

27 January 2016

**Deltex Medical Group plc**  
("Deltex Medical" or "the Company")

**Trading update for the year ended 31 December 2015 and funding plans**

Deltex Medical Group plc (AIM: DEMG), the global leader in oesophageal Doppler monitoring ("ODM"), today announces an update on its trading performance for the year ended 31 December 2015 and its funding plans:

**Highlights**

- Sales broadly similar to the previous year at £6.4m\* (2014: 6.5m) – strong growth in US and other export markets offset by 21% fall in UK probe revenues and £0.3m fall in UK monitor revenues due to continuing NHS funding issues
- US probe revenues increased by 31% to £1.3m (23% increase on constant currency basis)
- US growth driven by addition of 11 new Platform Accounts taking year end total to 17 (2014: 6); 18<sup>th</sup> Platform Programme account announced separately today
- Number of probes sold in our International markets up 41%; revenues increased by 26% - lower than volume increase as a result of the strength of sterling
- Total monitor revenues down £0.5m (of which UK £0.3m with NHS Supply Chain order in 2014 not repeated)
- Cash position of £0.6 million at 31 December 2015

*\*of this £0.2m relates to non-cash sales, reported in accordance with IAS 18 in respect of trial equipment placed in US paediatric and Spanish hospitals*

**Funding**

The Company is at an advanced stage with its plans to re-finance its £1m convertible loan note ("CLN") which is due to mature on 26 February 2016 as well as securing additional working capital. Heads of Terms have been agreed with the holder of the CLN to redeem or convert the CLN. The Company has been offered approximately £1m of new convertible loan finance for a three year term at 8% interest per annum and a conversion price of 6p per share as well as having received indications for an issue of ordinary shares to raise approximately £1m at 4p per share. Of the aggregate amount of approximately £2m, £1m is expected to be subscribed by Nigel Keen, Chairman, through a combination of convertible loan and ordinary shares and a further £50,000 of ordinary shares from Julian Cazalet, a non-executive Director.

The Company expects to announce details of the fundraising proposals in the near future and it intends to put forward proposals for existing shareholders to apply for ordinary shares by way of an Open Offer with the intention of raising up to a further £750,000. The effect of the combined fundraisings is expected to raise a minimum of £1.5m and a maximum of £1.9m of new funding for the Company. The proposals will require the issue of a circular seeking shareholder approval to enable the fundraising to proceed and setting out the details of the related party transactions, being the participation in the fundraising by Directors.

**Notice of results**

The Company plans to announce its results for the year ended 31 December 2015 in early April 2016.

**Nigel Keen, Chairman of Deltex Medical, commented:**

"Deltex Medical enters 2016 with growing traction in the US and other export markets driving overall momentum and reducing its exposure to the challenging UK market.

“In the USA in 2015 we increased the number of accounts on our Platform Programme from six to 17 and started to see the subsequent step-up in probe sales coming through in the latter part of the year. Several of these new accounts only signed up towards the end of 2015 with consequentially lower contributions to 2015 probe revenues than originally planned but are positioned to boost the growth trajectory for probe sales in 2016. We have today announced that we have added the 18<sup>th</sup> platform account and we are on track to reach our target of 30 platform accounts by mid 2016.

“In addition to the returns we are beginning to see from our investment in the US market, we are expecting to see increasing returns over the next twelve months from investments we have made in product development and further operational improvements which start to roll-out in the first quarter of 2016.”

**For further information, please contact:-**

Deltex Medical Group plc	01243 774 837 <a href="mailto:investorinfo@deltexmedical.com">investorinfo@deltexmedical.com</a>
Nigel Keen, Chairman Ewan Phillips, Chief Executive Jonathan Shaw, Finance Director Barry Curtis, Company Secretary	
Nominated Adviser & Broker Arden Partners plc Chris Hardie	020 7614 5900
Joint Broker Zeus Capital Limited Phil Walker Dominic Wilson	020 3829 5000
Financial Public Relations IFC Advisory Tim Metcalfe Graham Herring Heather Armstrong	0203 053 8671

**Notes for Editors**

Deltex Medical manufactures and markets haemodynamic monitoring technologies. Deltex Medical's ODM is the only technology to measure blood flow in the central circulation in real time. Minimally invasive, easy to set up and quick to focus, the technology generates a low-frequency ultrasound signal, which is highly sensitive to changes in flow and measures them immediately. Deltex has been the only company in the enhanced haemodynamic space to build a robust and credible evidence base proving the clinical and economic benefits of its core technology, ODM. Randomised, controlled trials using Doppler have demonstrated that early fluid management intervention will reduce post-operative complications, reduce intensive care admissions, and reduce the length of hospital stay.

During 2013, the Company launched the CardioQ-ODM+ monitor that offers clinicians both of the two best-established technologies, Deltex Medical's ODM technology as well as Pulse Pressure Waveform Analysis ('PPWA') in one monitor. This allows clinicians to have unique real time insights into each of flow, pressure and resistance, the three pillars of haemodynamics.

**Company goal**

ODM is increasingly recognised as a standard of care for patients undergoing major surgery and in critical care. The broader clinical area of haemodynamic management of which ODM is

a core constituent is also now becoming widely accepted as an important major new medical modality. Consequently, the Company's focus is on maximising value from the opportunities presented as enhanced haemodynamic management is adopted into routine clinical practice around the world.

The Company is currently in the implementation phase of achieving this goal in a number of territories worldwide, operating directly in the UK, USA, Spain and Canada and through distribution arrangements in a further 30 countries.