

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES, AUSTRALIA, CANADA, JAPAN, NEW ZEALAND, RUSSIA, THE REPUBLIC OF SOUTH AFRICA OR ANY OTHER JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A BREACH OF THE RELEVANT SECURITIES LAWS OF SUCH JURISDICTION.

This Announcement does not constitute a prospectus or offering memorandum or an offer in respect of any securities of Deltex Medical Group plc or of any other entity and should not be considered as a recommendation that any person should subscribe for or purchase any such securities.

This Announcement contains inside information for the purposes of the market abuse regulation (EU No. 596/2014) ("MAR"). In addition, market soundings (as defined in MAR) were taken in respect of certain of the matters contained in this Announcement, with the result that certain persons became aware of such inside information, as permitted by MAR. Upon the publication of this Announcement, this inside information is now considered to be in the public domain and such persons shall therefore cease to be in possession of inside information.

23 January 2018

Deltex Medical Group plc

("Deltex" or the "Company")

Placing by way of an accelerated bookbuild and proposed Subscription to raise £1.75 million and Offer to Shareholders to raise up to £350,000

Deltex (AIM: DEMG), announces its intention to undertake an equity placement of £1,064,500 (the "**Placing**"). The Placing will be effected by way of an accelerated bookbuild, which will be launched immediately following this announcement at a minimum price of 1.25p. Certain other investors are proposing to invest £685,500 in the Company, by way of a subscription at the Issue Price (the "**Subscription**").

Arden Partners plc ("**Arden**") and Turner Pope Investments (TPI) Ltd ("**TPI**") are acting as joint brokers (together, the "**Joint Brokers**") in connection with the Placing.

1. Placing and Subscription

The proceeds of the Placing and the Subscription will be used to strengthen the Company's balance sheet and for general working capital purposes.

2. Offer to Shareholders

In addition to the Placing and the Subscription, the Company intends to provide all Qualifying Participants with the opportunity to subscribe for new Ordinary Shares ("**Offer Shares**") at the Issue Price, to raise up to £350,000 before expenses ("**Offer**").

3. Variations to the terms of the £1.125 million nominal Loan Notes issued 2016

The holders of the Loan Notes (with the exception of a holder of £25,000 nominal amount) have conditionally agreed (subject, *inter alia*, to Admission) to defer the redemption date of 26 February

2019 by two years to 26 February 2021. As a result, the Company has agreed, subject to the same conditions, to reduce the conversion price from 6p to 4p to reflect the dilutive effect of the Capital Raising. The impact of the Convertible Loan Note Arrangements is that the maximum number of Ordinary Shares to be issued under the Loan Notes will increase from 18.75 million to 27.50 million. The £25,000 nominal amount holding referred to above will be redeemed with the consent of the other holders.

4. General Meeting

To enable the Capital Raising to take place and to authorise the issue of the additional Ordinary Shares on conversion of the Loan Notes under the Convertible Loan Note Arrangements, a General Meeting will be convened for 9 February 2018 at which the Resolution will be proposed to enable the Proposals to proceed.

Expected timetable: 2018

Announcement of the Placing and Bookbuild commences	23 January
Dispatch of the Circular, Application Form and Form of Proxy	24 January
Latest time and date for receipt of completed Forms of Proxy and receipt of electronic proxy appointments via the CREST system for the General Meeting	10.00 a.m. on 7 February
Latest time for receipt of applications under the Offer	12.00 p.m. on 7 February
General Meeting	10.00 a.m. on 9 February
Announcement of results of the General Meeting and the Offer	9 February
Admission and commencement of dealings in the New Ordinary Shares and any Offer Shares on AIM and CREST accounts expected to be credited for the New Ordinary Shares and any Offer Shares	8.00 a.m. on 12 February
Latest date for dispatch of share certificates in respect of the Placing Shares, the Subscription Shares and the Offer Shares	by 23 February

Each of the times and dates above refer to London time and are subject to change by the Company and/or the Joint Brokers. Any such change will be notified to Shareholders by an announcement on a Regulatory Information Service. The Circular will contain further details of the expected timetable for the Placing, the Offer, the General Meeting and admission of the New Ordinary Shares and any Offer Shares.

ADDITIONAL INFORMATION

The Placing:

The Company is proposing to raise £1,064,500 (before expenses) pursuant to the Placing. The Placing will be conducted by the Joint Brokers on behalf of the Company in accordance with the terms and conditions set out in the Appendix to this Announcement. The Placing is being conducted through an accelerated bookbuilding process (the "**Bookbuild**") which will commence immediately following this Announcement.

The Bookbuild will determine the final demand for and participation in the Placing and the Issue Price, which will not be less than 1.25p per share. The Bookbuild is expected to close not later than 5.30 p.m. (London) today, but may be closed at such earlier or later time as the Joint Brokers, in their absolute discretion (following consultation with the Company), determine. The number of Placing

Shares, the making of allocations and the Issue Price will be agreed between the Company and the Joint Brokers and will be confirmed orally or by email by the Joint Brokers following the closure of the Bookbuild. A further announcement will be made following the completion of the Bookbuild (the “**Bookbuild Announcement**”).

Completion of the Placing is subject, *inter alia*, to Shareholder approval of the Resolution to authorise the issue of the New Ordinary Shares and to authorise the issue of additional Ordinary Shares in connection with the changes to be made to the Loan Notes as described below, which will be sought at a General Meeting of the Company to be held at 10.00 a.m. on 9 February 2018.

Subject to successful completion of the Bookbuild and the release of the Bookbuild Announcement, a Circular containing further details of the Capital Raising including a notice convening the General Meeting is expected to be despatched to Shareholders tomorrow and will thereafter be available on the Company’s website at www.deltexmedical.com.

The Appendix (which forms a part of this Announcement) contains the detailed terms and conditions of the Placing.

The Subscription

The Company is also proposing to raise £685,500 (before expenses) pursuant to the Subscription. In connection with the Subscription, certain new and existing Shareholders of the Company, including Mr Keen (a Director and Chairman of the Company) or interests associated with him, have indicated their intention to subscribe for new Ordinary Shares at the Issue Price (not being less than 1.25p per share). The number of new Ordinary Shares to be subscribed in the Subscription will be set out in the Bookbuild Announcement.

Completion of the Subscription is conditional upon the passing of the Resolution. It is expected that the Subscription Shares will be admitted to trading at the same time as the Placing Shares and the Offer Shares, that is, at 8.00 a.m. on 12 February 2018.

The Offer

It is proposed that the Offer will comprise an offer to Qualifying Participants of Offer Shares with the aggregate consideration to be received by the Company limited to £350,000 (before expenses), being the Offer Maximum. Qualifying Participants can apply for as many Offer Shares as they wish. In the event that Applications are received in excess of the Offer Maximum, Applications will generally be scaled back pro-rata. However, the Directors reserve the right to exercise their absolute discretion (with the agreement of the Joint Brokers) in the allocation of successful Applications, including, without limitation, to ensure no Offer Shares are issued so as to exceed the Offer Maximum.

It is proposed that the Offer will only be open to Qualifying Participants and, save as set out in the preceding paragraph, there is no maximum or minimum subscription per Applicant. No Qualifying Participant may subscribe for Offer Shares in excess of the Offer Maximum. Multiple applications may be submitted. Qualifying Participants who are joint Shareholders may only apply for Offer Shares as joint Applicants.

The Offer is conditional on the Placing and is not being underwritten. The Application Form and accompanying procedure for application will set out, in detail, how Qualifying Participants may participate under the Offer.

In order to apply for Offer Shares, Qualifying Participants should complete the Application Form in accordance with the instructions to be set out in the Circular intended to be published tomorrow. A further announcement setting out timings in respect of the Offer will be made in due course.

Application will be made to the London Stock Exchange for any Offer Shares to be admitted to trading on AIM. It is expected that any Offer Shares will be admitted to trading on AIM at the same time as the New Ordinary Shares, that is, at 8.00 a.m. on 12 February 2018.

Directors Participation

Certain Directors have indicated their interest in participating in the Capital Raising. Their participation and their consequent interests in the Company's issued share capital will be described in a further announcement.

Background to and reasons for the Placing

Further to the announcement on 5 January 2018, the Company stated that it was in discussions regarding the future funding of the Company and the Capital Raising concludes this process.

Use of Proceeds

The Company will use the proceeds raised under the Placing, the Subscription and the Offer to strengthen its balance sheet and for general working capital purposes.

Future Prospects

The Directors expect that the additional funds, applied as set out above under "Use of Proceeds", should help the Company to get past the operating cash break-even point so that it would be able to finance future expansion from cash generated from trading.

The Company plans to become operating cash positive through a combination of cost reductions and revenue growth. With respect to cost reductions, the Company reduced its cash consumption in 2017 by £1m from £2.3m in 2016 to £1.3m; this reduction was after c. £0.4m of margin improvements and c. £0.5m of overhead reductions. Towards the end of 2017 the Company put in place additional overhead reductions to reduce 2018 cash costs by a further £0.5m. Since the year end the Company has started to implement a third set of cost reductions aimed at reducing annualised overheads by an additional £0.5m.

The Company is focused on a number of export markets where the Company has established a base of recurring revenues from sales of ODM probes and where the Directors believe there are opportunities for further growth. The five largest such markets of the USA, France, South Korea, Peru and Scandinavia together accounted for over 80% of 2017 export sales. In the USA the Company has established a critical mass of over 30 potentially major accounts including several nationally and internationally recognised hospitals. It expects to continue to increase its US revenues by supporting the wider adoption of ODM in these accounts, adding new accounts and introducing its multi-modal TrueVue system as its new elements gain US regulatory approval.

The Group's progress has been hampered by significant declines in UK revenues since early 2014 when the NHS made material changes to its approach to implementation of its 2011 policy to roll out ODM at pace and scale. UK ODM sales have declined from £4.3m in 2013 to £1.5m in 2017. This decline has been exacerbated by severe NHS financial challenges which have adversely impacted the medical technology procurement landscape. The Company has been working on a number of strategies to reverse the trends in the UK and return the ODM business to growth. The Company is moving its product offer from the single ODM technology to the multi-modal TrueVue system and is now offering each of the three leading modern advanced haemodynamic monitoring technologies on a single platform: ODM, Pulse Pressure Waveform Analysis and Impedance Cardiography allowing doctors to choose the technology they deem most appropriate for their patient both for monitoring and to guide interventions. The TrueVue system allows the Company to reposition ODM as a higher skilled, higher precision, higher value technology for intervention while offering monitoring solutions throughout the hospital. The Company's view on the superiority of ODM at guiding fluid and drug administration in patients identified at increased risk of periods of harmful haemodynamic compromise is expected to be further supported by new clinical studies including the publication in a peer reviewed

journal of the largest ever trial of ODM. These initiatives are expected to drive ongoing and additional growth in export markets as they are rolled out there in due course.

Principal risks and uncertainties

A description of the principal risks and uncertainties associated with the Group's business and how the Group seeks to manage them is included in the strategic report of the Company on page 15 of the Group's Annual Report and Accounts for the financial year ended 31 December 2016. Save as set out below, the Board is of the view that these principal risks and uncertainties are those which continue to be applicable to the Company at the date of this Announcement.

Brexit

On 29 March 2019, the United Kingdom (UK) is expected to leave the European Union (EU). However, as negotiations between the UK and the EU are at a very early stage it is unclear what the effect may be on the Company in several areas. However, the main matter of concern is the potential for change, if any, that may be made to medical device regulations that may require the Company to act to ensure that its products can continue to be sold to EU member states after 29 March 2019. Dealing with any such changes may be both onerous and expensive for the Company. The Company will monitor developments with the Brexit negotiations and will take the necessary steps to deal with the matters that may arise.

For further information please contact:

Deltex Medical Group plc	Ewan Phillips	01243 774 837
	Jonathan Shaw	investorinfo@deltexmedical.com
Arden Partners plc	Chris Hardie	020 7614 5900
	Ciaran Walsh	
Turner Pope Investments (TPI) Ltd	Andy Thacker	0203 621 4120
		info@turnerpope.com
IFC Advisory Ltd	Tim Metcalfe	0203 053 8671
	Graham Herring	
	Heather Armstrong	

Further information on the Placing and Admission is included in the section headed 'Additional Information' above. Attention is also drawn to the section headed 'Important Information' of this Announcement and the terms and conditions of the Placing (representing important information for Placees only) in the Appendix to this Announcement.

Capitalised terms used but not defined in this Announcement shall have the meanings given to such terms in the section headed 'Definitions' below save that any capitalised term defined in the Appendix shall have such meaning in the Appendix to the exclusion, in the Appendix only, of any definition of such term elsewhere in this Announcement.

IMPORTANT INFORMATION

This Announcement has been issued by, and is the sole responsibility, of the Company. No representation or warranty, express or implied, is or will be made as to, or in relation to, and no responsibility or liability is or will be accepted by Arden Partners or TPI or by any of their respective Affiliates as to or in relation to, the accuracy or completeness of this Announcement or any other written or oral information made available to or publicly available to any interested party or its advisers, and any liability therefore is expressly disclaimed.

This Announcement does not constitute, or form part of, a prospectus relating to the Company, nor does it constitute or contain any invitation or offer to any person, or any public offer, to subscribe for, purchase or otherwise acquire any shares in the Company nor does it advise persons to do so in any jurisdiction, nor shall it, or any part of it (other than the Appendix in relation to Placees) form the basis of or be relied on in connection with any contract or as an inducement to enter into any contract or commitment with the Company. In particular, the New Ordinary Shares and the Offer Shares have not been, and will not be, registered under the United States Securities Act of 1933 as amended or qualified for sale under the laws of any state of the United States or under the applicable laws of any of Canada, Australia, New Zealand, Russia, the Republic of South Africa, or Japan 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, New Zealand, Russia, the Republic of South Africa or Japan.

The distribution or transmission of this Announcement and the offering of the New Ordinary Shares and the Offer Shares in certain jurisdictions may be restricted or prohibited by law or regulation. Persons distributing this Announcement must satisfy themselves that it is lawful to do so. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. No action has been taken by the Company or the Joint Brokers that would permit an offering of such shares or possession or distribution of this Announcement or any other offering or publicity material relating to such shares in any jurisdiction where action for that purpose is required. Persons into whose possession this Announcement comes are required by the Company and the Joint Brokers to inform themselves about, and to observe, such restrictions. In particular, this announcement may not be distributed, directly or indirectly, in or into the United States, Canada, New Zealand, Russia, the Republic of South Africa, Australia or Japan. Overseas Shareholders and any person (including, without limitation, nominees and trustees), who have a contractual or other legal obligation to forward this document to a jurisdiction outside the UK should seek appropriate advice before taking any action.

This Announcement includes “forward-looking statements” which includes all statements other than statements of historical fact, including, without limitation, those regarding the Company’s financial position, business strategy, plans and objectives of management for future operations, or any statements preceded by, followed by or that include the words “targets”, “believes”, “expects”, “aims”, “intends”, “will”, “may”, “anticipates”, “would”, “could”, “indicative”, “possible” or similar expressions or negatives thereof. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the Company’s control that could cause the actual results, performance or achievements of the Group to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Company’s present and future business strategies and the environment in which the Company will operate in the future. These forward-looking statements speak only as at the date of this Announcement. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based unless required to do so by applicable law or the AIM Rules for Companies.

No statement in this Announcement is intended to be a profit forecast and no statement in this Announcement should be interpreted to mean that earnings per share of the Company for the current or future financial years would necessarily match or exceed the historical published earnings per share of the Company.

Arden Partners, which is authorised and regulated by the FCA in the United Kingdom, is acting as the Company's nominated adviser and joint broker to the Company in connection with the Placing and, as nominated adviser and Joint Broker, its responsibilities under the AIM Rules for Companies and the AIM Rules for Nominated Advisers are owed to the London Stock Exchange and not to any other person in respect of his decision to acquire Ordinary Shares in reliance on any part of this announcement. Arden Partners will not be responsible to any person other than the Company for providing the protections afforded to clients of Arden Partners or for providing advice to any other person in connection with the Placing or any acquisition of shares in the Company. Arden Partners is not making any representation or warranty, express or implied, as to the contents of this Announcement. Arden Partners has not authorised the contents of, or any part of, this Announcement, and no liability whatsoever is accepted by Arden Partners for the accuracy of any information or opinions contained in this Announcement or for the omission of any material information.

TPI, which is authorised and regulated by the FCA in the United Kingdom, is acting as joint broker to the Company in connection with the Placing and its responsibilities as the Company's Joint Broker under the AIM Rules for Companies are owed to the London Stock Exchange and not to any other person in respect of his decision to acquire Ordinary Shares in reliance on any part of this announcement. TPI will not be responsible to any person other than the Company for providing the protections afforded to clients of TPI or for providing advice to any other person in connection with the Placing or any acquisition of shares in the Company. TPI is not making any representation or warranty, express or implied, as to the contents of this Announcement. TPI has not authorised the contents of, or any part of, this Announcement, and no liability whatsoever is accepted by TPI for the accuracy of any information or opinions contained in this Announcement or for the omission of any material information.

Neither the New Ordinary Shares nor any Offer Shares will be admitted to trading on any stock exchange other than the AIM market of the London Stock Exchange.

The Appendix to this Announcement (which forms part of this Announcement) sets out the terms and conditions of the Placing. By participating in the Placing, each person who is invited to and who chooses to participate in the Placing by making or accepting an oral and legally binding offer to acquire Placing Shares will be deemed to have read and understood this Announcement in its entirety (including the Appendix) and to be making such offer on the terms and subject to the conditions set out in this Announcement and to be providing the representations, warranties, undertakings agreements and acknowledgements contained in the Appendix. The Company, the Joint Brokers and their respective Affiliates will rely upon the truth and accuracy of the representations, warranties, undertakings, agreements and acknowledgements contained in the Appendix.

Neither the content of the Company's website (or any other website) nor the content of any website accessible from hyperlinks on the Company's website (or any other website) is incorporated into, or forms part of, this Announcement.

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("MiFID II"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "MiFID II Product Governance Requirements"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the Product Governance Requirements) may otherwise have with respect thereto, the Placing Shares have been subject to a product approval process, which has determined that the Placing Shares are: (i) compatible with an end target market of (a) retail investors, (b) investors who meet the criteria of professional clients and (c) eligible counterparties (each as defined in MiFID II); and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "Target Market Assessment"). Notwithstanding the Target Market Assessment, distributors should note that: the price of the Placing Shares may decline and investors could lose all or part of their investment; the Placing Shares offer no guaranteed income and no capital protection; and an investment in the Placing Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have

sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the offer. Furthermore, it is noted that, notwithstanding the Target Market Assessment, Arden will only procure investors who meet the criteria of professional clients and eligible counterparties but TPI will procure investors who meet the criteria of retail clients, professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Placing Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the Placing Shares and determining appropriate distribution channels.

APPENDIX

TERMS AND CONDITIONS OF THE PLACING

IMPORTANT INFORMATION FOR PLACEES ONLY CONCERNING THE PLACING

THIS ANNOUNCEMENT IS NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, DIRECTLY OR INDIRECTLY IN OR INTO THE UNITED STATES, AUSTRALIA, CANADA, JAPAN, THE REPUBLIC OF SOUTH AFRICA, NEW ZEALAND, RUSSIA OR ANY OTHER JURISDICTION IN OR INTO WHICH SUCH RELEASE, PUBLICATION OR DISTRIBUTION WOULD BE UNLAWFUL.

MEMBERS OF THE PUBLIC ARE NOT ELIGIBLE TO TAKE PART IN THE PLACING. THIS ANNOUNCEMENT AND THE TERMS AND CONDITIONS SET OUT AND REFERRED TO HEREIN ARE DIRECTED ONLY AT (A) PERSONS IN MEMBER STATES OF THE EUROPEAN ECONOMIC AREA WHO ARE "QUALIFIED INVESTORS", AS DEFINED IN ARTICLE 2.1(E) OF DIRECTIVE 2003/71/EC AS AMENDED FROM TIME TO TIME AND INCLUDES ANY RELEVANT IMPLEMENTING DIRECTIVE MEASURE IN ANY MEMBER STATE (THE "**PROSPECTUS DIRECTIVE**") AND (B) IF IN THE UNITED KINGDOM, PERSONS WHO (I) HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS WHO FALL WITHIN THE DEFINITION OF "INVESTMENT PROFESSIONALS" IN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005 AS AMENDED (THE "**FPO**") OR FALL WITHIN THE DEFINITION OF "HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS ETC" IN ARTICLE 49(2)(a) TO (d) OF THE FPO OR (C) PERSONS TO WHOM IT MAY OTHERWISE LAWFULLY BE COMMUNICATED (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS "**RELEVANT PERSONS**"). THIS ANNOUNCEMENT AND THE TERMS AND CONDITIONS SET OUT HEREIN MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS.

The Placing Shares have not been and will not be registered under the Securities Act or under the securities laws of any state or other jurisdiction of the United States and may not be offered, sold, resold or delivered, directly or indirectly, in or into the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. No public offering of the Placing Shares is being made in the United States. The Placing (as defined below) is being made solely outside the United States to persons in offshore transactions (as defined in Regulation S) meeting the requirements of Regulation S. Persons receiving this Announcement (including custodians, nominees and trustees) must not forward, distribute, mail or otherwise transmit it in or into the United States or use the United States mails, directly or indirectly, in connection with the Placing.

This Announcement does not constitute an offer to sell or issue or a solicitation of an offer to buy or subscribe for Placing Shares in any jurisdiction including, without limitation, the United States, Canada, Australia, Japan, the Republic of South Africa, New Zealand, Russia or any other jurisdiction in which such offer or solicitation is or may be unlawful (a "**Prohibited Jurisdiction**"). This Announcement and the information contained herein are not for publication or distribution, directly or indirectly, to persons in a Prohibited Jurisdiction unless permitted pursuant to an exemption under the relevant local law or regulation in any such jurisdiction. No action has been taken by Arden, TPI, or any of their respective Affiliates that would permit an offer of the Placing Shares or possession or distribution of this Announcement or any other publicity material relating to such Placing Shares in any jurisdiction where action for that purpose is required. Persons receiving this Announcement are required to inform themselves about and to observe any such restrictions.

Persons (including, without limitation, nominees and trustees) who have a contractual or other legal obligation to forward a copy of this Announcement should seek appropriate advice before taking any action.

Any indication in this Announcement of the price at which the Existing Ordinary Shares have been bought or sold in the past cannot be relied upon as a guide to future performance. Persons needing advice should consult an independent financial adviser.

By participating in the Placing, each person who is invited to and who chooses to participate in the Placing (a "**Placee**") by making or accepting an oral and/or written legally binding offer to subscribe for Placing Shares is deemed to have read and understood this Announcement in its entirety (including this Appendix) and to be providing the representations, warranties, undertakings, agreements and acknowledgements contained herein.

EACH PLACEE SHOULD CONSULT WITH ITS OWN ADVISERS AS TO LEGAL, REGULATORY, TAX, BUSINESS AND RELATED ASPECTS OF A SUBSCRIPTION FOR PLACING SHARES. NEITHER THE COMPANY NOR EITHER OF THE JOINT BROKERS GIVE OR WILL GIVE ANY ADVICE TO ANY PLACEE AS TO ANY ASPECT OR CONSEQUENCE OF THE PLACING.

The Directors believe that HMRC would be able to authorise the Company to issue compliance certificates under section 204(1) of the Income Tax Act 2007 in respect of New Ordinary Shares issued to individuals, following receipt from the Company of a properly completed compliance statement (Form EIS1) within the prescribed time limit stipulated in section 205(4) of the Income Tax Act 2007.

The continuing status of the New Ordinary Shares as qualifying for EIS purposes will be conditional upon the qualifying conditions being and remaining satisfied throughout the relevant period of ownership.

There can be no guarantee that any investment in the Company will remain a qualifying investment for EIS purposes. EIS eligibility is also dependent on a shareholder's own position and not just that of the Company. Accordingly, investors should take their own tax advice in this regard from a duly-qualified professional adviser. None of the Company, Arden, TPI or the Registrars is able to give any Shareholder or any other person any advice in relation to their tax position.

A Circular explaining the background to and reasons for the Capital Raising and containing the Notice of General Meeting is expected to be posted to Shareholders later today following the closure of the Bookbuilding Process. A copy of the Circular and Notice of General Meeting will thereafter be made available on the Company's website: www.deltexmedical.com.

Details of the Placing Agreement and the Placing Shares

The Joint Brokers have entered into the Placing Agreement with the Company under which they have severally agreed to use their respective reasonable endeavours to procure Placees to subscribe for the Placing Shares in the Placing on the terms and subject to the conditions set out therein. The Joint Brokers are acting as agents of the Company and for no one else in connection with the Placing.

Subject to fulfilment or, where applicable, waiver of the conditions referred to below under "**Conditions of the Placing**" and to the Placing not being terminated on the basis referred to below under the "**Right to terminate**", the Placing Shares will be allotted and issued to the Placees on Admission.

The Placing is not being underwritten.

The Placing Shares will, when issued, be subject to the Articles of the Company, credited as fully paid and rank *pari passu* in all respects with each other and with the Existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid in respect of the Ordinary Shares after the date of issue of the Placing Shares.

The Placing Shares will be issued free of any encumbrance, lien or other security interest.

Admission to Trading on AIM

Application will be made to the London Stock Exchange for the New Ordinary Shares to be admitted to AIM. Subject to the satisfaction of the Conditions, it is expected that Admission will take place and dealings in the New Ordinary Shares will commence on AIM at 8.00 a.m. on 12 February 2018.

Application will also be made to the London Stock Exchange for any Offer Shares to be admitted to trading on AIM. It is expected that any Offer Shares will be admitted to trading on AIM at the same time as the New Ordinary Shares.

Bookbuild

Commencing today, the Joint Brokers will be conducting an accelerated bookbuilding process (the "**Bookbuilding Process**") to determine demand for participation in the Placing by Placees. This Announcement gives details of the terms and conditions of, and the mechanics of participation in, the Placing. However, the Joint Brokers, with the agreement of the Company, will be entitled to effect the Placing by such alternative method to the Bookbuilding Process as they may determine in their sole discretion. No commissions will be paid by or to Placees in respect of any participation in the Placing or subscription for Placing Shares. The Placing is not being underwritten.

Participation in, and principal terms of, the Bookbuilding Process

Participation in the Placing is by invitation only and will only be available to persons who are Relevant Persons and who may lawfully be, and are, invited to participate by either of the Joint Brokers. The Joint Brokers and each of their Affiliates are entitled to participate as Placees in the Bookbuilding Process.

The book for the Placing will open with immediate effect. The Bookbuilding Process is expected to close not later than 5.30 p.m. (London) today, but may be closed at such earlier or later time as the Joint Brokers, in their absolute discretion, determine. Further announcements will be made following the closure of the Bookbuilding Process detailing the results of the Bookbuilding Process and the despatch of the Circular.

A bid in the Bookbuilding Process may only be made on the terms and conditions in this Announcement and will be legally binding on the Placee on behalf of which it is made and, except with the Joint Brokers' consent, will not be capable of variation or revocation after the close of the Bookbuilding Process.

A Placee who wishes to participate in the Bookbuilding Process should communicate its bid by telephone to its usual sales contact at Arden or TPI. Arden or TPI will contact and confirm orally to their respective successful Placees following the close of the Bookbuilding Process the size of their respective allocations and a trade confirmation will be despatched as soon as possible thereafter. Arden's and/or TPI's oral confirmation of the size of allocations and each Placee's oral commitments to accept the same will constitute an irrevocable legally binding agreement in favour of the Company pursuant to which each such Placee will be required to accept the number of Placing Shares allocated to the Placee at the Issue Price and otherwise on the terms and subject to the conditions set out herein and in accordance with the Company's Articles. Each Placee's allocation and commitment will be evidenced by a trade confirmation issued to such Placee by Arden or TPI. The terms of this Appendix will be deemed incorporated in that trade confirmation.

The Joint Brokers reserve the right to scale back the number of Placing Shares to be subscribed by any Placee in the event that the Placing is oversubscribed. The Joint Brokers also reserve the right not to accept offers to subscribe for Placing Shares or to accept such offers in part rather than in whole. The acceptance and, if applicable, scaling back of offers shall be at the absolute discretion of the Joint Brokers.

Each Placee's obligations will be owed to the Company and to the Joint Brokers. Following the oral confirmation referred to above, each Placee will have, an immediate, separate, irrevocable and binding obligation, owed to Arden and TPI (as settlement agents) and to the Company to pay to Arden or TPI (or as the Joint Brokers may direct) in cleared funds an amount equal to the product of the Issue Price and the number of Placing Shares allocated to such Placee.

To the fullest extent permissible by law, none of the Company, the Joint Brokers, any of their respective Affiliates nor any person acting on their behalf shall have any liability to Placees (or to any other person whether acting on behalf of a Placee or otherwise). In particular, neither the Company, the Joint Brokers nor any of their respective Affiliates nor any person acting on their behalf shall have any liability (including, to the extent legally permissible, any fiduciary duties), in respect of the conduct of the Bookbuilding Process or of such alternative method of effecting the Placing as the Joint Brokers, with the agreement of the Company, may in their sole discretion determine.

All obligations of the Joint Brokers under the Placing will be subject to fulfilment of the Conditions.

Conditions of the Placing

The Placing has not been underwritten and is conditional, *inter alia*, upon:

- (a) the passing of the Resolution at the General Meeting (or any adjournment thereof);
- (b) the Placing Agreement becoming unconditional in all respects (other than Admission) and not having been terminated in accordance with its terms; and
- (c) Admission occurring by not later than 8:00 a.m. on 12 February 2018 (or such later time and/or date as the Company and the Joint Brokers may agree, being not later than 4:30 p.m. on 23 February 2018).

If the Conditions are not fulfilled (or to the extent permitted under the Placing Agreement waived by the Joint Brokers), the Placing will lapse and each Placee's rights and obligations hereunder shall cease and determine at such time and no claim may be made by a Placee in respect thereof. Neither Arden, nor TPI, nor any of their respective Affiliates shall have any liability to any Placee (or to any other person whether acting on behalf of a Placee or otherwise) in respect of any decision it or they may make as to whether or not to waive or to extend the time and/or date for the satisfaction of any Condition.

The Placing is conditional on the completion of the Subscription but the Placing is not conditional on the Offer. The Offer is conditional on the Placing and is not being underwritten. The Subscription is not conditional on the Placing or the Offer. However, the Placing, the Subscription and the Offer are all conditional on the passing of the Resolution.

By participating in the Placing, each Placee agrees that its rights and obligations hereunder terminate only in the circumstances described below under the heading "**Right to terminate**".

Right to terminate

The Joint Brokers may, at any time before Admission and in their absolute discretion, terminate the Placing with immediate effect in certain circumstances including, among other things:

1. if any warranty given by the Company in the Placing Agreement, was, when given or becomes, untrue, inaccurate, misleading, or
2. there has occurred any development which may result in a material adverse change in, the financial position or condition (financial, operational, regulatory, legal or otherwise), earnings, business, assets, management, operations, properties or performance or prospects of the Group or any development which may result in a material adverse change in, national or international political, military (including an outbreak or escalation of hostilities) diplomatic, economic, financial or market conditions and/or act of God; or
3. trading is suspended in securities generally on the London Stock Exchange or any other major financial market or trading is limited or minimum or maximum prices or have been required on any such exchange by any of such exchanges or by such system or by order of any governmental authority; or
4. a banking moratorium is declared in the UK; or

5. there is material disruption to any commercial banking, or securities settlement services in the UK or any other EEA State.

By participating in the Placing, each Placee agrees with the Joint Brokers that the exercise by the Joint Brokers of any right of termination or other discretion under these terms and conditions shall be within the absolute discretion of the Joint Brokers and that the Joint Brokers need not make any reference to the Placees in this regard and that, to the fullest extent permitted by law, neither of Arden nor TPI, nor any of their respective Affiliates nor any person acting on their behalf shall have any liability whatsoever to the Placees in connection with any such exercise or failure to so exercise.

No Prospectus

No offering document or prospectus has been or will be prepared in relation to the Placing and no such prospectus is required (in accordance with the Prospectus Directive and/or FMSA) to be published or submitted to be approved by the FCA and Placees' commitments will be made solely on the basis of the information contained in this Announcement and any information previously published by or on behalf of the Company by notification to a Regulatory Information Service.

Each Placee, by accepting a participation in the Placing, confirms to Arden, TPI and the Company that it has neither received nor relied on any information, representation, warranty or statement made by or on behalf of Arden and/or TPI (other than the amount of the relevant Placing participation in the oral confirmation given to Placees and the trade confirmation referred to below), any Arden Affiliate, any TPI Affiliate, any persons acting on their behalf or the Company and none of Arden, TPI, any Arden Affiliate, any TPI Affiliate, the Company's Affiliates nor any persons acting on their behalf will be liable for the decision of any Placee to participate in the Placing based on any other information, representation, warranty or statement which the Placee may have obtained or received (regardless of whether or not such information, representation, warranty or statement was given or made by or on behalf of any such persons). By participating in the Placing, each Placee acknowledges to and agrees with each of the Joint Brokers that, except in relation to the information contained in this Announcement, it has relied on its own investigation of the business, financial or other position of the Company in deciding whether to participate in the Placing. Nothing in this paragraph shall exclude the liability of any person for fraudulent misrepresentation.

Registration and settlement

Settlement of transactions in the Placing Shares following Admission will take place within the CREST system, using the DVP mechanism, subject to certain exceptions. Arden and TPI, as settlement agents, reserve the right to require settlement for and delivery of the Placing Shares to Placees by such other means as it deems necessary, if delivery or settlement is not possible or practicable within the CREST system within the timetable set out in this Announcement or would not be consistent with the regulatory requirements in the Placee's jurisdiction.

The expected timetable for settlement will be as follows:

Trade Date:	8 February 2018
Settlement Date:	12 February 2018
ISIN Code:	GB0059337583
SEDOL:	3103865
Deadline for input instruction into CREST:	8 February 2018
CREST ID for Arden:	601
CREST ID for TPI:	842

Each Placee allocated Placing Shares in the Placing will be sent a trade confirmation stating the number of Placing Shares allocated to it, the Issue Price, the aggregate amount owed by such Placee and settlement instructions. Placees should settle against the Arden and TPI CREST ID shown above. Subject to satisfaction of the Conditions, it is expected that such trade confirmation will be despatched on the expected trade date shown above. Each Placee agrees that it will do all things

necessary to ensure that delivery and payment is completed in accordance with either the standing CREST or certificated settlement instructions which it has in place with Arden.

It is expected that settlement will take place on the Settlement Date shown above on a DVP basis in accordance with the instructions set out in the trade confirmation unless otherwise notified by Arden or TPI.

Interest is chargeable daily on payments not received from Placees on the due date in accordance with the arrangements set out above at the rate of two percentage points above the base rate of Barclays Bank Plc.

Each Placee is deemed to agree that if it does not comply with these obligations, either of the Joint Brokers may sell any or all of the Placing Shares allocated to the Placee on such Placee's behalf and retain from the proceeds, for the relevant Joint Broker's own account and profit, an amount equal to the aggregate amount owed by the Placee plus any interest due. The Placee will, however, remain liable for any shortfall below the aggregate amount owed by such Placee and it may be required to bear any stamp duty or stamp duty reserve tax (together with any interest or penalties) which may arise upon the sale of such Placing Shares on such Placee's behalf.

If Placing Shares are to be delivered to a custodian or settlement agent, the Placee should ensure that the trade confirmation is copied and delivered immediately to the relevant person within that organisation.

Insofar as Placing Shares are registered in the Placee's name or that of its nominee or in the name of any person for whom the Placee is contracting as agent or that of a nominee for such person, such Placing Shares will, subject as provided below, be so registered free from any liability to PTM levy, stamp duty or stamp duty reserve tax. If there are any circumstances in which any other stamp duty or stamp duty reserve tax is payable in respect of the issue of the Placing Shares, neither of the Joint Brokers shall be responsible for the payment thereof. Placees will not be entitled to receive any fee or commission in connection with the Placing.

Representations, warranties and terms

By participating in the Placing, each Placee (and any person acting on such Placee's behalf):

1. represents and warrants that it has read and understood this Announcement in its entirety (including this Appendix) and acknowledges that its participation in the Placing and the issue of the Placing Shares will be governed by the terms of this Announcement (including this Appendix);
2. acknowledges that no prospectus or offering document has been or will be prepared in connection with the Placing and it has not received and will not receive a prospectus or other offering document in connection with the Bookbuilding Process, the Placing or the Placing Shares;
3. agrees to indemnify on an after-tax basis and hold harmless each of the Company and the Joint Brokers and each of their respective Affiliates and any person acting on their behalf from any and all costs, losses, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the representations, warranties, acknowledgements, agreements and undertakings in this Announcement and further agrees that the provisions of this Announcement shall survive after completion of the Placing;
4. acknowledges that the Placing Shares will be admitted to AIM and the Company is therefore required to publish certain business and financial information in accordance with AIM Rule 26 and other applicable laws and regulations (the "**Exchange Information**"), which includes a description of the nature of the Company's business, the Company's most recent annual report and interim financial statements, the most recent admission document, and the Company's announcements and circulars published in the past 12 months', and that the Placee is able to obtain or access this Exchange Information without undue difficulty and is aware of the contents of this Exchange Information;
5. acknowledges that neither of the Joint Brokers, nor the Company nor any of their Affiliates nor any person acting on their behalf has provided, and will not provide, it with any material or information regarding the Placing Shares or the Company (other than this Announcement);

nor has it requested either of the Joint Brokers, the Company or any of their respective Affiliates or any person acting on their behalf to provide it with any such material or information;

6. acknowledges that (i) neither of the Joint Brokers nor the Company nor any of their respective Affiliates nor any person acting on behalf of any of them is making any recommendations to it or advising it regarding the suitability of any transactions it may enter into in connection with the Placing and that participation in the Placing is on the basis that it is not and will not be a client of either of the Joint Brokers and that the Joint Brokers do not have any duties or responsibilities to it for providing the protections afforded to their clients or for providing advice in relation to the Placing nor for the exercise or performance of any of their rights and obligations hereunder including any rights to waive or vary any conditions or exercise any right of termination, and (ii) neither it nor, as the case may be, its clients expect either of the Joint Brokers to have any duties or responsibilities to it similar or comparable to the duties of "best execution" and "suitability" imposed by the Conduct of Business Sourcebook contained in the FCA's Handbook of Rules and Guidance, and that the Joint Brokers are not acting for it or its clients, and that neither of the Joint Brokers will be responsible to any person for providing protections afforded to its clients;
7. represents, warrants and agrees that the only information on which it is entitled to rely and on which such Placee has relied in committing to subscribe for the Placing Shares is contained in this Announcement and any Exchange Information, such information being all that it deems necessary to make an investment decision in respect of the Placing Shares, and that it has relied on its own investigation with respect to the Placing Shares and the Company in connection with its decision to subscribe for the Placing Shares and acknowledges that it is not relying on any other information or representations made to it, express or implied, with respect thereto;
8. acknowledges that: (a) it has knowledge and experience in financial, business and international investment matters as is required to evaluate the merits and risks of subscribing for the Placing Shares; (b) it is experienced in investing in securities of this nature and is aware that it may be required to bear, and is able to bear, the economic risk of, and is able to sustain, a complete loss in connection with the Placing; and (c) it has had sufficient time to consider and conduct its own investigation in connection with its subscription for the Placing Shares, including all tax, legal and other economic considerations and has relied upon its own examination of, and due diligence on, the Company, and the terms of the Placing, including the merits and risks involved;
9. unless paragraph 10 applies, represents and warrants that it has neither received nor relied on any inside information (for the purposes of MAR and section 56 of the Criminal Justice Act 1993) in accepting its invitation to participate in the Placing;
10. acknowledge and agrees that, if it has received any inside information (for the purposes of MAR and section 56 of the Criminal Justice Act 1993) in relation to the Company and its securities in advance of the Bookbuild and the Placing, it confirms that it has received such information within the market soundings regime provided for in Article 11 of MAR and that it has not: (a) dealt (or attempted to deal) in the securities of the Company; (b) encouraged, recommended or induced another person to deal in the securities of the Company; (c) unlawfully disclosed inside information to any person, prior to the information being made available publically;
11. acknowledges that it is not entitled to rely on any information (including, without limitation, any information contained in any management or investor presentation given in relation to the Placing) other than that contained in this Announcement (including this Appendix) and in Exchange Information and represents and warrants that it has not relied on any representations relating to the Placing, the Placing Shares or the Company other than the information contained in this Announcement and in Exchange Information;
12. represents and warrants that (i) it is entitled to acquire the Placing Shares for which it is subscribing under the laws and regulations of all relevant jurisdictions which apply to it; (ii) it has fully observed such laws and regulations and obtained all such governmental and other guarantees and other consents and authorities which may be required or necessary in

connection with its subscription for Placing Shares and its participation in the Placing and has complied with all other necessary formalities in connection therewith; (iii) it has all necessary capacity to commit to its participation in the Placing and to perform its obligations in relation thereto and will honour such obligations; (iv) it has paid any issue, transfer or other taxes due in connection with its subscription for Placing Shares and its participation in the Placing in any territory; and (v) it has not taken any action which will or may result in the Company, Arden, TPI, or any Arden Affiliate, any TPI Affiliate, or any of the Company's Affiliates or any person acting on their behalf being in breach of the legal and/or regulatory requirements of any territory in connection with the Placing;

13. represents and warrants that it understands that the Placing Shares have not been and will not be registered under the Securities Act or under the securities laws of any state or other jurisdiction of the United States and are not being offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act;
14. represents and warrants that its acquisition of the Placing Shares has been or will be made in an "offshore transaction" as defined in and pursuant to Regulation S;
15. represents and warrants that it will not offer or sell, directly or indirectly, any of the Placing Shares in the United States except in accordance with Regulation S or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act;
16. represents and warrants that, if it is a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, the Placing Shares purchased by it in the Placing will not be acquired on a non-discretionary basis on behalf of, nor will they be acquired with a view to their offer or resale to, persons in a member state of the European Economic Area which has implemented the Prospectus Directive other than "qualified investors" as defined in Article 2.1(e) of the Prospectus Directive, or in circumstances in which the prior consent of the Joint Brokers has been given to such an offer or resale;
17. represents and warrants that it has not offered or sold and will not offer or sell any Placing Shares to the public in any member state of the European Economic Area, except in circumstances falling within Article 3(2) of the Prospectus Directive which do not result in any requirement for the publication of a prospectus pursuant to Article 3 of the Prospectus Directive;
18. represents and warrants that it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of FSMA) relating to the Placing Shares in circumstances in which it is permitted to do so pursuant to section 21 of FSMA;
19. represents and warrants that it has complied and will comply with all applicable provisions of FSMA with respect to anything done by it in relation to the Placing Shares in, from or otherwise involving, the United Kingdom;
20. represents and warrants that it has complied with its obligations: (i) under the Criminal Justice Act 1993 and the Market Abuse Regulation (EU 596/2014); (ii) in connection with money laundering and terrorist financing under the Proceeds of Crime Act 2002 (as amended), the Terrorism Act 2000, the Terrorism Act 2006, the Anti-Terrorism Crime and Security Act 2001, the Counter-Terrorism Act 2008, , the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 and that it is not a person: (a) with whom transactions are prohibited under the Foreign Corrupt Practices Act 1977 or any economic sanction programmes administered by, or regulations promulgated by, the Office of Foreign Assets Control of the U.S. Department of the Treasury; (b) named on the Consolidated List of Financial Sanctions Targets maintained by HM Treasury of the United Kingdom; or (c) subject to financial sanctions imposed pursuant to a regulation of the European Union or a regulation adopted by the United Nations ((i), (ii), (a) and (b), together, the "**Regulations**") and rules and guidance on anti-money laundering produced by the Financial Conduct Authority ("**FCA**") and, if it is making payment on behalf of a third party, that satisfactory evidence has been obtained and recorded by it to verify the identity of the third party as required by the Regulations;

21. if in a Member State of the EEA (other than the United Kingdom), represents and warrants that it is a qualified investor (within the meaning of Article 2.1 (e) of the Prospectus Directive as applicable to that Member State) acting as principal or on behalf of its own discretionary clients;
22. if in the United Kingdom, represents and warrants that it is acting as principal or in circumstances to which section 86(2) of FSMA applies and that: (A) (a) it is a qualified investor (as defined in section 86(7) of FSMA) and (b) it is a person: (i) having professional experience in matters relating to investments who falls within the definition of "investment professionals" in Article 19(5) of the FPO; or (ii) who falls within Article 49(2) (a) to (d) ("*High Net Worth Companies, Unincorporated Associations etc.*") of the FPO; or (iii) falls within Article 43 of the FPO (being, among other things, a member of the Company); or (B) if not a person meeting the criteria of a qualified investor (as defined in Section 86(7) of FSMA), it is a person falling within the criteria set out in paragraphs (i), (ii) or (iii) of sub-paragraph (A) (b) of this paragraph 22; or (C) it is person to whom this Announcement may otherwise lawfully be communicated;
23. represents and warrants that its participation in the Placing would not give rise to an offer being required to be made by it or any person with whom it is acting in concert pursuant to Rule 9 of the City Code on Takeovers and Mergers;
24. undertakes that it (and any person acting on its behalf) will pay for the Placing Shares acquired by it in accordance with this Announcement and with any trade confirmation sent by Arden and/or TPI (or on its or their behalf) to it in respect of its allocation of Placing Shares and its participation in the Placing on the due time and date set out herein against delivery of such Placing Shares to it, failing which the relevant Placing Shares may be placed with other Placees or sold as either of the Joint Brokers may, in its absolute discretion, determine and it will remain liable for any shortfall below the net proceeds of such sale and the placing proceeds of such Placing Shares and may be required to bear any stamp duty or stamp duty reserve tax (together with any interest or penalties due pursuant to the terms set out or referred to in this Announcement) which may arise upon the sale of such Placee's Placing Shares on its behalf;
25. acknowledges that neither of the Joint Brokers, nor any of their Affiliates nor any person acting on their behalf is making any recommendations to it or advising it regarding the suitability or merits of any transaction it may enter into in connection with the Placing, and acknowledges that neither of the Joint Brokers, nor any of their Affiliates nor any person acting on their behalf has any duties or responsibilities to it for providing advice in relation to the Placing or in respect of any of the representations, warranties, undertakings or indemnities contained in the Placing Agreement or for the exercise or performance of either of the Joint Broker's rights and obligations thereunder, including any right to waive or vary any condition or exercise any right of termination contained herein or in the Placing Agreement;
26. undertakes that (i) the person whom it specifies for registration as holder of the Placing Shares will be (a) the Placee or (b) the Placee's nominee, as the case may be, (ii) neither Arden, nor TPI, nor any Arden Affiliate, nor any TPI Affiliate, nor the Company will be responsible for any liability to stamp duty or stamp duty reserve tax resulting from a failure to observe this requirement and (iii) the Placee and any person acting on its behalf agrees to acquire the Placing Shares on the basis that the Placing Shares will be allotted to the CREST stock account of Arden or TPI (as the case may be) which will hold them as settlement agent as nominee for the Placee until settlement in accordance with its standing settlement instructions with payment for the Placing Shares being made simultaneously upon receipt of the Placing Shares in the Placee's stock account on a DVP basis;
27. acknowledges that it irrevocably appoints any director of Arden or of TPI as its agent for the purposes of executing and delivering to Arden and/or TPI and/or the Company's registrar any documents on its behalf necessary to enable it to be registered as the holder of any of the Placing Shares agreed to be taken up by it under the Placing;
28. represents and warrants that it is not a resident of any Prohibited Jurisdiction and acknowledges that the Placing Shares have not been and will not be registered nor will a prospectus be cleared or approved in respect of the Placing Shares under the securities

legislation of any Prohibited Jurisdiction and, subject to certain exceptions, may not be offered, sold, taken up, renounced, delivered or transferred, directly or indirectly, within any Prohibited Jurisdiction;

29. represents and warrants that any person who confirms to the Joint Brokers (or either of them) on behalf of a Placee an agreement to subscribe for Placing Shares and/or who authorises the Joint Brokers (or either of them) to notify the Placee's name to the Company's registrar, has authority to do so on behalf of the Placee;
30. acknowledges that the agreement to settle each Placee's acquisition of Placing Shares (and/or the acquisition of a person for whom it is contracting as agent) free of stamp duty and stamp duty reserve tax depends on the settlement relating only to an acquisition by it and/or such person direct from the Joint Brokers (or either of them) of the Placing Shares in question. Such agreement assumes that the Placing Shares are not being acquired in connection with arrangements to issue depositary receipts or to issue or transfer the Placing Shares into a clearance service. If there were any such arrangements, or the settlement related to other dealings in the Placing Shares, stamp duty or stamp duty reserve tax may be payable, for which neither the Company, nor Arden, nor TPI, nor any Arden Affiliates, nor any TPI Affiliate will be responsible. If this is the case, the Placee should take its own advice and notify Joint Brokers (or either of them) accordingly;
31. acknowledges that when a Placee or any person acting on behalf of the Placee is dealing with either of the Joint Brokers, any money held in an account with the relevant Joint Broker on behalf of the Placee and/or any person acting on behalf of the Placee will not be treated as client money within the meaning of the relevant rules and regulations of the FCA. The Placee acknowledges that the money will not be subject to the protections conferred by the client money rules; as a consequence, this money will not be segregated in accordance with the client money rules and will be used by the relevant Joint Broker in the course of its business; and the Placee will rank only as a general creditor of the relevant Joint Broker (as the case may be);
32. acknowledges and agrees that in order to ensure compliance with the Money Laundering Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017, Arden, TPI or the Company's registrars may, in their absolute discretion, require verification of its identity. Pending the provision to Arden, TPI or the Company's registrars, as applicable, of evidence of identity, definitive certificates in respect of the Placing Shares may be retained at the Joint Brokers absolute discretion or, where appropriate, delivery of the Placing Shares to it in uncertificated form may be delayed at the absolute discretion of Arden, TPI, or the Company's registrars (as the case may be). If within a reasonable time after a request for verification of identity Arden, TPI or the Company's registrars (as the case may be) have not received evidence satisfactory to them, Joint Brokers (or either of them) may, at their absolute discretion, terminate its commitment in respect of the Placing, in which event the monies payable on acceptance of allotment will, if already paid, be returned without interest to the account of the drawee's bank from which they were originally debited;
33. acknowledges that the basis of allocation will be determined by the relevant Joint Brokers at their absolute discretion after consultation with the Company and that the right is reserved to reject in whole or in part and/or scale back any participation in the Placing;
34. irrevocably authorises Arden or TPI or any of their respective Affiliates to produce this Announcement pursuant to, in connection with, or as maybe required by any applicable law or regulation, administrative or legal proceeding or official inquiry with respect to the matters set forth herein;
35. acknowledges and agrees that time is of the essence as regards its obligations under this Appendix;
36. acknowledges and agrees that any document that is to be sent to it in connection with the Placing will be sent at its risk and may be sent to it at any address provided by it to the Joint Brokers (or either of them);
37. acknowledges and agrees that it will be bound by the terms of the Articles;

38. acknowledges and understands that the Company, Arden, Arden's Affiliates, TPI, TPI's Affiliates and others will rely upon the truth and accuracy of the foregoing representations, warranties, agreements, undertakings and acknowledgements; and
39. acknowledges and agrees that these terms and conditions in this Appendix and all documents into which this Appendix is incorporated by reference or otherwise validly forms a part and/or any agreements entered into pursuant to these terms and conditions and all agreements to acquire shares pursuant to the Placing and, any non-contractual obligations arising out of or in connection with such arrangements will be governed by and construed in accordance with English law and it submits (on behalf of itself and on behalf of any person on whose behalf it is acting) to the exclusive jurisdiction of the English courts in relation to any claim, dispute or matter arising out of any such contract, except that enforcement proceedings in respect of the obligation to make payment for the Placing Shares (together with any interest chargeable thereon) may be taken by the Company, Arden or TPI in any jurisdiction in which the relevant Placee is incorporated or in which any of its securities have a quotation on a recognised stock exchange.

The acknowledgements, agreements, undertakings, representations and warranties referred to above are given to the Company, the Joint Brokers and, where relevant, each of their Affiliates and any person acting on their behalf and are irrevocable.

No claim shall be made against the Company, the Joint Brokers, any of their respective Affiliates or any other person acting on their behalf by a Placee to recover any damage, cost, loss, charge or expense which it may suffer or incur by reason of or arising from the exercise of any rights available to it pursuant hereto or the performance of its obligations hereunder or otherwise in connection with the Placing or Admission.

No UK stamp duty or stamp duty reserve tax should be payable to the extent that the Placing Shares are issued or transferred (as the case may be) into CREST to, or to the nominee of, a Placee who holds those shares beneficially (and not as agent or nominee for any other person) within the CREST system and registered in the name of such Placee or such Placee's nominee.

Any arrangements to issue or transfer the Placing Shares into a depositary receipts system or a clearance service or to hold the Placing Shares as agent or nominee of a person to whom a depositary receipt may be issued or who will hold the Placing Shares in a clearance service, or any arrangements subsequently to transfer the Placing Shares, may give rise to stamp duty and/or stamp duty reserve tax, for which neither the Company, nor Arden, nor TPI nor any of their respective Affiliates will be responsible and the Placee to whom (or on behalf of whom, or in respect of the person for whom it is participating in the Placing as an agent or nominee) the allocation, allotment, issue or delivery of Placing Shares has given rise to such stamp duty or stamp duty reserve tax undertakes to pay such stamp duty or stamp duty reserve tax forthwith and to indemnify on an after-tax basis and to hold harmless each of the Company, Arden, TPI and any of their respective Affiliates in the event that any of them has incurred any such liability to stamp duty or stamp duty reserve tax.

In addition, Placees should note that they will be liable for any capital duty, stamp duty and all other stamp, issue, securities, transfer, registration, documentary or other duties or taxes (including any interest, fines or penalties relating thereto) payable outside the UK by them or any other person on the acquisition by them of any Placing Shares or the agreement by them to acquire any Placing Shares.

Times and dates in this Announcement may be subject to amendment. The Joint Brokers (or either of them) shall notify the Placees and any person acting on behalf of the Placees of any such changes.

Each Placee and any person acting on behalf of the Placee acknowledges and agrees that either of the Joint Brokers or any of its respective Affiliates may, at its absolute discretion, agree to become a Placee in respect of some or all of the Placing Shares.

The rights and remedies of the Company, Arden and TPI and their respective Affiliates under these terms and conditions are in addition to any rights and remedies which would otherwise be available to each of them and the exercise or partial exercise of one will not prevent the exercise of others.

Each Placee may be asked to disclose in writing or orally to Arden or TPI and, if so, undertakes to provide:

1. if he is an individual, his nationality;
2. if he is a discretionary fund manager, the jurisdiction in which the funds are managed or owned; and
3. such other "know your client" information as Arden or TPI may reasonably request.

References to time in this Announcement are to London time, unless otherwise stated.

DEFINITIONS

The following definitions apply throughout this Announcement unless the context otherwise requires:

“Admission”	the admission of the New Ordinary Shares to trading on AIM becoming effective in accordance with the AIM Rules for Companies
“Affiliates”	in relation to a person each of its holding companies, subsidiaries, branches, associated undertakings and Affiliates (Affiliates having the meaning given in Rule 405 or in Rule 501(b) of the Securities Act, as applicable in the context used) (including, without limitation, joint venture partners) from time to time (and subsidiaries of any such subsidiaries, branches, associated undertakings, Affiliates and holding companies) (including, without limitation, joint venture partners) and each of their and the person's respective officers, directors, supervisory board members, employees, representatives, controlling persons, shareholders and agents from time to time
“AIM Rules for Companies”	the AIM Rules for Companies published by the London Stock Exchange from time to time
“AIM Rules for Nominated Advisers”	the AIM Rules for the Nominated Advisers to AIM companies published by the London Stock Exchange from time to time
“AIM”	the market of that name operated by the London Stock Exchange
“Announcement”	this announcement, including the Appendix
“Applicant”	a Qualifying Participant who lodges an Application Form under the Offer
“Applications”	in aggregate the total number of Offer Shares applied for by Applicants
“Application Form”	the application form for use by Qualifying Participants to apply for Offer Shares pursuant to the Offer
“Appendix”	the appendix to this Announcement
“Arden” or “Arden Partners”	Arden Partners plc, the Company's nominated adviser and joint broker for the purposes of the Capital Raising and admission of the New Ordinary Shares and any Offer Shares
“Articles”	the articles of association of the Company (as amended from time to time)
“Board” or “Directors”	the directors of the Company or any duly authorised committee thereof
“Business Day”	any day on which banks are usually open for business in England and Wales for the transaction of sterling business, other than a Saturday, Sunday or public holiday
“Capital Raising”	the Placing, the Subscription and the Offer all taken together
“certificated” or “in certificated form”	an Ordinary Share recorded on the Company's share register as being held in certificated form (namely, not in CREST)

“Circular”	the circular in relation to the Proposals and the General Meeting to be dispatched to Shareholders
“Company” or “Deltex”	Deltex Medical Group plc
“Conditions”	the conditions of the Placing as set out in the Placing Agreement and summarised in the Appendix to this Announcement
“Convertible Loan Note Arrangements”	the proposed amendments to the instrument constituting the Loan Notes, involving the deferral of the redemption date of 26 February 2019 by two years to 26 February 2021 and the reduction of the conversion price from 6p per share to 4p per share, conditional on admission of the New Ordinary Shares to trading on AIM
“CREST”	the relevant system (as defined in the CREST Regulations being SI 2001/3755 as amended from time to time) in respect of which Euroclear UK & Ireland is the operator (as defined in the said CREST regulations)
“DVP”	delivery versus payment
“Existing Ordinary Shares” or “Existing Issued Share Capital”	the 313,213,367 Ordinary Shares with voting rights in issue at the date of this Announcement
“FCA”	the Financial Conduct Authority in the UK or its successor from time to time
“Form of Proxy”	the form of proxy for use by Shareholders in relation to the General Meeting
“FSMA”	the Financial Services and Markets Act 2000, as amended
“General Meeting”	the general meeting of the Company to be convened for 10.00 a.m. on 9 February 2018 in order to consider, and if thought fit, pass the Resolution
“Group”	the Company, together with its subsidiary undertakings
“Issue Price”	the price per new Ordinary Share (not being less than 1.25p per share) to be determined pursuant to the Bookbuild
“Joint Brokers”	Arden and TPI
“Loan Notes”	the £1.125 million nominal of convertible loan notes due 2019 issued on 26 February 2016
“London Stock Exchange”	London Stock Exchange plc
“MAR”	the Market Abuse Regulation (EU No 596/2014) and all delegated regulations, technical standards and guidance relating thereto
“New Ordinary Shares”	the Placing Shares and the Subscription Shares
“Notice of General Meeting”	the notice of the General Meeting to be set out in the Circular
“Offer”	the conditional invitation to Qualifying Participants to apply for the

	Offer Shares at the Issue Price on the terms and conditions proposed to be outlined in the Circular and the Application Form
“Offer Maximum”	the aggregate maximum subscription under the Offer of £350,000
“Offer Shares”	the new Ordinary Shares proposed to be offered to Qualifying Participants pursuant to the Offer
“Ordinary Shares”	ordinary shares of one penny each in the capital of the Company
“Overseas Shareholders”	holders of Existing Ordinary Shares who are neither resident in, nor have a registered address in, the UK
“pence” or “penny”	pence sterling, the lawful currency of the UK
“Placees”	those persons to be procured by the Joint Brokers on behalf of the Company to subscribe for the Placing Shares pursuant to the Placing
“Placing”	the proposed placing of the Placing Shares at the Issue Price
“Placing Agreement”	the placing agreement dated 22 January 2018 between the Company and the Joint Brokers relating to the Placing
“Placing Shares”	the new Ordinary Shares to be issued pursuant to the Placing, the number of which will be determined through the Bookbuild Process
“Proposals”	the Placing, the Subscription and the Offer and the Convertible Loan Notes Arrangements
“Prospectus Directive”	the Directive of the European Parliament and of the Council of the European Union 2003/71/EC
“PTM levy”	a flat rate charge of £1.00 on all share trades in excess of £10,000
“Qualifying Participants”	subject to any restrictions imposed on Overseas Shareholders, holders of Existing Ordinary Shares whose names appear on the register of members of the Company on the Record Date as holders of Existing Ordinary Shares and who are eligible to be offered Offer Shares under the Offer in accordance with the terms and conditions proposed to be set out in the Circular and the Application Form and for the avoidance of doubt the Offer is not being made to persons in Restricted Jurisdictions
“Record Date”	shall have the meaning to be ascribed to it in the Circular
“Regulation S”	Regulation S promulgated under the Securities Act
“Resolution”	the resolution to be proposed at the General Meeting, which will be set out in the Notice of General Meeting
“Regulatory Information Service”	has the meaning given to it in the AIM Rules for Companies
“Restricted Jurisdictions”	the United States, Australia, Canada, Japan, New Zealand, Russia and the Republic of South Africa and any other jurisdiction where the making or availability of the Offer would breach any applicable law or regulations
“Subscription”	the issue of the Subscription Shares at the Issue Price by the

	Company
“Subscription Shares”	the new Ordinary Shares proposed to be issued by the Company pursuant to the Subscription
“Securities Act”	the United States Securities Act of 1933, as amended
“Shareholders”	the holders of Existing Ordinary Shares
“TPI”	Turner Pope Investments (TPI) Ltd, the Company’s joint broker for the purposes of the Placing
“United Kingdom” or “UK”	the United Kingdom of Great Britain and Northern Ireland
“United States” or “US”	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia and any other area subject to its jurisdiction
“US Person”	has the meaning set out in Regulation S promulgated under the Securities Act
“£”	pounds sterling, the lawful currency of the UK