

9 June 2017

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

Chairman's Statement to Annual General Meeting

At the Annual General Meeting of Deltex Medical Group plc (AIM: DEMG), the global leader in oesophageal Doppler monitoring (ODM), to be held today the Company's Chairman, Nigel Keen, will make the following statement:

The Company is making good progress to date in 2017. Compared to 2016, sales are higher, margins improved and operating costs reduced.

In the USA, our key development territory, we have continued both to add new accounts and increase probe revenues. In January we reached our target of 30 platform accounts and, since then, we have added a further two key accounts: a major University Hospital in our West Coast territory and, in the Mid-Atlantic territory, a large hospital in the prestigious Johns Hopkins network. In addition we are working to conclude the contracting process with two additional key accounts following successful evaluations and continue to develop the pipeline.

US revenues for the five months to end of May increased over 40% compared to the same period in 2016. This growth includes the impact of a £0.1m monitor order in Q1 and foreign exchange tailwinds. We are in the process of redeploying our US field team to best support the platform programme accounts. March was the first month in which the margin on US probe revenues (excluding monitors) covered regular US staff costs and we are looking to broadly maintain this relationship as we add additional staff. US probe margin in May was sufficient to cover the costs of the two additional field staff added since March. Total regular monthly US staff costs in May were \$220,000. Reducing towards zero the amount by which regular US staff costs exceed probe margin is a major contributory factor to the Company's improved operating cash profile: the monthly excess of regular US staff costs over margin from probe sales has been funded out of equity during this phase of our US expansion plans and peaked at around \$150,000 a month in 2015.

Probe consumption in our International business is continuing to grow satisfactorily especially in our more developed focus markets and revenues after five months are marginally ahead of the prior year. Although we currently anticipate International sales to be ahead of management expectations for the first half, timing differences on large orders from our distributors in Peru and South Korea in 2016 make it likely that total first half International revenues will be lower than in 2016.

In contrast with growing sales in export markets, the UK remains challenging. Year to date UK revenues at the end of May 2017 were slightly behind 2016 (c3%) having been slightly ahead in the first quarter reflecting delays in many NHS organisations setting budgets for their new financial year which started in April. Our UK business remains profitable and it is encouraging that it continues to stabilise: at the same stage in 2016, UK revenues were c25% behind the prior year. Our goal remains to get the UK business back into growth by the end of the year and we have been encouraged by the positive response to our new High Definition Impedance Cardiography (HD-ICG) product since its launch last month.

Customers can add HD-ICG to their existing CardioQ-ODM+ monitors at low cost, and together with the existing ODM and Pulse Pressure Waveform Analysis functionality means we are now offering the three leading modern advanced haemodynamic monitoring technologies on a single platform. This gives us a unique offer and means that, for the first time, we can support demand for advanced haemodynamic monitoring across the whole hospital. We plan to launch HD-ICG to our International distributors in September and in the USA as soon as we receive FDA clearance. In the meantime we continue to differentiate the premium clinical effectiveness

of ODM through clinical evidence and today announced the positive results from the first randomised controlled trial of ODM in thoracic surgery.

The Company's key priority this year is to move the business through the cash break-even point at the operating level to enable us to continue to grow our business from our own internally generated resources. We have made significant progress towards this goal so far this year through growth in sales of existing products, manufacturing efficiencies and reduced overheads. Looking forward we expect to also start to generate cash returns from investments made in recently released new products as well as having a number of other exciting new product developments in hand.

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Notes for Editors

Deltex Medical manufactures and markets haemodynamic monitoring technologies. Deltex Medical's proprietary 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 which is proven to reduce complications suffered by patients after surgery and save hospitals the costs of treating those complications.

Deltex Medical's CardioQ-ODM+ platform also now provides clinicians with two further advanced haemodynamic monitoring technologies. High Definition Impedance Cardiography is an entirely non-invasive monitoring technology which creates an electrical field across the chest and measures the disruption to this field when the heart pumps blood. Pulse Pressure Waveform Analysis uses peripheral blood pressure signal analysis to give doctors information on changes in the circulation and is particularly suited to monitoring lower risk or haemodynamically stable patients.

Company goal

Haemodynamic management is 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 aims to provide clinicians with a single platform, a 'haemodynamic workstation', which offers them a range of technologies from simple to sophisticated to be deployed according to the patient's condition and the skill and expertise of the user. Doing this will enable the Company to partner healthcare providers to support modern haemodynamic management across the whole hospital.

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.

There are over 3,400 monitors installed in hospitals around the world and around 700,000 patients have been treated to date using Deltex Medical's single patient disposable products.