

25 January 2019

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

Pre-close statement and trading update

Deltex Medical Group plc (AIM: DEMG), the global leader in oesophageal Doppler monitoring, today publishes a pre-close statement in relation to the year ended 31 December 2018.

The Group has implemented the new strategy as set out in the interim results published on 24 September 2018, which has led to a significant reduction in operating costs, particularly in relation to sales and marketing.

The Group was able to deliver substantially improved profitability and cash generation in Q4 2018 and will provide more information in the preliminary results, which are expected to be published in April 2019. The improved Q4 2018 financial performance leads the Board to expect that the Group will be EBITDA positive in 2019.

During the initial phase of the implementation of the new strategy, lower levels of revenues were expected as the Group focussed on driving revenues from existing customers already using its high margin TrueVue Doppler probes; however, this targeted approach has enabled other costs to be significantly reduced.

These actions have created a stable business which the Board believes provides a platform from which future sales growth can be generated from Deltex Medical's TrueVue range of haemodynamic monitoring technologies.

Overall, revenues for the year ended 31 December 2018 were slightly behind expectations at approximately £5.0 million (2017: £5.9 million) and full year losses before exceptional items are expected to be broadly in line with market expectations. Gross cash on the balance sheet at 31 December 2018 was £0.6 million (2017: £0.2 million).

Nigel Keen, Chairman of Deltex Medical, said:

"The initial results from the new business strategy of building a more stable business as a result of improved profitability and cash generation are most encouraging; we are looking forward to seeing further progress during 2019."

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Notes for Editors

Deltex Medical manufactures and markets haemodynamic monitoring technologies. Deltex Medical's proprietary oesophageal doppler monitoring ("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 such changes in 'real time'. Deltex Medical 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 has been demonstrated 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 now provides clinicians with two further advanced haemodynamic monitoring technologies. 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. TrueVue PressureWave uses the 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 part of the anaesthesia protocol for high risk surgical patients. 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 and the USA - and through distribution arrangements in approximately 40 other countries.