

25 July 2018

Deltex Medical Group plc
(“Deltex Medical” or the “Group”)

Pre-close Trading Update

**Change to increase the focus on driving sales from
the Group’s established customer base**

Deltex Medical Group plc (AIM: DEMG), the global leader in Oesophageal Doppler Monitoring (“ODM”), today announces an update on trading for the half year ended 30 June 2018.

As previously reported, first half revenues were below H1 2017 with Q2 revenues not making up for poor trading in the first quarter. Leadership changes have been made to focus the business on driving recurring revenues from the established customer base and to reduce further the cost base of the business to match the current trading of the Group.

H1 2018 Highlights

- Total revenues of £2.3m (2017: 2.9m)
- Probe revenues at £2.0m down from £2.4m in H1 2017
 - US revenues down £0.2m, held back by the weaker US dollar compared with H1 2017, together with changes in ordering by two large accounts, masking encouraging growth in use by major hospital systems
 - International sales £0.1m lower due to temporary inventory adjustment by our French distributor in preparation for the transition to the previously announced new large Paris hospital contract
 - UK probe revenues down £0.1m with continuing tough trading conditions associated with the NHS
- Other revenues (including monitor sales) at £0.3m down from £0.5m in H1 2017
- Benefits of earlier cost reductions made starting to be seen in H1 with further cost savings expected in H2 which should lead to a much reduced cash-burn
- FDA 510(k) marketing approval received for “TrueVue™ Impedance” on the CardioQ-EDM+ platform with US product launch expected later in H2 2018
- Cash at 30 June 2018 of £1.1m (30 June 2017: £0.2m)

Nigel Keen, Deltex Medical’s Chairman, commented:

“We have responded to disappointing trading in the first half and the leadership of the Group has been changed to sharpen the focus on driving recurring revenues across our substantial user base. The funds we raised at the beginning of the year have enabled us to re-size the Group to help us to match the current trading levels of the Group. We enter the traditionally stronger second half with anticipated growth in our key export markets, a more stable UK position, significantly lower costs in our US operation, higher probe margins and a slimmed down, re-focussed management team.”

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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 (TrueVue™ Impedance) 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 (TrueVue™ Pressurewave) 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 30 countries.