

20 December 2021

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

**Notification of a successful Innovate UK Smart Award with
a gross value of £494,000 (net £346,000)**

**Total gross value of successful grant notifications in 2021 amounts to
£0.6 million (net £0.4 million)**

Deltex Medical Group plc (AIM: DEMG), the global leader in Oesophageal Doppler Monitoring, announces that its UK subsidiary, Deltex Medical Limited ("DML"), has been notified of a successful UK Smart Award application by Innovate UK.

Notification of grant awards this year

This Innovate UK Smart Award relates to the development of an innovative, hand-held, non-invasive ultrasound device for improved haemodynamic management of hospitalised patients. Notification was received on 17 December 2021 that DML has been successful in this application, subject to final approval by Innovate UK:

- Innovate UK is part of UK Research and Innovation, an organisation funded by the UK government which works in partnership with universities, research organisations, businesses, charities and government to promote research and innovation; and
- the total gross eligible project costs for the Smart Award are £494,000, of which 70% (£346,000) will be reimbursed to DML by Innovate UK, with the balance funded from the Group's own financial resources over the estimated eighteen-month project duration.

During 2021 DML has also been awarded two other grants by Innovate UK to help it with the development of its new, real-time, easy-to-use, non-invasive haemodynamic monitoring technology:

- it has won a £50,000 A4I award which is 100% funded. DML is collaborating with the National Physics Laboratory on this project; and
- it has also been awarded a Growth Support Account Scale Up Grant with a gross value of £24,000 (net £14,000).

The total gross value of the eligible project costs covered by these three awards is £568,000 of which £410,000 (net) is available for reimbursement to DML in relation to eligible expenditure. The balance of £158,000 will be funded by the Group from its own resources.

Deltex Medical's new easy-to-use non-invasive haemodynamic monitoring technology

Clinicians currently lack a simple-to-use, real-time, reliable and non-invasive way of rapidly and accurately measuring the haemodynamic status of their patients which is required to help select an optimised clinical pathway.

Deltex Medical is continuing to develop its market-leading ultrasound haemodynamic monitoring technologies by introducing a non-invasive Doppler device into the next generation TrueVue monitor. This technology development draws upon the substantial body of published research relating to the Group's minimally-invasive TrueVue Doppler system which is already in use in surgery as well as intensive care units around the world.

The first iteration of the non-invasive haemodynamic monitoring technology will be available on Deltex's new TrueVue monitor to be launched in H1 2022 and will be sold into a broad range of hospital departments, including: Surgery; Accident & Emergency; pre-surgical assessment; obstetrics; cardiology and critical care.

The Group believes that this new technology, used in conjunction with the appropriate treatment protocols, will improve patient outcomes, reduce hospital stays, help increase the efficiency of healthcare workers and deliver significant savings to the health system. It should also help facilitate the rapid diagnosis of the potential for serious illness in COVID-19 patients.

The Smart Award announced by Innovate on 17th December will allow Deltex to continue to develop the non-invasive technology to improve the signal acquisition and processing. The new award complements the grant awarded in November 2021 in which Deltex is collaborating with the National Physics Laboratory to improve the design of the ultrasound probe face.

Andy Mears, Deltex Medical's CEO, commented:

"I am absolutely delighted we have been successful in winning a number of awards this year from Innovate UK, including notification of a prestigious Innovate UK Smart Award."

"We believe that the Innovate UK Smart Award helps to underscore the potential for our new non-invasive technology to improve significantly haemodynamic treatment protocols for all patients."

"We have been working to make our gold standard haemodynamic monitoring technology available in a completely non-invasive format to broaden the clinical settings in which the technology can be applied. The release of our new TrueVue monitor planned for the end of H1 2022, allows us to launch this new non-invasive technology and these grant awards will enable us to accelerate the development of the incremental clinical settings in which the devices will be used"

"The award of three grants this year helps to highlight the commercial and technological potential for Deltex Medical's unique range of haemodynamic monitoring technologies."

For further information, please contact:

Deltex Medical Group plc

Nigel Keen, Chairman
Andy Mears, Chief Executive
Natalie Wettler, Group Finance Director

01243 774 837

investorinfo@Deltexmedical.com

Nominated Adviser and Broker

Arden Partners plc

Paul Shackleton
Benjamin Onyeama-Christie

020 7614 5900

info@arden-partners.com

Joint Broker

Turner Pope Investments (TPI) Ltd

Andy Thacker
James Pope

0203 657 0050

info@turnerpope.com

Notes for Editors

Deltex Medical manufactures and markets haemodynamic monitoring technologies which are primarily used in critical care and general surgical procedures. Deltex Medical's proprietary oesophageal Doppler monitoring ("ODM") (TrueVue Doppler) measures blood flow velocity 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 blood flow and measures such changes in 'real time'. Deltex Medical is the only company in the enhanced haemodynamic monitoring space to have built a robust and credible evidence base demonstrating both the clinical and economic benefits of its core technology: TrueVue Doppler. This technology has been proven in a wide range of clinical trials to reduce complications suffered by patients after surgery and consequently can save hospitals money.

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 that transmits low magnitude, high frequency electrical signals through the thorax and measures the changes to this signal 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.

Deltex Medical is also designing the next generation of non-invasive Doppler ultrasound devices that will be released onto the TrueVue platform and will accurately measure the awake patient's haemodynamics anywhere across the hospital setting.

Clinicians would like to be able to measure the haemodynamic status of awake patients not only in the operating room and intensive care departments. Our R&D programmes will provide the capability for our devices to be used in A&E, on the ward or outside the hospital.

The Group is focussed on maximising value from the opportunities associated with the current pressures on healthcare systems throughout the world. The COVID-19 pandemic requires different care pathways for awake patients and has increased the elective surgery backlog. These considerations have raised the profile of haemodynamic monitoring leading to the recent consolidation in the sector.

Group goal

Haemodynamic management is now becoming widely accepted as a vital part of the anaesthesia protocols for surgical patients, as well as treating ventilated intensive care patients, including ventilated COVID-19 patients. There is also a desire to start measuring haemodynamics on awake patients outside of the operating room or intensive care departments, such as the ward or in A&E and our R&D programme is very focused on this opportunity. Consequently, the Group's focus is on maximising value from the opportunities associated with: the CV-19 pandemic; the elective surgery backlog; awake patients and the higher profile of haemodynamic monitoring which has arisen from the recent consolidation in the sector.

The Group aims to provide clinicians with a modern, next generation, single 'haemodynamic workstation' platform which offers them a range of technologies from simple to sophisticated to be deployed according to the patient's clinical condition as well as the skill and expertise of the user. Doing this will enable the Group to partner with 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 via agreements with approximately 40 distributors overseas.

Innovate UK

Innovate UK drives productivity and economic growth by supporting businesses to develop and realise the potential of new ideas.

They connect businesses to the partners, customers and investors that can help them turn ideas into commercially successful products and services and business growth.

They fund business and research collaborations to accelerate innovation and drive business investment into R&D. Their support is available to businesses across all economic sectors, value chains and UK regions.

Innovate UK is part of UK Research and Innovation. For more information visit <https://www.ukri.org/councils/innovate-uk/>