



THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT ABOUT THE ACQUISITION, THE CONTENTS OF THIS DOCUMENT OR THE ACTION YOU SHOULD TAKE, YOU ARE RECOMMENDED TO SEEK YOUR OWN INDEPENDENT FINANCIAL ADVICE IMMEDIATELY FROM YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER INDEPENDENT FINANCIAL ADVISER DULY AUTHORISED UNDER THE FINANCIAL SERVICES AND MARKETS ACT 2000 (AS AMENDED) IF YOU ARE RESIDENT IN THE UNITED KINGDOM OR, IF NOT, FROM ANOTHER APPROPRIATELY AUTHORISED FINANCIAL ADVISER IN THE RELEVANT JURISDICTION.

**Intelligent Ultrasound Group plc**  
Floor 6a, Hodge House  
114-116 St Mary Street  
Cardiff  
Wales  
CF10 1DY

**Surgical Science Sweden AB**  
Drakegatan 7A  
412 50 Göteborg  
Sweden

15 January 2025

*To the holders of share options under the Intelligent Ultrasound Group plc EMI Share Option Scheme (with an option price of less than £0.13 per share)*

Dear Option Holder

**Recommended Acquisition of Intelligent Ultrasound Group plc (“Intelligent Ultrasound”) by Surgical Science Sweden AB (“Surgical Science”)**

**How the Acquisition affects your share option(s) (with an option price below 13 pence per share)**

*Introduction*

The Boards of Intelligent Ultrasound and Surgical Science, with respect to making an offer for Intelligent Ultrasound, announced on 19 December 2024 that they had reached agreement on the terms of a recommended cash offer for the entire issued and to be issued share capital of Intelligent Ultrasound by Surgical Science (the “**Acquisition**”). Under the terms of the Acquisition, shareholders in Intelligent Ultrasound will receive 13 pence per share for each share that they own.

This letter, which should be read in conjunction with the Scheme Document (referred to below), informs you about the impact of the Acquisition on the share option(s) with an option price below 13 pence per share (the “**Option**”) that you hold under the Intelligent Ultrasound Group plc Share Option Scheme (the “**Intelligent Ultrasound Share Plan**”). Details of your Option holding are set out in the enclosed Form of Instruction - see below.

Capitalised terms used in this letter, and not otherwise defined in this letter, shall have the meanings given to them in the Scheme Document. In the event of any inconsistency between the terms set out in this letter and the Scheme Document, the Scheme Document shall prevail.



### *The Acquisition*

The Acquisition is being effected by means of a scheme of arrangement under Part 26 of the Companies Act (although Surgical Science reserves the right to effect the Acquisition by way of a Takeover Offer, with the consent of the Takeover Panel and subject to the terms of the Co-operation Agreement).

The Scheme is described in more detail in the scheme document which is available on Intelligent Ultrasound's website at: <https://www.intelligentultrasound.com/surgical-science-offer/> (the "Scheme Document"). A copy of this letter is also available on that website.

Under the terms of the Scheme, which is subject to the Conditions and further terms set out in Part IV (Conditions and Further Terms of the Scheme and the Acquisition) of the Scheme Document, if the Acquisition becomes Effective, each Scheme Shareholder will be entitled to receive:

**for each Intelligent Ultrasound Share held: 13 pence in cash.**

You should note that the Scheme is subject to the approval of the Intelligent Ultrasound Shareholders and the Court sanctioning the Scheme.

This letter:

- sets out the choices that are available to you in relation to your Option; and
- makes an appropriate proposal to you by Surgical Science in relation to your Option in accordance with the requirements of Rule 15 of the Takeover Code (the "Proposal").

In broad terms, the Proposal is that you exercise your Option using the enclosed form (the "Form of Instruction") with such exercise being conditional upon, and to take effect immediately upon, the Court sanctioning the Scheme, and participate in the Scheme in respect of any Intelligent Ultrasound Shares that you acquire on exercise.

As part of the Scheme, the Proposal has been unanimously recommended by the Intelligent Ultrasound Directors.

### *Impact of the Acquisition on your Option*

#### *Exercise of Option*

- If your Option has already vested, you can exercise at any time, subject to the rules of the Intelligent Ultrasound Share Plan and any dealing restrictions.
- If your Option has not yet vested, it will fully vest on the date the Court sanctions the Scheme, expected to



be 14 February 2025.

- You can exercise your Option using the enclosed form (the “**Form of Instruction**”) with such exercise being conditional upon, and to take effect immediately upon, the Court sanctioning the Scheme, and participate in the Scheme in respect of the Intelligent Ultrasound Shares that you acquire on exercise.
- If you exercise your Option using the enclosed Form of Instruction, you can use a **cashless exercise facility** to pay the option price. This means you will not need to pay the option price upfront - this will instead be taken out of the 13 pence per share payment you will receive for your resulting Intelligent Ultrasound Shares.
- Note that if you take no action, any Option not exercised will cease to become exercisable 89 days after the Court sanctioning the Scheme and will lapse thereafter in due course in accordance with the rules of the Intelligent Ultrasound Share Plan.

**If you wish to exercise your Option, conditional on the Court sanctioning the Scheme and participate in the Scheme in respect of the Intelligent Ultrasound Shares you acquire on exercise, please ensure that your Form of Instruction is completed and returned via DocuSign by 5.00 p.m. (London time) on 12 February 2025.**

*Payment timing*

If you exercise your Option as part of the Acquisition using the cashless exercise facility, payment for your shares (less the Option price and any applicable taxes) will be made within 21 days of the Scheme becoming Effective.

*Questions*

If you have any questions on the contents of this letter or as to how to complete the enclosed Form of Instruction, please contact Helen Jones on [Helen.Jones@intelligentultrasound.com](mailto:Helen.Jones@intelligentultrasound.com). However, please be aware that no legal, tax, financial or investment advice on the Acquisition or your Option can be provided by Intelligent Ultrasound, Surgical Science or their employees, directors or advisers.

**If you are in any doubt as to the action you should take, you should seek your own independent professional advice.**

Yours faithfully

for and on behalf of  
Intelligent Ultrasound Group plc

for and on behalf of  
Surgical Science Sweden AB



## IMPACT ON YOUR OPTION

### 1. When can I exercise my Option?

If your Option is already vested, you may exercise it at any time, subject to the rules of the Intelligent Ultrasound Share Plan and any dealing restrictions that may be applicable. If your Option is not already vested, it will vest in full on the Court sanctioning the Scheme. Your Option will remain exercisable until the end of the period of 89 days commencing on the Court sanctioning the Scheme. To the extent not exercised by the end of the 89-day period following the Court sanctioning the Scheme, your Option will lapse.

### 2. How do I exercise my Option and participate in the Acquisition?

The Proposal is that you exercise your Option to the maximum extent possible, based on the understanding that it will have vested in full, conditional on the Court sanctioning the Scheme, and participate in the Scheme in respect of the Intelligent Ultrasound Shares you acquire from exercising your Option. If you accept the Proposal, you will not need to fund the option price of your Option upfront using your own cash resources.

If you wish to exercise your Option in full and participate in the Scheme in respect of the Intelligent Ultrasound Shares acquired on exercise of your Option, **you should complete, sign and submit the enclosed Form of Instruction. You must return your Form of Instruction via DocuSign by no later than 5.00 p.m. (London time) on 12 February 2025.** If you do this, the exercise of your Option will take effect immediately on the Scheme being sanctioned by the Court.

For each Intelligent Ultrasound Share sold pursuant to the Acquisition, you will be entitled to receive 13 pence in cash (the "**Cash Consideration**"). However, you must satisfy the option price and any applicable employment tax liabilities relating to your Option - see below.

### 3. If I submit my Form of Instruction, when will the net consideration due for my Intelligent Ultrasound Shares be paid to me?

Payment of the Cash Consideration (following the deduction of the aggregate option price payable and any Tax Liability (as defined in the rules of the Intelligent Ultrasound Share Plan) due in respect of the Intelligent Ultrasound Shares acquired - see paragraphs 4 and 5 below) will be made to you by Intelligent Ultrasound within 21 days following the Effective Date through payroll.

### 4. Do I need to pay anything to exercise my Option?

If you accept the Proposal, you will not need to make any upfront payment to exercise your Option. Under the Scheme, the aggregate option price payable in respect of your Option will be settled as set out below so that you will not need to fund this cost upfront from your own resources.

Options under the Intelligent Ultrasound Share Plan that are exercised as part of the Acquisition and the Proposal shall be exercised using a cashless exercise facility (the "**Cashless Exercise Facility**"). Under the Cashless Exercise Facility, Intelligent Ultrasound will enable you to fund the option price using the Cash Consideration that you would otherwise be entitled to under the Acquisition. The advantage to you is that you will not have to fund the



option price applying to your Option using your own cash up-front.

**5. What taxes may arise in connection with my Option?**

Please see the Tax Schedule 2 enclosed with this letter, which sets out a summary of any tax consequences in relation to the exercise of your Option and the sale of any Intelligent Ultrasound Shares you acquire as a result. Before you decide what action you would like to take, you should consider your tax position. If you are in any doubt as to your tax position, you should seek your own independent professional tax advice immediately.

In the event there are any income tax and national insurance contributions liabilities arising on the exercise of your Option, if you accept the Proposal, these will be deducted from the Cash Consideration due to you so that you will not need to fund this upfront from your own resources.

Notwithstanding any such withholding applied upon exercise of your Option, you are ultimately responsible to pay any Tax Liability (as defined in the rules of the Intelligent Ultrasound Share Plan) due in connection with or pursuant to the exercise of your Option.

**6. Other courses of action**

You do not have to exercise your Option using the enclosed Form of Instruction. If your Option is currently exercisable (i.e. if it has already vested), you may exercise it any time prior to the Court sanctioning the Scheme using the normal exercise procedures.

If you decide after the Court sanctioning the Scheme to exercise your Option, you should contact Helen Jones who will be able to provide you with the relevant documentation. If you exercise your Option after the Court sanctioning the Scheme, you will receive identical consideration to that which you would have received had you accepted the Proposal and exercised using the enclosed Form of Instruction.

The articles of association of Intelligent Ultrasound are being changed (subject to shareholder approval) so that any shares in Intelligent Ultrasound issued after the Scheme Record Time (as defined in the Rule 2.7 Announcement dated 19 December 2024) as a result of vesting and/or exercise of options under the Intelligent Ultrasound Share Plan will be transferred to Surgical Science for the same consideration (i.e. 13 pence per share). However, while you will receive identical consideration, such consideration will be paid to you later than if you had accepted the Proposal.

In addition, you will need to fund the option price by making an upfront payment to Intelligent Ultrasound - i.e. the option price will not be dealt with under the Cashless Exercise Facility described at paragraph 4 above.

If your Option has not been exercised by 89-days following the Court sanctioning the Scheme it will lapse thereafter in due course in accordance with the rules of the Intelligent Ultrasound Share Plan.

**7. What happens if I leave the employment of Intelligent Ultrasound Group on or after the date of this letter?**

Ordinarily, for your Option to be capable of exercise you must be an employee of the Intelligent Ultrasound Group. If you leave employment before the exercise of your Option takes effect, your Option will lapse unless you leave in limited circumstances specified in the Intelligent Ultrasound Share Plan. This also applies if you leave prior to



the Court sanctioning the Scheme and have previously submitted a Form of Instruction. Therefore, if you believe this may apply to you, you should consider exercising your Option before it lapses using the normal exercise procedures (as referred to in paragraph 6 above).

Please note that if you have already ceased to be an employee of the Intelligent Ultrasound Group, the terms relating to your Option have already been communicated to you and, for the avoidance of doubt, you will be entitled to exercise your Option on those terms and the terms of this letter, provided always that, if your Option has not been exercised by 89-days following the Court sanctioning the Scheme, it will lapse thereafter in due course in accordance with the rules of the Intelligent Ultrasound Share Plan.

**8. Can I give my Option to someone else?**

No, under the rules of the Intelligent Ultrasound Share Plan, you cannot transfer your Option.

**9. What happens if I do nothing?**

If you do nothing your Option will cease to be exercisable 89 days after the Court sanctioning the Scheme and it will lapse thereafter (unless it lapses earlier in accordance with the Intelligent Ultrasound Share Plan rules).

**10. What is the view of the Intelligent Ultrasound Directors?**

The Intelligent Ultrasound Directors, who have been so advised by Cavendish as to the financial terms of the Proposal, consider the terms of the Proposal set out in this letter for Intelligent Ultrasound Share Plan participants to be fair and reasonable in the context of the Acquisition. In providing their financial advice to the Intelligent Ultrasound Directors, Cavendish has taken into account the commercial assessments of the Intelligent Ultrasound Directors. Cavendish is providing independent financial advice to the Intelligent Ultrasound Directors for the purposes of Rules 3 and 15.2 of the Takeover Code.

The Intelligent Ultrasound Directors recommend that you exercise your Option. You should consider your own personal circumstances, including your tax position, when deciding your preferred timing for exercising your Option.



## ACQUISITION SUMMARY

### 1. How does the Acquisition work?

The Acquisition will be carried out through what is called a “scheme of arrangement”. The Scheme has to be first approved by Intelligent Ultrasound Shareholders and then requires final approval by the Court. If you want to read more about this, please go to: <https://www.intelligentultrasound.com/surgical-science-offer/> where you will find the Scheme Document that was sent to you and Intelligent Ultrasound Shareholders on or around the date of this letter.

### 2. What can Intelligent Ultrasound Shareholders receive under the Acquisition?

For each Intelligent Ultrasound Share sold to Surgical Science through the Scheme, each Intelligent Ultrasound Shareholder will receive 13 pence in cash.

### 3. When will the Scheme take place?

The Scheme Court Hearing is due to take place on 14 February 2025 with the Effective Date expected to be on 18 February 2025 after the Scheme Court Hearing.

### 4. Will the Acquisition definitely go ahead?

The Acquisition is conditional on various approvals and consents including: (i) approval by Intelligent Ultrasound Shareholders at a meeting to be held on 6 February 2025; and (ii) the sanction of the Court due to take place on 14 February 2025. Whilst it is expected that Intelligent Ultrasound Shareholders will approve the Acquisition and the Court will sanction the Scheme, this cannot be guaranteed.

### 5. What will happen if the Acquisition does not complete?

If the Court does not sanction the Scheme at the Scheme Court Hearing, your Option will continue in accordance with the rules of the Intelligent Ultrasound Share Plan.



## Notes

- 1 The release, publication or distribution of this letter and any accompanying documents (in whole or in part) in, into or from jurisdictions other than the United Kingdom may be restricted by the laws of those jurisdictions and therefore persons into whose possession this letter comes should inform themselves about, and observe, such restrictions. Any failure to comply with these restrictions may constitute a violation of the applicable laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Acquisition disclaim any responsibility or liability for the violation of such restrictions by any person.
- 2 The Intelligent Ultrasound Directors, whose names are set out in sub-paragraph 2.1 of Part VII of the Scheme Document, accept responsibility for the information contained in this letter (including any expressions of opinion), other than the information for which responsibility is taken by the Surgical Science Responsible Persons pursuant to paragraph 3 below. To the best of the knowledge and belief of the Intelligent Ultrasound Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this letter (including any expressions of opinion) for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 3 The Surgical Science Responsible Persons whose names are set out in sub-paragraph 2.2 of Part VII of the Scheme Document, accept responsibility for the information contained in this letter (including any expressions of opinion) relating to Surgical Science and themselves and their close relatives, related trusts and other connected persons and persons acting in concert with Surgical Science. To the best of the knowledge and belief of the Surgical Science Responsible Persons (each of whom has taken all reasonable care to ensure that such is the case), the information contained in this letter (including any expressions of opinion) for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 4 Cavendish, which is authorised and regulated by the Financial Conduct Authority in the United Kingdom, is acting exclusively for Intelligent Ultrasound and no one else in connection with the Acquisition and will not be responsible to anyone other than Intelligent Ultrasound for providing the protections afforded to clients of Cavendish, nor for providing advice in relation to the Acquisition or any other matters referred to in this letter. Neither Cavendish nor any of its affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Cavendish in connection with the Scheme Document and this letter, any statement contained herein or otherwise.
- 5 Cavendish has given and has not withdrawn its written consent to the publication of this letter with the inclusion herein of the references to its name in the form and context in which it appears.
- 6 Accidental omission to dispatch this letter or the Form of Instruction to, or any failure to receive the same by, any person to whom the Proposal in this letter is made or should be made will not invalidate the Proposal in any way.





- 7 Your Option is governed by the rules of the Intelligent Ultrasound Share Plan and, in the event of a conflict between this letter and the rules of the Intelligent Ultrasound Share Plan or any relevant legislation, the rules of the Intelligent Ultrasound Share Plan or the legislation will prevail.
- 8 This letter has been prepared for the purposes of complying with the law of England and Wales, the Takeover Code and the AIM Rules. The information disclosed in this letter may not be the same as that which would have been disclosed if this letter had been prepared in accordance with the laws of jurisdictions outside England and Wales.
- 9 The statements contained in this letter are not to be construed as legal, investment, financial or tax advice. If you are in any doubt as to the action you should take, you should seek your own independent professional advice.

## TAX SCHEDULE 1

### UK Taxation of EMI qualifying options

The information in this Tax Schedule applies to Options intended to be EMI qualifying options pursuant to Schedule 5 of the Income Tax (Earnings and Pensions) Act 2003 with an option price equal to the actual market value of the Intelligent Ultrasound Shares as at the date of grant of the Option.

This Tax Schedule is intended as a general guide to certain limited aspects of the **UK** tax implications of exercising your Option and selling your Intelligent Ultrasound Shares to Surgical Science if you are working, resident and domiciled for tax purposes in the UK only at all material times. This Tax Schedule is not a full description of all the circumstances in which a tax liability may arise.

*Please be aware that you are responsible for your personal tax position and that neither Intelligent Ultrasound nor Surgical Science nor their respective employees, directors or advisers can provide you with any tax advice. If you are in any doubt as to your tax position or if you are subject to taxation in any jurisdiction other than the UK, you should seek your own independent professional tax advice immediately.*

#### **1** Income tax and national insurance contributions

No income tax or employee or employer national insurance contributions charge should arise either on the exercise of your Option or the sale of your Intelligent Ultrasound Shares to Surgical Science.

#### **2** Capital gains tax ("CGT")

2.1 CGT arises on the disposal of chargeable assets, such as shares. You will have a chargeable gain for CGT purposes on the sale of Intelligent Ultrasound Shares to Surgical Science in connection with the Acquisition (whether that disposal is pursuant to the Scheme or the compulsory acquisition provisions in Intelligent Ultrasound's articles of association).

2.2 The amount of the chargeable gain would be equal to the amount of the total consideration you receive on the disposal of your Intelligent Ultrasound Shares (i.e. 13 pence for each Intelligent Ultrasound Share disposed of) less the amount you paid for those Intelligent Ultrasound Shares (which will be the option price for each Intelligent Ultrasound Share under your Option).

2.3 You only have to pay CGT on your overall gains above the annual exempt amount, which is up to £3,000 for the 2024/25 tax year. You may also be able to reduce your CGT liability by deducting losses or claiming reliefs. In particular, you may be eligible to reduce your CGT rate to 10% (provided your Intelligent Ultrasound Shares are sold by 5 April 2025) by using Business Asset Disposal Relief ("**BADR**"). If more than two years have elapsed since your Option was granted, BADR should be available on the disposal of your Intelligent Ultrasound Shares acquired pursuant to your Option if you are still an employee of the Intelligent Ultrasound Group on the date of sale.

#### **3** Accounting For Tax Under Self-Assessment

Under the self-assessment regime, taxpayers are required to provide HMRC with all the information needed to calculate their taxable income (from all sources) and any chargeable gains. The calculation of tax may then be carried out either by you as the taxpayer or by HMRC. The time limit for filing a return online and paying your CGT (if any) is 31 January after the end of the tax year in which the chargeable gain arises. For example, if you sell your Intelligent Ultrasound Shares in the 2024/25 tax year (i.e. between 6 April 2024 and 5 April 2025) the deadline is 31 January 2026.

## TAX SCHEDULE 2

### UK Taxation - Non Tax Advantaged Options

The information in this Tax Schedule applies to Options that are NOT EMI qualifying options pursuant to Schedule 5 of the Income Tax (Earnings and Pensions) Act 2003.

This Tax Schedule is intended as a general guide to certain limited aspects of the **UK** tax implications of exercising your Option and selling your Intelligent Ultrasound Shares to Surgical Science if you are working, resident and domiciled for tax purposes in the UK only at all material times. This Tax Schedule is not a full description of all the circumstances in which a tax liability may arise.

*Please be aware that you are responsible for your personal tax position and that neither Intelligent Ultrasound nor Surgical Science nor their respective employees, directors or advisers can provide you with any tax advice. If you are in any doubt as to your tax position or if you are subject to taxation in any jurisdiction other than the UK, you should seek your own independent professional tax advice immediately.*

#### **1 Income tax and national insurance contributions**

1.1 Income tax and employee and employer national insurance contributions will arise on the exercise of your Option.

1.2 This amount will be calculated by reference to the aggregate underlying market value of the Intelligent Ultrasound Shares subject to your Option less the aggregate option price that is payable on exercise.

#### **2 Capital gains tax ("CGT")**

2.1 CGT arises on the disposal of chargeable assets, such as shares. However, you are not expected to have a chargeable gain for CGT purposes on the sale of Intelligent Ultrasound Shares to Surgical Science in connection with the Acquisition on the basis that there will be no chargeable gain following the payment of income tax and national insurance contributions.

#### **3 Accounting For Tax Under PAYE**

Income tax and national insurance contributions will be deducted from the proceeds of sale of the underlying Intelligent Ultrasound Shares following the exercise of your Option and paid directly to HMRC under the UK's Pay-As-You-Earn tax collection mechanism.

**TAX SCHEDULE 3**  
**US Taxation - Non Incentive Stock Options**

The information in this Tax Schedule applies to Options that are NOT incentive stock options under the United States Internal Revenue Code of 1986, as amended (the “Code”).

This Tax Schedule is intended as a general guide to certain limited aspects of the US federal income tax and social security implications of exercising your Option and selling your Intelligent Ultrasound Shares to Surgical Science assuming that you are a US tax resident at the time of exercise. This Tax Schedule is not a full description of all the circumstances in which a tax liability may arise and assumes that the Option is exempt from Code Section 409A. This Tax Schedule does not address any state, local or municipal tax consequences.

*Please be aware that you are responsible for your personal tax position and that neither Intelligent Ultrasound nor Surgical Science nor their respective employees, directors or advisers can provide you with any tax advice. If you are in any doubt as to your tax position or if you are subject to taxation in any jurisdiction other than the UK, you should seek your own independent professional tax advice immediately.*

**1 Income tax and social security contributions**

1.1 Upon exercise of an Option under the Intelligent Ultrasound Share Plan that does not qualify as an incentive stock option under the Code, you will generally recognise ordinary income in an amount equal to the excess of the fair market value of the Intelligent Ultrasound Shares acquired on the date you exercise the Option over the total option price paid for those shares.

1.2 Income tax and employee social security contributions will be payable on the amount of ordinary income recognised at the time of exercise.

**2 Capital gains tax**

2.1 Capital gains (or losses) may arise on the disposal of chargeable assets, such as shares. However, you are not expected to have a chargeable gain for these purposes on the sale of Intelligent Ultrasound Shares to Surgical Science on the basis that there will be no chargeable gain following exercise and the related payment of income tax and social security contributions.

**3 Accounting For Tax**

3.1 Any amount payable upon the exercise of your Option is subject to withholding of applicable taxes. Unless you specifically request to fund such taxes in another manner, income tax and employee social security contributions will be deducted from the proceeds of sale of the underlying Intelligent Ultrasound Shares following the exercise of your Option and paid to the IRS.