

20 June 2018

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

**Chairman's Statement to Annual General Meeting**

*At today's Annual General Meeting of Deltex Medical Group plc (AIM: DEMG), the global leader in Oesophageal Doppler Monitoring ("ODM"), the Group's Chairman, Nigel Keen, will make the following statement:*

Hospitals in the developed world are facing increasing pressure to focus on patient safety, in part due to financial penalties or the non-reimbursement of costs associated with avoidable adverse events. Healthcare systems also face increasing costs from ageing populations. Avoidable haemodynamic complications - such as surgical site infections or acute kidney injuries - are expensive and cause significant patient safety issues.

Deltex Medical's ODM technology has been shown in numerous scientific studies to: (i) improve patient outcomes; (ii) reduce attributable costs; and (iii) by extension, improve patient safety. For example, the April 2018 FEDORA study showed a statistically significant reduction in complications and median length of stay for high, moderate and low risk patients.

This year Deltex Medical launched its TrueVue monitoring platform in the UK which comprises three haemodynamic monitoring technologies: (i) doppler ultrasound; (ii) impedance; and (iii) arterial waveform analysis. We are waiting for regulatory approval to launch the full suite of TrueVue products in the USA. In general terms there is a trade-off between the ease-of-use and the precision of the data generated from each monitoring technology. The TrueVue platform enables clinicians to match the appropriate technology to the risk profile of the patients as they move through the hospital. For example, high-risk, anaesthetised patients undergoing surgery can be treated under the guidance of the minimally-invasive and very precise ODM probe, whereas lower-risk, awake patients in a high dependency unit can be monitored using non-invasive impedance.

The TrueVue platform also enables the Group to sell its monitoring technologies into a larger addressable market. In the past, Deltex Medical was only able to provide its ODM technology to anaesthetists for use on anaesthetised patients undergoing surgery in the operating theatre or sedated patients in an intensive care unit. The TrueVue platform now enables Deltex Medical to market its haemodynamic monitoring technologies into a significantly broader number of clinical areas in the UK including accident & emergency, awake-surgery and obstetrics.

Andy Mears, our new CEO, started with Deltex Medical as an electrical engineer working on the first prototypes of the ODM technology in 1989. He has extensive practical experience of working with the ODM technology as well as discussing its development and application with clinicians working in operating theatres and intensive care. In his previous role he was responsible for developing the Group's network of Key Opinion Leaders and for the Group's International division which sells Deltex Medical's technologies to hospitals in 40 countries via distributors.

In the second half of 2018, Deltex Medical's management, led by Andy Mears, will be working on optimising the Group's sales and marketing activities in order to maximise the Group's revenues and addressable markets. The team will also be exploring new ways of addressing the challenge that many hospitals currently only use haemodynamic monitoring for high risk patients. Studies suggest that if this monitoring technology was extended to moderate and low risk patients, then the costs to the healthcare system would be lower and patients would benefit from reduced haemodynamic complications (many of which only become apparent later and often after the patient has left the hospital).

In practical terms this will involve focusing on three key areas:

- extending Deltex Medical's product offering on the TrueVue platform to facilitate sales into a broader number of clinical areas around the world to increase the size of the Group's addressable market;
- focussing on the effectiveness of the Group's sales processes to maximise the sales of high margin, ODM disposable probes; and
- husbanding Deltex Medical's cash resources while moving towards cash generation.

More information on these initiatives will be set out in the Group's interim results which will be published in September 2018.

**Deltex Medical Group plc**

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**Notes for Editors**

Deltex Medical manufactures and markets haemodynamic monitoring technologies. Deltex Medical's proprietary ODM (TrueVue™ Doppler) 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 group in the enhanced haemodynamic space to build a robust and credible evidence base proving the clinical and economic benefits of its core technology, TrueVue™ Doppler, which is proven to reduce complications suffered by patients after surgery and save hospitals the costs of treating those complications.

Deltex Medical's TrueVue™ System on the CardioQ-ODM+ monitor 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.

## **Group goal**

Haemodynamic management is now becoming widely accepted as an important major new medical modality. Consequently, the Group's focus is on maximising value from the opportunities presented, as enhanced haemodynamic management is adopted into routine clinical practice around the world. The Group 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 as well as the skill and expertise of the user. Doing this will enable the Group to partner healthcare providers to support modern haemodynamic management across the whole hospital.

The Group 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 40 countries.