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This Announcement does not constitute a prospectus or offering memorandum or an offer in respect of any securities and is not intended to provide the basis for any investment decision in respect of Deltex Medical Group plc or other evaluation of any securities of Deltex Medical Group plc or any other entity and should not be considered as a recommendation that any investor 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.

Capitalised terms in this Announcement shall have the meanings given to such terms in the Company's announcement this morning.

23 January 2018

Deltex Medical Group plc

("Deltex" or the "Company")

Result of oversubscribed Placing

Further to the announcement made earlier today, Deltex (AIM: DEMG), the global leader in Oesophageal Doppler Monitoring ("ODM"), is pleased to announce it has completed a conditional Placing which was heavily oversubscribed. The Placing and Subscription of, in aggregate, 140,000,000 New Ordinary Shares will raise £1.75 million (before expenses) with new and existing shareholders at an Issue Price of 1.25 pence per share.

The Issue Price represents a discount of approximately 19.4 per cent. to the closing middle market price of 1.55 pence per Existing Ordinary Share on 22 January 2018, the last business day before the announcement of the Capital Raising.

The Placing is conditional upon, *inter alia*, approval by Shareholders at the General Meeting of the Resolution, the completion of the Subscription and Admission. It is expected that the Placing Shares will be admitted to trading at the same time as the Subscription Shares and the Offer Shares, that is, at 8.00 a.m. on 12 February 2018.

Certain directors intend to participate in the Offer and further details will be announced at the close of the Offer. Interests associated with Nigel Keen, Non-Executive Chairman of the Company, have additionally agreed to subscribe for 14,400,000 new Ordinary Shares in the Subscription which increases his holding to 42,223,410 Ordinary Shares representing 8.7 per cent. of the Enlarged Issued Share Capital (assuming the maximum number of Ordinary Shares are issued under the Offer).

Related party transactions

Interests associated with Nigel Keen, Non-executive Chairman of the Company, have agreed to subscribe for a total of £180,000 in the Subscription, representing 14,400,000 Subscription Shares.

The participation by interests associated with Nigel Keen in the Subscription constitutes a related party transaction for the purposes of the AIM Rules for Companies. The Directors, other than Nigel Keen, having consulted with the Company's nominated adviser, Arden Partners, consider that the terms of this related party transaction are fair and reasonable insofar as shareholders are concerned.

The extension to the redemption date of the Loan Notes and the alteration of the conversion price from 6 pence per share to 4 pence per share in respect of interests associated with Nigel Keen, Non-executive Chairman of the Company, constitutes a related party transaction for the purposes of the AIM Rules for Companies. The Directors, other than Nigel Keen, having consulted with the Company's nominated adviser, Arden Partners, consider that the terms of this related party transaction are fair and reasonable insofar as shareholders are concerned.

Ewan Phillips, CEO of Deltex Medical, commented:

"I am pleased with the response to the Placing and Subscription. The funds raised will give the Company the financial resources to build its business and help it achieve its target of being cash flow positive at the operating level."

The Offer

As disclosed in the announcement released by the Company earlier this morning, the Board is proposing to offer existing Shareholders on the share register at close of business on 22 January 2018 (the Record Date) the opportunity to participate alongside our new and existing shareholders. The Offer of 28,000,000 Offer Shares provides an opportunity to Qualifying Participants to subscribe for new Ordinary Shares up to a maximum value of £350,000 at the Issue Price.

Details of this Offer will be set out in a Circular which, together with an Application Form, is expected to be sent to Shareholders on 24 January 2018 and will be available from the Company's website www.deltexmedical.com.

Notice of General Meeting

The Placing is conditional on, *inter alia*, the passing of the Resolution at the General Meeting, to be held at the offices of DAC Beachcroft LLP at 100 Fetter Lane, London, EC4A 1BN at 10:00 a.m. on 9 February 2018, notice of which will be posted to Shareholders. The Resolution to be proposed at the General Meeting will provide the Company with the authority to allot and issue the New Ordinary Shares and the Offer Shares and the authority to allot and issue additional Ordinary Shares on the conversion of the Loan Notes under the Convertible Loan Note Arrangements.

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