

Surgical Innovations Group plc
("Surgical Innovations", the "Company" or the "Group")

Trading Update and Notice of Results

Surgical Innovations Group plc (AIM: SUN), the designer, manufacturer and distributor of innovative medical technology for minimally invasive surgery ("MIS"), provides the following trading update.

The forward-looking orderbook remains positive, providing confidence that revenues for the year to 31 December 2023 ("FY23") will meet the Board's expectations. The UK business continues to perform above FY22 driven by sustainability messaging having a positive impact on activity. Key international markets, Japan and Europe, remain strong and, whilst slower than anticipated, new geographic territories are beginning to gain traction.

Manufacturing productivity and supply chain disruptions referred to in the June update have persisted, and are now considered likely to continue to impact profitability in the second half of the year. A complete operational review of both manufacturing operations and supply chain is currently being undertaken, utilising an industry specialist. While measures are already being introduced to improve efficiencies and productivity, they will take time to benefit the overall margin. A series of planned price increases has been implemented however, some of these will be phased in over time due to the fixed term nature of contractual agreements. The Board now expects the Group to report a modest profit at the adjusted EBITDA level for FY23, with better momentum in FY24.

Higher levels of inventory were maintained in the first half of the year to support service levels to customers, and planned destocking in the second half will have a positive impact on cash resources. The Group's lender, Yorkshire Bank / Virgin Money, remains supportive and agreed a waiver for the debt service covenant test for the second quarter of FY23. As at 31 August 2023, the Group had £2.30m in available headroom including a £1.0m undrawn invoice discounting facility, which gives it access to sufficient capital to support its expected revenue growth in the second half of the year and beyond (30 June 2023: £2.41m, including the undrawn facility).

The Company announced in May 2023 that Jon Glenn would succeed Nigel Rogers as Chairman at the time of the announcement of interim results in September. As the transition of responsibility as Chair has been conducted smoothly, the Board now considers it appropriate for Jon to take on the role of Chair with immediate effect. Nigel has reiterated his commitment to remain on the Board as an independent non-executive director until a suitable candidate to succeed him has been appointed.

Surgical Innovations will release its interim results for the six months ended 30 June 2023, on Tuesday 19 September 2023.

Investor briefing

David Marsh, Chief Executive Officer, and Charmaine Day, Chief Financial Officer, will provide a live presentation relating to the interim results via the Investor Meet Company platform on 19 September 2023 at 4:30 p.m. BST.

The presentation is open to all existing and potential shareholders. Questions can be submitted pre-event via your Investor Meet Company dashboard up until 9:00 a.m. the day before the meeting or at any time during the live presentation.

Investors can sign up to Investor Meet Company for free and add to meet Surgical Innovations Group plc via:

<https://www.investormeetcompany.com/surgical-innovations-group-plc/register-investor>

Investors who already follow Surgical Innovations Group plc on the Investor Meet Company platform will automatically be invited.

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¹ *Adjusted EBITDA is earnings before interest, tax, depreciation and amortization adjusted by deducting non-recurring exceptional costs, impairment of intangible acquisition costs and share based payment costs.*

*This announcement contains inside information
for the purposes of UK Market Abuse Regulation.*

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About Surgical Innovations Group plc Strategy

The Group specialises in the design, manufacture, sale and distribution of innovative, high quality medical products, primarily for use in minimally invasive surgery. Our product and business development is guided and supported by a key group of nationally and internationally renowned surgeons across the spectrum of minimally invasive surgical activity.

We design and manufacture and source our branded port access systems, surgical instruments and retraction devices which are sold directly in the UK home market through our subsidiary, Elemental Healthcare, and exported widely through a global network of trusted distribution partners. Many of our products in this field are based on a "resposable" concept, in which the products are part reusable, part disposable, offering a high quality and environmentally responsible solution at a cost that is competitive against fully disposable alternatives.

Elemental also has exclusive UK distribution for a select group of specialist products employed in laparoscopy, bariatric and metabolic surgery, hernia repair and breast reconstruction.

In addition, we design and develop medical devices for carefully selected OEM partners and have also collaborated with a major UK industrial partner to provide precision engineering solutions to complex problems outside the medical arena.

We aim for our brands to be recognised and respected by healthcare professionals in all major geographical markets in which we operate and provide by development, partnership or acquisition a broad portfolio of cost effective, procedure specific surgical instruments and implantable devices that offer reliable solutions to genuine clinical needs, the Company's Resposable portfolio enables healthcare providers to reduce both plastic waste and their CO2 footprint as they strive for net zero.

Further information

Further details of the Group's businesses and products are available on the following websites:

www.sigroupplc.com

www.surginno.com

www.elementalhealthcare.co.uk

To receive regular updates by email, please contact si@walbrookpr.com

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