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Deltex Medical Group PLC
16 January 2025

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Deltex Medical Group plc

("Deltex Medical" or the "Group")

Year-end trading update

Proposed cancellation from AIM

Proposed director changes: CEO to step down and current COO to become CEO

Trading update

Deltex Medical Group plc (AIM: DEMG) provides the following update following the close of the financial year ended 31 December 2024 ("**FY24**").

The Group made good progress during FY24 as can be seen from, among other things, the year-on-year increase in revenues. The Group's unaudited revenues for FY24 were £2.1 million (2023: £1.8 million), representing an increase of approximately 17%. The Group's cash at hand at 31 December 2024 was £0.24 million (2023: £0.7 million).

The new TrueVue monitor was promoted aggressively - both in the UK and internationally - and revenues from this new product are beginning to grow.

In addition, the manufacturing processes associated with the new TrueVue monitor were optimised after a short period of 'de-bugging'. 56 new monitors have been manufactured and shipped in FY24, either to distribution partners for re-sale or direct to customers. Although some orders were placed by distributors in Latin America during the second half, the Group is still waiting for further orders from this region to be received.

The competitive backdrop for Deltex Medical also appears to be improving as there is accumulating evidence in academic literature that competitive pressure-based haemodynamic monitoring systems, as distinct to the Group's volume and flow-based technology, do not provide clinicians with the critical data that they need to optimise patients' haemodynamic status.

The Group continues to pursue regulatory approval for the new monitor in various international territories. Regulatory registrations have recently been obtained for Indonesia, Malaysia and Hong Kong. Distribution partners for those territories are being established.

The Group continues work on developing the new non-invasive Doppler-based haemodynamic monitoring device.

Proposed cancellation from AIM

Notwithstanding the increase in annual revenues, the positive steps associated with the new TrueVue monitor and the improving competitive environment, the Group's cost base remains too high and the Group has continued to consume cash during the year despite the increase in revenues.

One of the most significant costs that the Group has to bear relates to the direct and indirect expenses associated with the Group maintaining its admission to trading on AIM ("**Admission**"). This includes but is not limited to fees payable to its professional advisers. These costs are estimated to total approximately £0.2 million per annum, representing approximately 10% of the Group's FY24 unaudited revenues. The board of directors of the Group (the "**Board**" or the "**Directors**") believes that these costs are disproportionate to the limited benefits that Admission provides to the Group and its shareholders ("**Shareholders**").

In addition to these Admission-related costs, the Board considers the regulatory environment associated with Admission, including the ongoing disclosure obligations, to be onerous for the Group taking into account its size and current market capitalisation, as well as impeding its commercial interests. The Board believes that cancelling its Admission will materially reduce the Group's recurring administrative and adviser expenses, whilst allowing the Board to focus on achieving its commercial and strategic goals. The Board has also considered the value that the current market capitalisation ascribes to the Company, the liquidity of the Ordinary Shares and the ability to raise further equity through public markets at an acceptable price should It be required.

Accordingly, the Board intends to seek approval from Shareholders to cancel the admission of the Group's ordinary shares of 0.01 pence each from trading on AIM in accordance with Rule 41 of the AIM Rules for Companies (the "**AIM Rules**") (together the "**Proposed Cancellation**"). A circular convening a general meeting of the Group to approve the Proposed Cancellation and providing further detail on the next steps will be published in due course and a further announcement will be made at that time.

Proposed director changes

Separately, Andy Mears has informed the Board that he wishes to step down as CEO and as a director of the Company to pursue other opportunities. In parallel, the Board is pleased with the improvements that the recently-promoted Natalie Wettler has made to the operations of the Group - and, in particular, those associated with the production of the new TrueVue monitor. The Board is delighted that Natalie Wettler has agreed to step up to the CEO role once the Proposed Cancellation has taken effect and accordingly, Andy Mears will leave the Company at that time.

The Board also intends to take a number of steps to strengthen the management of the business after the Proposed Cancellation.

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Notes for Editors

Deltex Medical's technology

Deltex Medical's TrueVue System uses proprietary haemodynamic monitoring technology to assist clinicians to improve outcomes for patients as well as increase throughput and capacity for hospitals.

Deltex Medical has invested over the long term to build a unique body of peer-reviewed, published evidence from a substantial number of trials carried out around the world. These studies demonstrate statistically significant improvements in clinical outcomes providing benefits both to patients and to the hospital systems by increasing patient throughput and expanding hospital capacity.

The Group's flagship, world-leading, ultrasound-based oesophageal doppler monitoring ("ODM") is supported by 24 randomised control trials conducted on anaesthetised patients. As a result, the primary application for ODM is focussed on guiding therapy for patients undergoing elective surgery, although sedated patients in intensive care are still an important part of our business. The Group's new, next generation monitor makes the use of the ODM technology more intuitive and provides augmented data on the status of each patient.

Deltex Medical's engineers and scientists carried out successful research in conjunction with the UK's National Physical Laboratory ("NPL"), which has enabled the Group's 'gold standard' ODM technology to be extended and developed so that it can be used completely non-invasively. This will significantly expand the application of Deltex Medical's technology to non-sedated patients. This new technological enhancement, which will be released on the new next generation monitor, will substantially increase the addressable market for the Group's haemodynamic monitoring technologies and is complementary to the long-established ODM evidence base.

Deltex Medical's new non-invasive technology has potential applications for use in a number of healthcare settings, including:

- Accident & Emergency for the rapid triage of patients, including the detection and diagnosis of sepsis;
- in general wards to help facilitate a real-time, data-driven treatment regime for patients whose condition might deteriorate rapidly; and
- in critical care units to allow regular monitoring of patients post-surgery who are no longer sedated or intubated.

One of the key opportunities for the Group is positioning this new, non-invasive technology for use throughout the hospital. Deltex Medical's haemodynamic monitoring technologies provide clinicians with beat-to-beat real-time information on a patient's circulating blood volume and heart function. This information is critical to enable clinicians to optimise both fluid and drug delivery to patients.

Deltex Medical's business model is to drive the recurring revenues associated with the sale of single-use disposable ODM probes which are used in the TrueVue System and to complement these revenues with a new incremental revenue stream to be derived from the Group's new non-invasive technology.

Both the existing single-use ODM probe and the new, non-invasive device will connect to the same, new TrueVue monitor which was released onto the market in November 2023. Monitors are sold or, due to hospitals' often protracted procurement times for capital items, may be loaned in order to encourage faster adoption of the Group's technology.

Deltex Medical's customers

The principal users of Deltex Medical's products are currently anaesthetists working in a hospital's operating theatre and intensivists working in ICUs. This customer profile will change as the Group's new non-invasive technology is adopted by the market. In the UK the Group sells directly to the NHS. In the USA the Group sells directly to a range of hospital systems. The Group also sells through distributors in more than 40 countries in the European Union, Asia and the Americas.

Deltex Medical's objective

To see the adoption of Deltex Medical's new TrueVue monitor, comprising both minimally invasive and non-invasive technologies, as the standard of care in haemodynamic monitoring for all patients from new-born to adult, awake or anaesthetised, across all hospital settings globally.

For further information please go to www.deltexmedical.com

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