodge House
114-116 St Mary Street
Cardiff, Wales
CF10 1DY

11 November 2022

Dear Shareholder

PROPOSED SUBSCRIPTION AND PLACING OF 56,216,220 NEW SHARES AT 9.25 PENCE PER SHARE AND NOTICE OF GENERAL MEETING

1. Introduction

On 11 November 2022, the Company announced a proposed Subscription and Placing, pursuant to which it proposes to raise, subject to certain conditions, £5.2 million (before expenses) by the conditional Placing of 42,504,112 Placing Shares and Subscription of 13,712,108 Subscription Shares at the Issue Price to certain institutional and other investors.

The proceeds of the Placing and Subscription will be used to strengthen the balance sheet and provide additional working capital for the Group, including funding the ongoing development of the existing products. This Fundraising is expected to take the Group to profitability.

The Issue Price equates to a Nil discount to the closing middle market price of 9.25 pence per Ordinary Share on 10 November 2022 (being the last Business Day before publication of this Document).

The Placing, which has been arranged by Cenkos Securities pursuant to the terms of the Placing Agreement, and Subscription, are 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 New 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 Fundraising, to explain why the Board considers the Fundraising 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's 'Classroom to Clinic' vision is to make ultrasound easier for clinicians to learn using advanced ultrasound training simulators to teach medical practitioners, and easier to use in a clinical setting, via artificial intelligence ("AI") based clinical ultrasound image analysis software for medical ultrasound machines. Its current suite of products include systems for ultrasound training in paediatric and neonatal care (BabyWorks), a hi-fidelity simulator for Point-of-Care ultrasound including COVID-19 lung and cardiac modules (BodyWorks), a self-learning scanning simulator for OBGYN and general medicine (ScanTrainer) and a simulator to assist in the learning of TEE and TTE echocardiography (HeartWorks) as well as an AI training system for ultrasound-guided Peripheral Nerve Blocks (ScanNav Anatomy PNB Trainer) and a training solution to teach ultrasound-guided needling (NeedleTrainer). Its Clinical AI Products include automated image

analysis for protocol-based scanning (ScanNav Assist) and the clinical side of its automated anatomy highlighting for ultrasound guided needling (ScanNav Anatomy).

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, GE Healthcare. The long-term agreement enables the integration of Intelligent Ultrasound's real-time AI image analysis software onto the Voluson range of women's healthcare ultrasound systems marketed in the global healthcare market. The AI software is currently incorporated into the Voluson Expert 22 and SWIFT ultrasound machines. Terms of the agreement are confidential and undisclosed for commercial reasons.

In May 2021, Intelligent Ultrasound announced the UK launch of ScanNav Anatomy PNB that simplifies ultrasound-guided needling by providing the user with real-time AI-based anatomy highlighting for a range of medical procedures. On 18 October 2022, the FDA granted ScanNav Anatomy PNB clearance for sale in the USA.

The Directors intend to use the net proceeds of the Fundraising to strengthen the balance sheet and provide additional working capital to the Company, including the ongoing development of existing products.

The Directors expect this to be the last fund raise for the current product range prior to profitability. With sales in FY22 forecast to reach £10 million, the Company's ambition is to reach revenues of approximately £25 million by 2025.

Background to the Company

Ultrasound is the cheapest and safest of all available imaging modalities (X-Ray, MRI, CT etc.), and its diagnostic applicability in many areas is well recognised but, unlike the others, ultrasound is a dynamic, real-time modality where the skills of the operator are paramount. The Group's vision is to make ultrasound easier to learn and simpler to use by minimising this obstacle.

Based in Cardiff in the UK and Atlanta in the US, Intelligent Ultrasound specialises in real-time hi-fidelity virtual reality simulation for the ultrasound training market ('classroom') and artificial intelligence-based clinical image analysis software tools for the diagnostic medical ultrasound market ('clinic').

The Group has grown sales from £4 million in 2017 to an expected £10 million in 2022 with two revenue streams:

Simulation

The Group designs, develops and sells real-time, hi-fidelity ultrasound training simulators for teaching ultrasound scanning to medical professionals and medical device companies. The simulators are, in the main, high value capital equipment sales sold through the Group's direct sales force in the US and UK, as well as through a network of resellers covering the rest of the world. The Group has grown sales on this side of the business to an expected £9.4 million for full year 2022.

The simulation range was expanded in 2022 to four platform systems:

- ScanTrainer – specialising in Obstetrics and Gynaecology training
- HeartWorks – specialising in echocardiography training
- BodyWorks – specialising in Point of Care (POCUS) and Emergency Medicine training and featuring a free Covid19 training module
- BabyWorks specialising in Neonate and Paediatric training

To date, over 1400 Intelligent Ultrasound simulators have been sold to over 700 medical institutions around the world and its equipment is estimated to have trained over 100,000 professionals globally in the last five years. The total ultrasound training market is expected to be worth c.\$200 million by 2026 (*Stratview Research*).

Clinical AI

A key part of the Company's 'Classroom to Clinic' vision is to provide medical professionals with access to real-time AI-based clinical software that makes ultrasound easier to use.

Based on the original work of Professor Alison Noble OBE, FREng, FRS, from the University of Oxford, one of the world's leading academics in ultrasound image analysis using AI, over the last four years Intelligent Ultrasound has designed, built and launched three 'first to market' AI related products and has five more in development. The team consists of 23 in-house AI developers, software engineers and project managers.

- ScanNav Assist – an automated protocol scanning software that recognises the 21 views recommended by the International Society of Ultrasound in Obstetrics and Gynaecology mid-trimester practice guidelines for fetal imaging. This technology is incorporated in GE Healthcare's Voluson SWIFT and Voluson Expert 22 ultrasound machines, the latter of which launched to the market in July 2022
- ScanNav Anatomy PNB – a CE approved standalone device that plugs into existing ultrasound machines and simplifies ultrasound-guided needling by providing the user with real-time AI-based anatomy highlighting for a range of medical procedures. On 18 October, Intelligent Ultrasound announced that the FDA had granted the system clearance for sale in the USA
- NeedleTrainer – a stand-alone device that teaches real-time ultrasound guided needling and incorporates ScanNav Anatomy PNB. The system is sold with the GE's pocket-sized wireless ultrasound probe, Vscan Air and launched in September 2022

The AI in ultrasound imaging market is forecast to grow at a CAGR of 9.76% to \$1.3B by 2028 (*Data Bridge Market Research*) and Intelligent Ultrasound is accessing this market by following a two-pronged 'AI go-to market' strategy of:

- Signing royalty-based, 'on-machine' licences for the provision of real-time AI software to the major manufacturers,
- Selling proprietary 'plug-in' real-time AI enabled devices direct to the global pool of existing ultrasound machines, through Intelligent Ultrasound's existing sales network

In January 2022, Intelligent Ultrasound announced an extension to their exclusive women's healthcare AI agreement to enable GE Healthcare to utilise the ScanNav Assist AI software in a new segment of automated ultrasound image analysis, that is outside the Group's original agreement. Although the terms of the agreement and the timings of the related product launch are undisclosed to the market for commercial reasons, this supplementary product line is expected to support the growth of the Group's royalty revenues in the longer term.

Clinical AI revenue, which is in the early stage of commercialisation, is expected to be £0.6m in FY2022 and expected to increase significantly into 2023 and beyond.

Clinical AI is a key element of the Group's growth strategy as it expands expand both its simulation and Clinical AI revenue streams and in the longer term aims to develop additional future products in the area of anomaly detection.

3. Use of proceeds

The Company has conditionally raised £5.2 million (before expenses) by way of the conditional Placing and Subscription. The expenses for the Fundraising are expected to be approximately £400,000.

The primary purpose behind the Fundraising is to strengthen the balance sheet and provide additional working capital, including funding the ongoing development of the existing products.

4. Current trading and prospects

The Directors consider this to have been an excellent year and the Group remains on target to meet the market expectation of £10m revenue in FY22.

With a strong simulation portfolio for 2023 and three clinical AI related products launched in the market and generating early revenues, the Board is confident that the forecast growth in sales will take the Group to profitability, as well as achieving the Group's aspirational vision of £25m revenues by 2025, in what the Directors believe is an exciting and dynamic market.

5. Related parties' participation in the Fundraising

Substantial shareholders' participation in the Fundraising

The following substantial Shareholders (being a Shareholder holding 10 per cent. or more of the Existing Ordinary Shares as at 10 November 2022, the latest practicable date prior to publication of this Document) are participating in the Fundraising as described below:

	<i>Number of Existing Ordinary Shares</i>	<i>Percentage of Existing Ordinary Shares</i>	<i>Number of New Shares subscribed for</i>	<i>Number of Ordinary Shares held following the Placing</i>	<i>Percentage of enlarged share capital</i>
IP Group	56,740,641*	21.0%	11,118,000**	67,858,641	20.8%
Octopus Investments	29,953,500	11.1%	6,093,752	36,047,252	11.0%

* These shares are held by the following IP Group entities IP2IPO Portfolio (GP) Limited, acting in its capacity as general partner of IP2IPO Portfolio LP (20,313,649 shares); IP Venture Fund II (GP) LLP, acting in its capacity as general partner of IP Venture Fund II LP (15,706,179 shares) and IP2IPO Limited (20,720,813 shares)

** IP2IPO Portfolio (GP) Limited, acting in its capacity as general partner of IP2IPO Portfolio LP (and/or another IP Group entity or entities) will subscribe for these Ordinary Shares in the Fundraising.

The participation by IP Group and Octopus Investment in the Fundraising is classified as a related party Fundraising for the purposes of the AIM Rules by virtue of IP Group and Octopus being both substantial shareholders (as defined in the AIM Rules for Companies) in the Company. The Directors, having consulted with Cenkos Securities, the Company's nominated adviser, consider that the terms of the Fundraising with IP Group and Octopus Investments are fair and reasonable insofar as the Company's Shareholders are concerned.

Directors' participation in the Fundraising

As part of the Fundraising, certain Directors and their connected persons and an employee intend to subscribe (either personally or through a nominee) for an aggregate of 1,270,270 New Shares at the Issue Price. Details of the New 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	923,474	567,568	£52,500	1,491,042	0.46%
Helen Jones	Chief Financial Officer	95,238	54,054	£5,000	149,292	0.05%
Ian Whittaker	Chief Operating Officer	451,172	81,081	£7,500	532,253	0.16%
Nicholas Sleep	Chief Technology Officer	421,709	162,162	£15,000	583,871	0.18%
Ingeborg Oie	Non-Executive Officer	—	216,216	£20,000	216,216	0.07%
Nick Avis	Non-Executive Officer	272,619	135,135	£12,500	407,754	0.13%
Andrew Barker	Non-Executive Officer	317,992	54,054	£5,000	372,046	0.11%

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.

The participation by the above Directors in the Fundraising is classified as a related party transaction for the purposes of the AIM Rules. Directors not participating in the Fundraising, (being Christian Guttman, Michèle Lesieur and Riccardo Pigliucci), having consulted with Cenkos Securities, the Company's nominated adviser, consider that the terms of the Fundraising with the above Directors are fair and reasonable insofar as the Company's Shareholders are concerned.

6. Details of the Fundraising

The Company is proposing to raise £5.2 million (before expenses) pursuant to the Fundraising. The Fundraising has conditionally raised a total of approximately £2,500,159 through the placing of up to 27,028,752 EIS/VCT Placing Shares and a total of approximately £2,699,840 through the placing and subscription of 29,187,468 General 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 1 December 2022, being one Business Day prior to admission to trading on AIM of the General Shares, which are expected to be admitted to trading on AIM on or around 8.00 a.m. on 2 December 2022. The allotment of the EIS/VCT Placing Shares will be conditional on First Admission occurring. The allotment of the General 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 Directors believe that the EIS/VCT Placing Shares to be issued pursuant to the Placing will be 'eligible shares' and will be capable of being a Qualifying Holding for the purposes of investment by VCTs and will also satisfy the conditions of section 173 of ITA for the purposes of the EIS 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, 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.

The Issue Price of 9.25 pence per New Share equates to a Nil discount to the closing price of 9.25 pence on 10 November 2022, the latest Business Day prior to publication of this Document.

The New Shares will represent approximately 17.2 per cent. of the Enlarged Share Capital. The New 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 with its obligations under the Placing Agreement;
- First Admission taking place by no later than 8.00 a.m. on 1 December 2022 (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 2 December 2022 (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 New Shares and, accordingly, the Board is seeking the approval of Shareholders to allot the New Shares at the General Meeting.

A notice convening the General Meeting, which is to be held at Floor 6A, Hodge House, St Mary Street, Cardiff, CF10 1DY at 11.00 a.m. on 30 November 2022, 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 £562,162.20, being equal to 56,216,220 new Ordinary Shares (i.e. the number of New Shares available under the Fundraising); and
- Resolution 2, which is conditional on the passing of Resolution 1 and is a special resolution, to authorise the Directors to allot 56,216,220 new Ordinary Shares for cash pursuant to the Fundraising 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 22 June 2022.

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 Group, 10th Floor, Central Square, 29 Wellington St, Leeds, LS1 4DL, 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 Fundraising 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 4,051,844 Existing Ordinary Shares, representing approximately 1.5 per cent. of the existing issued ordinary share capital of the Company.

As the Fundraising is conditional, *inter alia*, upon the passing by Shareholders of the Resolutions at the General Meeting, Shareholders should be aware that, if the Resolutions are not passed and First Admission and Second Admission does not take place, the proceeds of the Fundraising will not be received by the Company. If the proceeds of the Fundraising are not received, the Company may be forced to curtail its development plans in order to preserve capital until suitable alternative means of funding further development works are identified and secured. The timing and certainty of such funding are unclear.

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") of Intelligent Ultrasound Group plc (the "Company") will be held at 11.00 a.m., Floor 6A, Hodge House, 114-116 St Mary Street, Cardiff, CF10 1DY on 30 November 2022, 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.

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 22 June 2022, 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 £562,162.20 pursuant to the Fundraising (as defined and set out in the circular despatched to shareholders of the Company on 11 November 2022) ("**Fundraising**") provided that this authority shall, unless renewed, varied or revoked by the Company in the 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 22 June 2022 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 £562,162.20, in connection with the Fundraising; 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
Floor 6A, Hodge House, 114-116 St Mary Street, Cardiff, CF10 1DY

Stuart Gall

Chief Executive Officer
Intelligent Ultrasound Group plc

11 November 2022

Notes:

General Meeting

1. 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 27 November 2022 shall be entitled to attend and vote at the General Meeting.
2. If you are a member of the Company at the time set out in note 1 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.
3. A proxy does not need to be a member of the Company but must attend the General Meeting to represent you. Details of how to appoint the Chairman of the General Meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form. If you wish your proxy to speak on your behalf at the General Meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.
4. 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 Group, at the address set out in note 5.
5. 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 Group, 10th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL; and
 - c. received by them no later than 11.00 a.m. on 28 November 2022.The Company advises shareholders to appoint a proxy electronically wherever possible. For further information on how to appoint a proxy electronically, please see notes 7 and 10 below.
6. 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.
7. You can vote by logging on to www.signalshares.com and following the instructions. If you wish to vote using the Share Portal Service at www.signalshares.com, and you have not already registered for Signal Shares, you will need your investor code which you can find on your share certificate (or obtain from Link Group, by telephone: 0371 664 0300. (Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. They are open between 09:00 – 17:30, Monday to Friday excluding public holidays in England and Wales. Calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the transaction nor give any financial, legal or tax advice), or by email at shareholderenquiries@linkgroup.co.uk, if you have difficulties locating your share certificate). Once registered, you will immediately be able to vote. All votes must be received by the Company's Registrars, Link Group, not later than 11.00 a.m. on 28 November 2022.
8. 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).
9. 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 270,653,485 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 270,653,485.
10. 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'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 Group (ID:RA10), by 11.00 a.m. on 28 November 2022 (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 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).

