

Half Year Report

Intelligent Ultrasound Group plc (AIM: IUG), the 'classroom to clinic' ultrasound company, specialising in artificial intelligence (AI) software and simulation, announces its unaudited half year results to 30 June 2023.

Financial highlights

- Revenue for the period to 30 June 2023 has grown by 3% to £6.1m (H1 2022: £5.9m)
 - H1 2022 revenue figures included £1.4m of one-off orders from the NHS in the UK, so on an adjusted 'like-for-like'* basis, revenue in H1 2023 increased by 35% (H1 2022 adjusted*: £4.5m)
 - The Group's clinical AI products continue to gain traction and revenues more than doubled to £0.7m (H1 2022: £0.3m)
- Operating loss increased by £0.2m to £1.5m (H1 2022: £1.3m) in the period
- Cash at bank on 30 June 2023 was £3.3m (31 December 2022: £7.2m), impacted by working capital seasonality in respect of timing of revenues and receipts of inventory in H1
- Cash utilisation in H2 is expected to be materially lower
- The Group anticipates reaching profitability with its current cash

Operational highlights

- ScanNav Anatomy Peripheral Nerve Block (PNB) AI software upgrades released in UK and US market
- BabyWorks 2.0 simulator product update released
- ScanTrainer Endometriosis simulator module released

Stuart Gall, CEO of Intelligent Ultrasound commented:

"This has been another positive start to the year. We are growing sales of our AI-related clinical products, as they move out of the early phase of commercialisation and we continue to have an excellent relationship with GE Healthcare, our OEM partner in women's healthcare AI. Our simulation products are performing well in the market and our new releases, including the endometriosis training module for the ScanTrainer simulator, have been well received.

We are building an exciting 'Classroom to Clinic' ultrasound business and we continue to anticipate reaching profitability with our current cash"

Enquiries:

Intelligent Ultrasound Group plc

Stuart Gall, CEO
Helen Jones, CFO

www.intelligentultrasound.com

Tel: +44 (0)29 2075 6534

Cenkos Securities

Giles Balleny / Max Gould (Corporate Finance)
Dale Bellis / Julian Morse (Sales)

Tel: +44 (0)20 7397 8900

TB Cardew - PR Advisors

Ed Orlebar
Allison Connolly
Emma Pascoe-Watson
Hero Kurzeja

Intelligentultrasound@tbcardew.com

Tel: +44 (0)7738 724630
Tel: +44 (0)7587 453955
Tel: +44 (0)7774 620415
Tel: +44 (0)7827 130430

About Intelligent Ultrasound Group

Intelligent Ultrasound (AIM: IUG) is one of the world's leading 'classroom to clinic' ultrasound companies, specialising 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'). Based in Cardiff in the UK and Atlanta in the US, the Group has two revenue streams:

Simulation

Real-time hi-fidelity ultrasound education and training through simulation. Our main products are the ScanTrainer obstetrics and gynaecology training simulator, the HeartWorks echocardiography training simulator, the BodyWorks Eye Point of Care and Emergency Medicine training simulator with Covid-19 module and the new BabyWorks Neonate and Paediatric training simulator. To date over 1,500 simulators have been sold to over 750 medical institutions around the world.

Clinical AI software

Deep learning-based algorithms to make ultrasound machines smarter and more accessible using our proprietary ScanNav ultrasound image analysis technology. Current products on the market utilising this technology are GE Healthcare's SonoLyst software that is incorporated in their Voluson Expert 22 and SWIFT ultrasound machines; 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; and NeedleTrainer that teaches real-time ultrasound-guided needling and incorporates ScanNav Anatomy PNB.

www.intelligentultrasound.com

NOTE: ScanNav Anatomy PNB is CE approved and cleared for sale in the US by the FDA, but is not available for sale in any other territory requiring government approval for this type of product.

* This is an alternative performance measure defined on page 6.

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2023

This has been another positive trading period for the Group. A strong simulation sales performance in North America was combined with promising progress in our clinical AI software revenues that put us in a good position to continue the growth of the business in 2023 in this exciting sector of the market.

Simulation

Revenue

Although our simulation revenue declined by 5% to £5.3m (H1 2022: £5.6m), the H1 2022 simulation revenue included £1.4m of one-off UK sales to an NHS training initiative, so when compared on a 'like-for-like'* basis our simulation revenue increased by 27%.

Sales from the Group's direct sales team in North America grew 154% to £2.7m (H1 2022: £1.1m), reflecting the increased product range and investment in the expansion of the sales team over the last 12 months.

The Group's reseller network also had a positive period of trading and increased revenues by 104% to £1.1m (H1 2022: £0.5m). This was a good recovery after a difficult couple of years for our rest of the world revenues, but we believe there remains a significant opportunity for further sales growth in a number of the large European markets such as France and Germany.

The Chinese simulation market has shown signs of recovery, following two years of inactivity and we are working with our reseller to build on this tentative revival and grow sales in this potentially important market.

As expected, the strong H1 weighting to our simulation sales in the UK market last year, resulted in a period on period decline of 61% to £1.6m (H1 2022: £4.0m). This was mainly due to the majority of our 2022 UK sales, which also contained a large one-off NHS training initiative worth £1.4m, being ordered in the first half of the year, rather than following the more normal seasonal spread. If the £1.4m one-off order is removed, on a like-for-like* basis, the decline was 40%. The UK remains an important market for us, both in terms of product testing and revenue, and with a more normal seasonal spread being experienced this year, we expect the UK's simulation sales to close the gap on the 2022 like-for-like full year revenue figure of £3m.

Research and Development

In the period we focussed on releasing the:

- BabyWorks 2.0 simulator product update, which included improvements to the lung and brain imaging, as well as new cardiac pathologies
- Endometriosis training module for the ScanTrainer simulator to help sonographers develop an increased understanding of endometriosis using real ultrasound images

Clinical AI software

Revenue

Our clinical AI revenue, which is now moving out of the early stage of commercialisation, grew 144% to £0.7m (H1 2022: £0.3m) based on sales of three AI related products:

- Our ScanNav Assist AI technology drives GE HealthCare's SonoLyst X/IR software, the world's first fully integrated ultrasound AI tool that automatically and in real-time recognises the 21 views recommended for fetal sonography imaging and is an optional extra on the Expert 22 and SWIFT ultrasound machines. We continue to have an excellent relationship with GE Healthcare.
- ScanNav Anatomy Peripheral Nerve Block ("PNB") is our own CE and FDA cleared, direct-to-market device, that simplifies ultrasound-guided needling by providing the user with real-time AI-based anatomy highlighting for a range of medical procedures. Our aim is to support the large number of anaesthetists, who are competent but less confident in the specialist knowledge of ultrasound anatomy to perform nerve blocks and as a result increase the number of ultrasound

specialist knowledge of ultrasound anatomy, to perform nerve blocks and as a result increase the number of ultrasound-guided nerve blocks that they can perform. As such we are focussed on releasing studies during the year to support the adoption of the system and educate and grow the market for ScanNav Anatomy PNB.

- NeedleTrainer, our second direct-to-market device, teaches real-time ultrasound-guided needling and incorporates ScanNav Anatomy PNB to enable medical professionals to develop hand-eye coordination, optimum positioning, and accuracy in ultrasound-guided interventional procedures.

We continue to make positive progress in the commercialisation of these products and revenue is expected to continue to grow in H2 and beyond.

Research and Development

In the period we focussed on releasing the:

- NeedleTrainer software and calibration enhancements
- ScanNav Anatomy Peripheral Nerve Block AI software upgrades for the UK and US market

In addition we continue to work on new developments in the areas of women's health, emergency medicine and liver.

Operations

We continue to operate out of our head office in the centre of Cardiff and warehouse in Caerphilly and successfully operate a flexible hybrid work environment, whereby the majority of employees combine office and at-home working that is appropriate to the Company and employee.

Board changes

In June 2023, Ian Whittaker who has served as an Executive Director and Chief Operating Officer (COO) since joining the Group on the acquisition of Inventive Medical Ltd in August 2016, announced he would not be seeking re-election to the Board of Directors at the Annual General Meeting and that he would retire from his position as COO on 31 December 2023.

The Board extends its thanks to Ian for his commitment and invaluable contribution to growing the simulation revenue and profitability significantly over the last seven years and wishes him continued success in his business and personal endeavours.

Environmental, Social, and Governance (ESG)

In May we published our second ESG report in the annual report and accounts and for the first time we have provided a full calculation of our Scope 3 emissions. We are also delighted to be working with the World Federation for Ultrasound in Medicine and Biology ("WFUMB") in their mission to bring sustainable ultrasound training programmes to the underserved areas of the world.

We continue to instigate new initiatives to promote better employee and local engagement and believe we are having a positive impact locally, nationally and globally.

The full report can be viewed here: [2022 ESG Report](#)

Financial Review

- Revenue of £6.1m (H1 2022: £5.9m)
- Operating loss for the period of £1.5m (H1 2022: £1.3m)
- Cash and cash equivalents at 30 June 2023 of £3.3m (31 December 2022: £7.4m)
- Net cash outflow from operating activities of £2.7m (H1 2022: £0.7m)

H1 2023 was a positive trading period for the Group, seeing a significantly improved performance from the North American and Reseller sales regions as well as continued growth in Clinical AI revenues. Gross profit for the period increased by £0.1m to £3.9m with the average gross margin improving to 65% (H1 2022: 64%).

The Group's operating loss for the period increased by £0.2m to £1.5m (H1 2022: loss of £1.3m), with administrative expenses increasing by £0.3m to £5.4m (H1 2022: £5.1m), largely attributable to increased marketing activity in the US and UK as well as inflationary increases in salaries and other G&A costs, partly offset by £0.3m lower expensed research and development (R&D). Total research and development (R&D) expenditure in H1 2023 was £1.5m (H1 2022: £1.7m) of which £0.8m (H1 2022: £1.1m) has been expensed and £0.7m (H1 2022: 0.6m) has been capitalised.

The tax credit for the period of £0.3m relating to the UK SME R&D tax credit scheme was slightly lower than the previous period as a result of the reduction in SME R&D tax relief rates introduced as part of the R&D Tax Relief reforms which came into effect from 1 April 2023. These Government changes are expected to reduce the Group's annual R&D tax credit by around 40% in 2023 and 45% in 2024.

The loss after taxation for the period was £1.2m (H1 2022: £1.0m).

The Group's net assets at 30 June 2023 reduced by £1.2m to £11.0m (31 December 2022: £12.2m). Intangible assets increased by £0.2m to £3.5m relating to capitalised development costs. Property, plant and equipment increased by £0.1m with additions of demonstration equipment.

The profile of sales invoicing was weighted towards the end of the period resulting in significantly higher trade and other receivables at the period end of £3.7m (31 December 2022: £2.0m). Included within trade and other receivables is the current tax asset of £1.0m, representing the R&D tax credit from FY2022 not yet received plus the anticipated R&D tax credit accrued for H1 2023. Inventory was also £0.3m higher at 30 June 2023 impacted by timings of inventory receipts.

Trade and other payables at 30 June 2023 were £2.6m (31 December 2022: £2.7m), consisting mainly of trade payables of £1.1m and accruals of £1.3m. Total lease liabilities increased by £0.1m to £0.6m (31 December 2022: £0.5m) attributable to a new lease for our US sales office.

The Group had cash and cash equivalents of £3.3m at 30 June 2023 (31 December 2022: £7.2m), a movement of £3.9m in the period (H1 2022: £1.5m). Operating cash outflows in the period increased by £2.0m to £2.7m (H1 2022: £0.7m) with the cash position being significantly impacted by higher working capital balances within trade receivables and inventory. Cash outflows from investing activities totalled £0.9m, of which £0.7m related to capitalised R&D costs (H1 2022: £0.6m) and £0.2m of additions to property, plant and equipment (H1 2022: £0.4m).

The net cash outflow from financing activities was £0.1m (H1 2022: £0.1m), principally relating to lease payments. The net cash outflow in the second half of the year is expected to significantly reduce with lower inventory and trade receivables in addition to the receipt of the FY2022 R&D tax credit of £0.7m.

Outlook

This has been another positive start to the year.

We are growing sales of our AI-related clinical products, as they move out of the early phase of commercialisation and we continue to have an excellent relationship with GP, Hospital and CEM partners to ensure our health care AI Commercialisation products are

to have an excellent relationship with GE Healthcare, our OEM partner in women's healthcare AI. Our simulation products are performing well in the market and we are building an exciting 'Classroom to Clinic' ultrasound business.

We continue to anticipate reaching profitability with our current cash.

Stuart Gall
CEO

17 August 2023

**This is an alternative performance measure that adjusts H12022 revenue for one-off exceptional orders. 'Like-for-like' revenue is reconciled to Revenue as follows:*

H12022 Group Revenue (as reported)	£5.9m
Adjusted for exceptional one-off orders	£(1.4)m
Adjusted 'like-for-like' revenue	£3.5m

CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

	Note	Unaudited 6 months ended 30 June 2023 £'000	Unaudited 6 months ended 30 June 2022 £'000	Audited year ended 31 December 2022 £'000
REVENUE	4	6,064	5,900	10,100
Cost of sales		(2,129)	(2,133)	(3,766)
GROSS PROFIT		3,935	3,767	6,334
Other income		4	6	8
Administrative expenses		(5,439)	(5,121)	(10,014)
OPERATING LOSS		(1,500)	(1,348)	(3,672)
Finance income		16	-	1
Finance costs		(12)	(19)	(31)
LOSS BEFORE INCOME TAX		(1,496)	(1,367)	(3,702)
Taxation	5	256	333	718
LOSS ATTRIBUTABLE TO THE EQUITY SHAREHOLDERS OF THE PARENT		(1,240)	(1,034)	(2,984)
OTHER COMPREHENSIVE (EXPENSE)/INCOME				
<i>Items that will or may be reclassified to profit or loss:</i>				
Exchange (loss)/gain arising on translation of foreign operations		(84)	175	238
OTHER COMPREHENSIVE (EXPENSE)/INCOME FOR THE PERIOD		(84)	175	238
TOTAL COMPREHENSIVE EXPENSE ATTRIBUTABLE TO THE EQUITY SHAREHOLDERS OF THE PARENT		(1,324)	(859)	(2,746)
LOSS PER ORDINARY SHARE (PENCE) ATTRIBUTABLE TO THE EQUITY SHAREHOLDERS OF THE PARENT				
Basic and diluted	6	(0.38)	(0.38)	(1.08)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	Unaudited 30 June 2023 £'000	Unaudited 30 June 2022 £'000	Audited 31 December 2022 £'000
NON-CURRENT ASSETS				
Intangible assets	7	3,541	2,776	3,272
Property, plant and equipment		1,316	1,277	1,174
Trade and other receivables		61	61	61
		4,918	4,114	4,507
CURRENT ASSETS				
Inventories		1,869	1,359	1,603
Trade and other receivables		3,725	2,193	2,025
Current tax asset		972	1,107	713
Cash and cash equivalents		3,335	3,544	7,166
		9,901	8,203	11,507
TOTAL ASSETS		14,819	12,317	16,014
CURRENT LIABILITIES				
Trade and other payables	8	(2,561)	(1,966)	(2,732)
Deferred income		(336)	(284)	(337)

Deferred income		(100)	(100)	(100)
Lease liabilities		(193)	(117)	(188)
Provisions		(22)	(22)	(22)
		<u>(3,112)</u>	<u>(2,389)</u>	<u>(3,279)</u>
NON-CURRENT LIABILITIES				
Deferred income		(237)	(349)	(209)
Lease liabilities		(391)	(447)	(298)
Other payables		(65)	(65)	(65)
		<u>(693)</u>	<u>(861)</u>	<u>(572)</u>
TOTAL LIABILITIES		<u>(3,805)</u>	<u>(3,250)</u>	<u>(3,851)</u>
NET ASSETS		<u>11,014</u>	<u>9,067</u>	<u>12,163</u>
EQUITY				
Share capital	9	3,269	2,707	3,269
Share premium		30,207	25,959	30,207
Accumulated losses		(31,191)	(28,001)	(29,951)
Share-based payment reserve		1,928	1,580	1,753
Merger reserve		6,538	6,538	6,538
Foreign exchange reserve		98	119	182
Other reserves		165	165	165
TOTAL EQUITY		<u>11,014</u>	<u>9,067</u>	<u>12,163</u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Accumulated losses	Share-based payment reserve	Merger reserve	Foreign exchange reserve	Other reserves	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
AT 1 JANUARY 2022	<u>2,707</u>	<u>25,959</u>	<u>(26,967)</u>	<u>1,373</u>	<u>6,538</u>	<u>(56)</u>	<u>165</u>	<u>9,719</u>
COMPREHENSIVE EXPENSE FOR THE PERIOD								
Loss for the period	-	-	(1,034)	-	-	-	-	(1,034)
Other comprehensive income	-	-	-	-	-	175	-	175
TRANSACTIONS WITH OWNERS, RECORDED DIRECTLY IN EQUITY								
Share-based payments	-	-	-	207	-	-	-	207
AT 30 JUNE 2022	<u>2,707</u>	<u>25,959</u>	<u>(28,001)</u>	<u>1,580</u>	<u>6,538</u>	<u>119</u>	<u>165</u>	<u>9,067</u>
COMPREHENSIVE INCOME/(EXPENSE) FOR THE PERIOD								
Loss for the period	-	-	(1,950)	-	-	-	-	(1,950)
Other comprehensive income	-	-	-	-	-	63	-	63
TRANSACTIONS WITH OWNERS, RECORDED DIRECTLY IN EQUITY								
Issue of share capital	562	4,248	-	-	-	-	-	4,810
Share-based payments	-	-	-	173	-	-	-	173
AT 31 DECEMBER 2022	<u>3,269</u>	<u>30,207</u>	<u>(29,951)</u>	<u>1,753</u>	<u>6,538</u>	<u>182</u>	<u>165</u>	<u>12,163</u>
COMPREHENSIVE INCOME/(EXPENSE) FOR THE PERIOD								
Loss for the period	-	-	(1,240)	-	-	-	-	(1,240)
Other comprehensive expense	-	-	-	-	-	(84)	-	(84)
TRANSACTIONS WITH OWNERS, RECORDED DIRECTLY IN EQUITY								
Share-based payments	-	-	-	175	-	-	-	175
AT 30 JUNE 2023	<u>3,269</u>	<u>30,207</u>	<u>(31,191)</u>	<u>1,928</u>	<u>6,538</u>	<u>98</u>	<u>165</u>	<u>11,014</u>

CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited 6 months ended 30 June 2023 £'000	Unaudited 6 months ended 30 June 2022 £'000	Audited 31 December 2022 £'000
--	---	---	---

CASH FLOW FROM CONTINUING OPERATING ACTIVITIES			
Loss before tax	(1,496)	(1,367)	(3,702)
<i>Add back:</i>			
Depreciation	306	287	604
Amortisation of intangible assets	466	363	780
Net finance (income)/costs	(4)	19	30
Share-based payments expense	175	207	380
Operating cash flows before movement in working capital	(553)	(491)	(1,908)
Movement in inventories	(267)	(160)	(404)
Movement in trade and other receivables	(1,763)	531	739
Movement in trade and other payables	(123)	(743)	(70)
Cash used in operations	(2,706)	(863)	(1,643)
Income taxes (paid)/received	(2)	181	959
NET CASH USED IN OPERATING ACTIVITIES	(2,708)	(682)	(684)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	(213)	(157)	(357)
Interest received	16	-	1
Internally generated and purchase of intangible assets	(737)	(582)	(1,467)
NET CASH USED IN INVESTING ACTIVITIES	(934)	(739)	(1,823)
CASH FLOWS FROM FINANCING ACTIVITIES			
Issue of new shares	-	-	5,200
Share issue costs	-	-	(390)
Principal elements of lease payments	(139)	(112)	(231)
Finance costs paid	(14)	(19)	(37)
NET CASH (USED IN)/GENERATED BY FINANCING ACTIVITIES	(153)	(131)	4,548
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(3,795)	(1,552)	2,041
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	7,166	4,950	4,950
Exchange (losses)/gains on cash and cash equivalents	(36)	146	175
CASH AND CASH EQUIVALENTS AT END OF PERIOD	3,335	3,544	7,166

NOTES TO THE CONSOLIDATED INTERIM REPORT for the six months ended 30 June 2023

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 16 August 2023. The financial information for the preceding full year is extracted from the statutory accounts for the financial year ended 31 December 2022. 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. The report drew attention by way of emphasis to note 4 of the financial statements regarding key estimation uncertainty in respect of the timing of forecasted sales of Clinical AI products used in the recoverability assessment of the Clinical AI intangible assets, investment value and intercompany receivables.

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 2022.

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 reviewed recently updated cash flow forecasts for the period to the end of 2024 based on latest trading and estimates and assumptions for future product development projects, sales pipeline, revenues and costs and timing and quantum of investments in the R&D programmes. The Directors have a reasonable expectation that the Group has adequate cash resources and support to continue in operational existence for the foreseeable future, considered to be at least 12 months from the date of approval of this Interim report.

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 2023, 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 geography based upon location of the Group's customers.

Period ended	30 June 2023 £'000	30 June 2022 £'000	31 December 2022 £'000
United Kingdom	1,899	4,145	5,145
North America	2,795	1,179	2,943
Rest of World	1,370	576	2,012
	<u>6,064</u>	<u>5,900</u>	<u>10,100</u>

Clinical AI royalty income is included in the regions, but based on the external customer's invoicing country rather than the destination of the end customer.

5. TAXATION

	Unaudited 6 months ended 30 June 2023 £'000	Unaudited 6 months ended 30 June 2022 £'000	Audited 12 months ended 31 December 2022 £'000
R&D tax credit	258	336	711
R&D tax credit relating to prior periods	-	-	7
US corporation tax	(2)	(3)	-
	<u>256</u>	<u>333</u>	<u>718</u>

6. LOSS PER SHARE

	Unaudited 6 months ended 30 June 2023 £'000	Unaudited 6 months ended 30 June 2022 £'000	Audited year ended 31 December 2022 £'000
Loss for the year after taxation	<u>(1,240)</u>	<u>(1,034)</u>	<u>(2,984)</u>
<i>Number of shares:</i>	No.	No.	No.
Basic and diluted weighted average number of ordinary shares	326,869,921	270,653,485	275,274,014
Basic and diluted loss pence per share	<u>(0.38)</u>	<u>(0.38)</u>	<u>(1.08)</u>

In the periods ended 30 June 2023, 30 June 2022 and 31 December 2022 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 2023 includes intellectual property and brands acquired with the purchase of Intelligent Ultrasound Limited totalling £0.6m (31 December 2022: £0.7m). The remaining net book value of intangible assets relate to capitalised development costs of £2.9m.

8. CURRENT LIABILITIES - TRADE AND OTHER PAYABLES

	Unaudited 30 June 2023 £'000	Unaudited 30 June 2022 £'000	Audited 31 December 2022 £'000
Trade payables	1,053	874	1,359
Taxation and social security	255	137	397
Other payables	1	-	5
Accruals	1,252	955	971
	<u>2,561</u>	<u>1,966</u>	<u>2,732</u>

9. SHARE CAPITAL

<i>Allotted, issued and fully paid:</i>	No.	£'000
<i>Ordinary shares of 1p each</i>		
Balance at 1 January 2022 and 30 June 2022	270,653,485	2,707
Shares issued for cash	56,216,436	562
Balance at 31 December 2022 and 30 June 2023	326,869,921	3,269

10. INTERIM ANNOUNCEMENT

A copy of this report will be posted on the Company's website at [Intelligent Ultrasound](#).

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact ms@seg.com or visit www.ms.com.

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our [Privacy Policy](#).

END

IR DBGDIIBBDGXL