7 April 2022 – Deltex Medical Group plc (AIM: DEMG), the global leader in oesophageal Doppler monitoring, today announces its results for the year ended 31 December 2021.

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

Results for the year ended 31 December 2021

HIGHLIGHTS

Financial

- revenues: £2.3 million (2020: £2.4 million)
- International division performed well in 2021 with growth of 40% to £0.9 million (2020: £0.7 million)
- gross margin up slightly to 70% (2020: 68%)
- overheads flat at £2.7 million (2020: £2.7 million, excluding exceptional items)
- adjusted EBITDA: £(0.5) million (2020: £(0.2) million)
- loss for the year: £(1.0) million (2020: £(0.8) million)
- cash at hand (31 December, 2021): £0.4 million (2020: £0.9 million), before £1.4 million (gross) fund raising announced on 8 February 2022

Business

- during 2021 many of Deltex Medical's principal markets were effectively closed as elective surgical procedures were cancelled around the world due to the pandemic. Elective surgery is now starting to resume globally
- many hospitals barred access to salespersons and clinical educators for a large proportion of the year, which compounded the sales challenges facing the Group
- post pandemic, there is now a substantial backlog in elective surgical procedures around the world which represents a significant commercial opportunity for Deltex Medical as its TrueVue Doppler technology has been shown to reduce patient length-of-stay and hence increase hospital throughput / capacity
- there are now encouraging signs of hospital access improving for our sales teams
- excellent progress was made in research and product development during 2021, both in the development of our new, next generation monitor which will be launched in 2022 and our new non-invasive Doppler-based haemodynamic monitoring technology which has broader applications within the hospital setting
- trading in 2022 has started positively including the announcement in January 2022 of a US$0.2 million order from the Americas

Commenting on the results, Nigel Keen, Chairman of Deltex Medical, said:

"2021 was a challenging year for Deltex Medical; however, as the pandemic subsides the prospects for the Group in 2022 are encouraging."

"The size of the backlog in elective surgery around the world creates an opportunity to leverage the benefits of Deltex Medical's technology, particularly in relation to increasing patient throughput and improved outcomes."

"The expected return to normal levels of elective surgery represents a significant commercial opportunity for the Group."

"The launch of our next generation state-of-the-art monitor coupled with our new, easy-to-use non-invasive monitoring device, with its broader applicability throughout the hospital, provides opportunities for the Group to expand its addressable markets."

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Notes for Editors

Deltex Medical's technology

Deltex Medical's TrueVue System uses proprietary haemodynamic monitoring technology to assist clinicians to improve outcomes for patients as well as increase throughput and capacity for hospitals.

Deltex Medical has invested over the long term to build a unique body of peer-reviewed, published evidence from a substantial number of trials carried out around the world. These studies demonstrate statistically significant improvements in clinical outcomes providing benefits both to patients and to the hospital systems by increasing patient throughput and expanding hospital capacity.

The Group's flagship, world-leading, ultrasound-based oesophageal Doppler monitoring ("ODM") is supported by 24 randomised controlled trials conducted on anaesthetised patients. As a result, the primary application for ODM is focussed on guiding therapy for patients undergoing elective surgery.

During 2021, Deltex Medical's engineers and scientists carried out successful research in conjunction with the UK's National Physical Laboratory ("NPL"), which has enabled the Group's 'gold standard' ODM technology to be extended and developed so that it can be used completely non-invasively. This will significantly expand the application of Deltex Medical's technology to non-sedated patients. This new technological enhancement will substantially increase the addressable market for the Group's haemodynamic monitoring technologies and is complementary to the long-established ODM evidence base.

Our new non-invasive technology has potential applications for use in a number of healthcare settings, including:

- Accident & Emergency for the rapid triage of patients, including the detection and diagnosis of sepsis, an important capability for patients presenting with COVID-19 symptoms;
- in general wards to help facilitate a real-time, data-driven treatment regime for patients whose condition might deteriorate rapidly; and
- in critical care units to allow regular monitoring of patients post-surgery who are no longer sedated or intubated.

One of the key opportunities for the Group in 2022 is positioning this new, non-invasive technology for use throughout the hospital. Our haemodynamic monitoring technologies provide clinicians with beat-to-beat real-time information on a patient's circulating blood volume and heart function. This information is critical to enable clinicians to optimise both fluid and drug delivery to patients.

Our business model is to drive the recurring revenues associated with the sale of single-use disposable ODM probes which are used in the TrueVue System and to complement these revenues with a new incremental revenue stream to be derived from our new non-invasive technology.

Both the existing single-use ODM probe and the new, non-invasive device connect to the same, next generation monitor which is due for launch in 2022. Monitors are sold or, due to hospitals' often protracted procurement times for capital items, loaned in order to encourage faster adoption of our technology.

Deltex Medical's customers

The principal users of our products are currently anaesthetists working in a hospital's operating theatre and intensivists working in ICUs. This customer profile will change as our new non-invasive technology is adopted by the market. In the UK we sell directly to the NHS. In the USA we sell directly to more than 30 major hospitals that appreciate the value of our evidence-based approach to haemodynamic management. We also sell through distributors in more than 40 countries in the European Union, Asia and the Americas.

Deltex Medical's objective

To see the adoption of our next generation TrueVue System, comprising both minimally invasive and non-invasive technologies, as the standard of care in haemodynamic monitoring for all patients from new-born to adult, awake or anaesthetised, across all hospital settings globally.

Visit us online for further information at www.deltexmedical.com

Chairman's Statement

Real-time oesophageal Doppler haemodynamic monitoring:
improves patient outcomes; increases hospital throughput

Introduction

As expected, 2021 turned out to be a challenging year for Deltex Medical, although I can report that we are encouraged by the way that 2022 has started.

Our technology is principally used during elective surgery. Unfortunately, elective surgery was effectively closed for much of the year as health systems across the world continued to grapple with the impact of the COVID-19 ("Covid") pandemic whilst deciding how best to restart elective surgery. Intensive Care Units ("ICUs") once again filled up with mainly unvaccinated, extremely sick patients. Staff shortages compounded the provision-of-care challenges facing hospitals.

Although at the beginning of the pandemic, starting in late March 2020, there was an uptick in sales of the Group's haemodynamic monitoring technology into ICUs, this rapidly became dwarfed by the drop-off in the use of our products associated with the cessation of elective surgery in almost all hospitals in the world.

In all our markets there is now a large backlog of patients requiring elective surgical procedures. This represents a clinical and, increasingly, a political problem, particularly for government-funded healthcare systems. An NHS publication "**Delivery plan for tackling the COVID-19 backlog of elective care**" published on 8 February 2022 states that "*Six million people are now on the waiting list, up from 4.4 million before the pandemic.*"

On 1 December 2021 the UK's National Audit Office published a report entitled: "**NHS Backlog and waiting times in England**". This report states that "*Under two plausible scenarios, the elective care waiting list will be longer in 2025 than it is today.*" Further, this report suggests that under one of these scenarios the waiting list in March 2025 will contain 12.0 million patient pathways, compared to 5.8 million in September 2021.

The size and scale of the backlog means that hospitals and health systems should be looking to use our technology to help them rapidly reduce the elective surgery backlog and this represents a significant commercial opportunity for the Group. Conversely, the sheer size and scale of the backlog may also make it challenging to sell new technology into a stressed operating theatre environment, as clinicians are under acute pressure to work rapidly through operating lists. In addition, many hospitals have been slow at reopening access in the operating theatre to people not directly involved in the surgical process. This makes it more difficult for our clinical educators to provide clinical support to new clinicians who have been significantly less active in respect of elective surgery for the last two years.

While the environment starts to normalise, we will focus our commercial activities on hospital accounts that had previously adopted and used the Group's TrueVue Doppler technology in the operating theatre. In addition to driving back up usage rates from existing users, we will separately introduce a number of different initiatives to drive adoption of our new, non-invasive haemodynamic monitoring technology which we will be launching later this year. We believe that this new, broad application, non-invasive technology will, as well as being adopted by new users, help drive interest in, and usage of, our long-standing minimally invasive ODM technology. This is due to the new device allowing anaesthetists to quickly assess which of their patients will benefit from having the use of the advanced ODM technology.

The evidence showing that the use of our Doppler-based haemodynamic monitoring technology improves patient outcomes and increases hospital capacity (as a result of shorter patient length-of-stay) is strong. We believe that the next generation monitor which we will launch in 2022 and the new completely non-invasive device, which will also be available on this monitor, will represent a compelling solution for clinicians and hospital systems needing to handle their patient throughput more effectively.

Financial results

Group revenues for the year ended 31 December 2021 were £2.3 million (2020: £2.4 million) and reflect the impact of Covid on elective surgery. In 2021 the entire year's results were affected by the pandemic whereas in 2020 we had reasonable activity levels in the first quarter. Probe revenues declined by 9.6%

to £1.9 million (2020: £2.1 million). Monitor revenues increased by 25% to £202,000 (2020: £161,000) reflecting improved trading in our International division in the year.

The consolidated gross margin in 2021 was 70% (2020: 68%). The slight increase in gross margin reflects a number of manufacturing efficiency savings that we were able to capture during the year.

Overheads were flat in the year totalling some £2.7 million (2020: £2.7 million, excluding exceptional costs of £232,000).

In the year the total value of UK and US government salary support schemes was £0.3 million (2020: £0.4 million).

Adjusted EBITDA for the year (comprising earnings before interest, tax, depreciation and amortisation, share-based payments, non-executive directors' fees, as well as any exceptional items) was a loss of £(0.5) million (2020: £(0.2) million).

Loss for the year was £(1.0) million (2020: £(0.8) million).

Cash at hand at 31 December 2021 was £0.4 million (2020: £0.9 million). This cash resource has since been supplemented by a fund raising of £1.4 million (gross) which was announced on 8 February 2022.

Business activities

Whilst our direct sales operations in the UK and the USA struggled to gain access to customers during the year as the majority of hospitals had put in place bans on visits by salespeople or clinical educators, our International division saw revenues grow by 40% to £926,000 (2020: £661,000). This growth helps to demonstrate the potential of, and associated opportunity with, our international network of some 40 distributors across the world.

During 2021 the Group's research and development team focussed on completing the development of our next generation monitor for launch in 2022. Launch of this monitor will provide us with immediate access to new potential revenue streams through sales of this updated device to existing users, as well as providing a platform for the introduction of our new non-invasive haemodynamic monitoring technology later this year.

Employees

On behalf of the Board, I would like to thank Deltex Medical's highly trained and dedicated employees, most of whom are based in the UK and the USA, for their continuing efforts and dedication in the very taxing environment which we saw throughout 2021. In these very difficult circumstances, our employees displayed great flexibility and fortitude, and remained responsive to our customers' wishes throughout the year.

Current trading and prospects

As access to hospitals improves for our direct sales forces in the UK and the USA then we expect our business to begin to normalise.

We also anticipate that our international business will continue to grow in 2022 and we have already announced a US$0.2 million order from a territory in the Americas which we expect will generate significant contracted single-use probe revenues this year.

Following the £1.4 million (gross) fund raising announced in February 2022, Deltex Medical, with the benefit of its grant awards, will have sufficient financial resources to complete the development of its next generation monitor and its new, broad application, non-invasive haemodynamic monitoring technology

Our initial focus is to drive activity levels back up to those achieved by the Group prior to the pandemic. Once attained, we believe that there is clear scope to grow the business, both in the UK, USA and in other international territories.

Nigel Keen
Chairman
6 April 2022

Business Review

Overview

Deltex Medical is the world leader in highly accurate oesophageal Doppler monitoring ("ODM"), via its TrueVue platform, which allows real-time monitoring of a patient's haemodynamic status.

A substantial number of peer-reviewed, randomised controlled trials have shown that an ODM-driven haemodynamic protocol can result in statistically significant reductions in post-operative complications, resulting in lower costs for hospitals due to shorter patient length-of-stay. This is not only good for patients but also increases throughput and capacity for hospitals, which will be a key factor in the near term for reducing the backlog in elective surgery.

Deltex Medical's technology was originally developed in an ICU in London to assist with the treatment of acutely unwell critical care patients. Over time demand for the Group's high fidelity oesophageal Doppler-based haemodynamic monitoring technology has migrated from the ICU to the operating theatre, and particularly for elective surgery. Before the pandemic, approximately 80% of the Group's revenues were associated with elective surgical procedures in operating theatres. Accordingly, the cessation of elective surgery for much of 2021 was highly disruptive to Deltex Medical's commercial activities.

During 2021, our research and development team made impressive and substantial progress both in completing the development of our new, next generation TrueVue monitor and also in developing a complementary, non-invasive haemodynamic monitoring technology which leverages the extensive evidence base supporting the use of our existing ODM technology. The new device allows instantaneous non-invasive deployment anywhere in the hospital. This substantially broadens the potential applications, and hence addressable market size, for the Group's technology.

Our key challenge for 2022 is to ensure that, as hospitals open up and the volume of elective surgery increases, the Group is able to capitalise on these increased activity levels in operating theatres as well as capturing all the upside associated with our new non-invasive Doppler-based technology.

COVID-19

When Covid first emerged in 2020, the Group initially experienced increased demand for its TrueVue Doppler technology in ICUs, as clinicians worked to establish the optimal treatment protocols for severely sick Covid patients.

Over the last two years Covid treatment protocols have improved and the importance of haemodynamic monitoring as a part of optimal Covid treatment is now better understood. However, in developed countries the number of patients in ICUs has declined, in large part as vaccination rates have increased substantially, resulting in a decline in demand for the Group's oesophageal Doppler technology in ICUs for the treatment of ventilated Covid patients.

Around the world there is now a substantial backlog in elective surgical procedures as a result of the closure of operating theatres during the pandemic.

A chart published by the British Medical Association showed the increase in the NHS backlog of elective care from 4.4 million people at the start of the pandemic to 6.1 million in December 2021.

A second chart published by the National Audit office showed that under two plausible scenarios, the NHS backlog in March 2025 could be substantially higher than today, with one estimate putting the backlog as high as 12.0 million.

This backlog in elective care, which is a global phenomenon, represents a significant commercial opportunity for Deltex Medical as use of its TrueVue Doppler technology should result in greater patient throughput in respect of elective surgery, and hence increased hospital capacity.

One of the largest challenges that the Group, in common with most medical device companies, currently faces is that many hospitals around the world have restricted access to salespersons and clinical educators to help reduce the risk of the spread of Covid within hospitals.

Visits by Deltex Medical salespersons and clinical educators within the operating room environment results in appropriate levels of operating theatre staff trained in the use of ODM. The Group has internal studies which show that higher probe usage in these units is associated with recent visits by Deltex Medical employees. Conversely, it also has data which show that hospitals which have not been visited by a Deltex Medical employee for some time typically display reduced probe usage. As a result, one of the key challenges which the Group is focussing on this year is improving access for its direct sales force to hospitals in the UK and the USA.

The Group is considering a number of strategies to improve customer access, including possibly collaborating with larger groups which, as a result of their size and financial resources, have better reach and penetration into the operating theatre market.

Covid has also had a significant adverse effect on global supply chains, particularly in respect of semiconductors and raw materials. This has created issues for the Group's product development activities, and, in particular, contributed materially to the slippage of the launch of our next generation monitor from 2021 into 2022.

During 2021 the Group adopted a number of work-from-home protocols. Whilst working from home has had some advantages for some of our employees, it has also created challenges as the Group's research & development ("R&D") teams were forced to carry out complex development work remotely and without full access to Deltex Medical's research laboratories located in our headquarters in Chichester.

These Covid challenges should be seen in the context of the Group's pre-pandemic results when the Group had positive adjusted EBITDA of £0.4 million in 2019 and revenues nearly twice the 2021 level. (2021 revenues: £2.3 million; 2019: £4.3 million). Our primary focus is to return the business to these previously achieved activity levels, and then start to build profitable growth thereafter.

Product development and innovation

The ability to innovate and drive haemodynamic monitoring technology forward remains a key component of the Group's strategy.

The need for the new, next generation monitor has been apparent for some time. In 2021 a substantial proportion of our R&D activities were focussed on bringing this monitor to market. We anticipate launching the new, next generation monitor later this year.

Much of our product development work has been assisted by a number of competitively-won grant awards. For example, in 2021 the Group was notified of grant awards worth approximately £0.6 million (gross) (2020: nil), including a prestigious Smart Award from Innovate UK. Work eligible for the latest grant starts in April 2022.

One notable grant award related to collaborative work between Deltex Medical and the UK's National Physical Laboratory ("NPL") based in Teddington. This collaborative research work has enabled the Group to extend the application and utility of its oesophageal Doppler monitoring, including the development of a non-invasive device with broad utility.

Deltex Medical's oesophageal Doppler is classified as a minimally-invasive device; however, it still requires the insertion of a probe down the oesophagus of a sedated or anaesthetised patient. The requirement for the patient to be sedated has historically limited the application of our ODM technology. However, development work carried out in 2021 with NPL has enabled Deltex Medical to develop a new, non-invasive haemodynamic monitoring device which can be placed at the base of the patient's neck (the suprasternal notch) to generate real-time, highly accurate data on the haemodynamic status of the patient. This non-invasive device, which can provide clinicians with an instant measurement of a patient's haemodynamic status, will significantly expand the possible applications and size of the addressable market for the Group. In addition to adoption by new users, this non-invasive device should help drive interest in, and usage of, our long-standing minimally invasive ODM technology as the use of the new device will allow anaesthetists to assess which of their patients will benefit from the more intense monitoring available through the use of the TrueVue system.

Market developments

The majority of the Group's activities are currently centred around the treatment of human patients within the hospital setting. However, we have also been developing our haemodynamic monitoring platform for use in veterinary applications in the treatment of small animals in a number of different sites around the world. Although the size of this market is currently quite small, we believe that it has the potential to grow. Accordingly, we are working closely with, and supporting technologically, a number of key opinion leading veterinarians who are interested in the application of the Group's TrueVue Doppler technology in the treatment of sick animals.

Regulatory

Deltex Medical designs and manufactures Class II medical devices which it sells around the world. As a result, its business activities can be significantly affected by changes to regulations. At any time there are typically a number of regulatory changes under consideration from the regulatory bodies governing such devices.

Fortunately, to date the effect on the Group from Brexit has been relatively limited, although we have been forced to register our products in Spain, despite having sold into the Spanish market for more than 15 years. The post-Brexit regulatory regime is still evolving and we keep actual or prospective changes in regulations under close review.

In Europe we are currently in the process of transitioning from the Medical Device Directive to the Medical Device Regulation ("MDR"). The European MDR comprises a new set of regulations that govern the production and distribution of medical devices in Europe. Compliance with this new regulation is mandatory for medical device companies that want to sell their products into the European marketplace.

There are certain provisions within the MDR which, if enforced in a timely manner, could help Deltex Medical. For example, there is an increasing requirement for manufacturers of medical devices to generate their own body of efficacy data, and not to rely on third party data in regulatory submissions. Deltex Medical benefits from a substantial body of published literature relating to the use of its technology which shows statistically significant effects associated with improving patient outcomes and reducing patient length-of-stay. As the MDR comes into effect we anticipate that the value and utility of the Group's own scientific evidence base should continue to increase.

Three principal divisions: UK, USA and International

Deltex Medical structures its commercial activities around three divisions: the UK; the USA and International.

Although in 2021 access to customer accounts was extremely limited, we have had some notable successes with long-standing customers in both the UK and the USA. For example, at some institutions we have been able to stay in close contact remotely with anaesthetists, which has resulted in a steady stream of probe usage, albeit at much lower levels than before the pandemic started. However, it is clear that where our sales personnel are unable to obtain meaningful access to anaesthetists, or other appropriate operating theatre staff, then probe usage typically declines.

Over recent months there have been encouraging signs where we have been able to start to re-engage with operating theatre personnel in a number of hospitals. As hospitals open up again, we plan to expand the size of our sales team in the USA and focus on our existing accounts, which should help us to start to drive up high margin single-use probe revenues.

The International division performed well in 2021 with growth of 40% to £0.9 million (2020: £0.7 million). The Group's distributor in France achieved strong activity levels, partly as a result of a long-term contract with the Association of Public Hospitals in Paris. In January 2022 one of the Group's distributors in the Americas won contracts worth some US$0.2 million which combined the sale of monitors with predetermined and contracted probe sales to a number of public hospitals.

Not all of the Group's international distributors performed strongly during the pandemic. Many of these distributors comprise businesses focussed on selling equipment and consumables into operating theatres which, similar to Deltex Medical, have seen much lower activity levels in 2021.

Conclusion

The Covid pandemic is transitioning to becoming endemic in the community and the elevated vaccination rates around the world mean that hospitals are now starting to open up access to suppliers, and their sales teams, once again. They are also starting to work hard to reduce their respective backlogs in elective surgery.

We made a number of important steps forward with our product development programmes in 2021 and look forward to the launch this year of the next generation monitor as well as the finalisation of the new, non-invasive device with substantially larger addressable market size.

In February 2022 we announced a £1.4 million (gross) fund raising which will, among other things, enable us to take advantage of the substantial grant finance that totalled £0.6 million (gross) that we were awarded last year.

Our key challenge for 2022 is to release the next generation TrueVue monitor, along with our new non-invasive ultrasound device, and see elective surgery activity levels return to the levels that were being achieved before the Covid pandemic became evident.

Andy Mears
Chief Executive
6 April 2022

Consolidated statement of comprehensive income

For the year ended 31 December 2021

	Note	2021 £'000	2020 £'000
Revenue	**3**	**2,259**	2,398
Cost of sales	**4**	**(684)**	(757)
Gross profit		**1,575**	1,641
Administrative expenses		**(1,585)**	(1,472)
Sales and distribution expenses		**(957)**	(964)
Research and Development, Quality and Regulatory		**(207)**	(246)
Impairment reversal on trade receivables	**24**	**-**	11
Exceptional costs	**9**	**-**	(232)
Total costs	**4**	**(2,749)**	(2,903)
Other operating income	**10**	**312**	469
Other gain	**7**	**57**	171
Operating loss		**(805)**	(622)
Finance costs	**6**	**(173)**	(172)
Loss before taxation		**(978)**	(794)
Tax credit on loss	**7**	**12**	9
Loss for the year		**(966)**	(785)
Other comprehensive expense			
Items that may be reclassified to profit or loss:			
Net translation differences on overseas subsidiaries		**(2)**	(6)
Other comprehensive expense for the year, net of tax		**(2)**	(6)
Total comprehensive loss for the year		**(968)**	(791)
Total comprehensive loss for the year attributable to:			
Owners of the Parent		**(969)**	(804)
Non-controlling interests		**1**	13
		(968)	(791)
Loss per share – basic and diluted	**11**	**(0.17p)**	(0.15p)

Consolidated balance sheet
As at 31 December 2021

	Note	2021	2020
		£'000	£'000
Assets			
Non-current assets			
Property, plant and equipment	**12**	**264**	305
Intangible assets	**13**	**3,135**	2,554
Financial assets at amortised cost	**16**	**157**	153
Total non-current assets		**3,556**	3,012
Current assets			
Inventories	**15**	**796**	895
Trade receivables	**16**	**455**	576
Financial assets at amortised cost	**16**	**15**	15
Other current assets	**16**	**91**	122
Current income tax recoverable		**69**	61
Cash and cash equivalents		**413**	853
Total current assets		**1,839**	2,522
Total assets		**5,395**	5,534
Liabilities			
Current liabilities			
Borrowings	**18**	**(702)**	(159)
Trade and other payables	**18**	**(1,478)**	(1,416)
Total current liabilities		**(2,180)**	(1,575)
Non-current liabilities			
Borrowings	**18**	**(1,028)**	(993)
Trade and other payables	**18**	**(228)**	(274)
Provisions	**20**	**(57)**	(51)
Total non-current liabilities		**(1,313)**	(1,318)
Total liabilities		**(3,493)**	(2,893)
Net assets		**1,902**	2,641
Equity			
Share capital	**21**	**5,849**	5,773
Share premium	**26**	**33,502**	33,444
Capital redemption reserve	**26**	**17,476**	17,476
Other reserve	**26**	**573**	505
Translation reserve	**26**	**133**	135
Convertible loan note reserve	**26**	**82**	82
Accumulated losses	**26**	**(55,588)**	(54,648)
Equity attributable to owners of the Parent		**2,027**	2,767
Non-controlling interests		**(125)**	(126)
Total equity		**1,902**	2,641

Consolidated statement of changes in equity for the year ended 31 December 2021

	Share capital	Share premium	Capital redemption reserve	Other reserve	Convertible loan note reserve	Translation reserve	Accumulated losses	Total	Non-controlling interest	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 January 2021	**5,773**	**33,444**	**17,476**	**505**	**82**	**135**	**(54,648)**	**2,767**	**(126)**	**2,641**
Comprehensive income										
Loss for the period	**-**	**-**	**-**	**-**	**-**	**-**	**(967)**	**(967)**	**1**	**(966)**
Other comprehensive income for the period	**-**	**-**	**-**	**-**	**-**	**(2)**	**-**	**(2)**	**-**	**(2)**
Total comprehensive income for year	**-**	**-**	**-**	**-**	**-**	**(2)**	**(967)**	**(969)**	**1**	**(968)**
Transactions with owners of the Group										
Shares issued during the year	**76**	**58**	**-**	**-**	**-**	**-**	**-**	**134**	**-**	**134**
Equity-settled share-based payment	**-**	**-**	**-**	**95**	**-**	**-**	**-**	**95**	**-**	**95**
Transfers	**-**	**-**	**-**	**(27)**	**-**	**-**	**27**	**-**	**-**	**-**
Balance at 31 December 2021	**5,849**	**33,502**	**17,476**	**573**	**82**	**133**	**(55,588)**	**2,027**	**(125)**	**1,902**

Consolidated statement of changes in equity for the year ended 31 December 2020

	Share capital	Share premium	Capital redemption reserve	Other reserve	Convertible loan note reserve	Translation reserve	Accumulated losses	Total	Non-controlling interest	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 January 2020	**5,249**	**33,230**	**17,476**	**439**	**82**	**141**	**(53,823)**	**2,794**	**(139)**	**2,655**
Comprehensive income										
Loss for the period	**-**	**-**	**-**	**-**	**-**	**-**	**(798)**	**(798)**	**13**	**(785)**
Other comprehensive income for the period	**-**	**-**	**-**	**-**	**-**	**(6)**	**-**	**(6)**	**-**	**(6)**
Total comprehensive income for year	**-**	**-**	**-**	**-**	**-**	**(6)**	**(798)**	**(804)**	**13**	**(791)**
Transactions with owners of the Group										
Shares issued during the year	**524**	**217**	**-**	**-**	**-**	**-**	**-**	**741**	**-**	**741**
Issue expenses	**-**	**(3)**	**-**	**-**	**-**	**-**	**-**	**(3)**	**-**	**(3)**
Equity-settled share-based payment	**-**	**-**	**-**	**39**	**-**	**-**	**-**	**39**	**-**	**39**
Transfers	**-**	**-**	**-**	**27**	**-**	**-**	**(27)**	**-**	**-**	**-**
Balance at 31 December 2020	**5,773**	**33,444**	**17,476**	**505**	**82**	**135**	**(54,648)**	**2,767**	**(126)**	**2,641**

Consolidated statement of cash flows
for the year ended 31 December 2021

	2021 £'000	2020 £'000
Cash flows from operating activities		
Loss before taxation	**(978)**	(794)
Adjustments for:		
Net finance costs	**173**	172
Depreciation of property, plant and equipment	**74**	103
Amortisation of intangible assets	**40**	40
Write off of research and development projects not taken forward	**-**	222
Modification gain on convertible loan note	**-**	(119)
Share-based payment expense	**95**	39
Other tax income	**(57)**	(52)
Effect of exchange rate fluctuations	**(2)**	(6)
	(655)	(395)
Decrease in inventories	**89**	13
Decrease in trade and other receivables	**148**	680
Increase/(decrease) in trade and other payables	**191**	(303)
Increase/(decrease) in provisions	**6**	(11)
Net cash used in operations	**(221)**	(16)
Interest paid	**(131)**	(132)
Income taxes received	**61**	80
Net cash used in operating activities	**(291)**	(68)
Cash flows from investing activities		
Purchase of property, plant and equipment	**(23)**	(6)
Capitalised development expenditure (net of grants)	**(621)**	(165)
Net cash used in investing activities	**(644)**	(171)
Cash flows from / (used in) financing activities		
Issue of ordinary share capital	**-**	253
Expenses in connection with share issue	**-**	(3)
Net movement in invoice discount facility	**43**	(23)
Standby loan facility drawdown	**500**	-
Principal lease payments	**(41)**	(37)
Net cash generated from financing activities	**502**	190
Net decrease in cash and cash equivalents	**(433)**	(49)
Cash and cash equivalents at beginning of the period	**853**	908
Exchange loss on cash and cash equivalents	**(7)**	(6)
Cash and cash equivalents at end of the period	**413**	853

1. Nature of the financial information

This Results Summary containing condensed financial information for the year ended 31 December 2021 should be read in conjunction with the Deltex Medical Group Plc's Annual Report & Accounts 2021 which were in accordance with UK-adopted International Accounting Standards. The consolidated financial statements have been prepared under the historical cost convention and on a going concern basis.

Financial information contained in this document does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006 ('the Act'). The statutory accounts for the year ended 31 December 2020 have been filed with the Registrar of Companies and those for the year ended 31 December 2021 will be filed with the Registrar of Companies following the Annual General Meeting. The report of the independent auditor on those statutory accounts was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under section 498(2) or (3) of the Act. The report for year ended 31 December 2020 of the independent auditor on those statutory accounts was unqualified and did not contain a statement under section 498(2) or (3) of the Act. The report drew attention by way of emphasis to the matters set out in the going concern accounting policy regarding the inherent uncertainties regarding Covid-19 and the impact on demand for the Group's products. The auditor's opinion was not modified in respect of these matters.

2. Accounting policies

The Group's principal accounting policies can be found on pages 47 to 49 of the Group's Annual Report & Accounts 2021.

Going concern

The Directors have reviewed detailed budgets and forecasts until 30 June 2023, which take into account, among other things, the possible continued effects of Covid on the Group's business. This review indicates that the Group is expected to continue trading as a going concern based on projected net cash flows derived from sales of the Group. In February 2022, the Group raised £1.4 million (gross) through a share subscription which provided additional cash resources to the Group. In addition, the Group agreed a 12 month extension to the standby loan facility which is now repayable on or before 31 December 2023.

The Directors consider that they have reasonable grounds to believe that the Group will have adequate resources to continue in operational existence for the foreseeable future and it is therefore appropriate to prepare the financial statements on the going concern basis.

3. Revenue

	For the year ended 31 December 2021						
	Direct market			Indirect markets			
	Probes	**Monitors**	**Other**	**Probes**	**Monitors**	**Other**	**Total**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
UK	**524**	**60**	**86**	**-**	**-**	**-**	**670**
USA	**561**	**55**	**47**	**-**	**-**	**-**	**663**
France	**-**	**-**	**-**	**489**	**29**	**8**	**526**
Scandinavia	**-**	**-**	**-**	**105**	**-**	**2**	**107**
South Korea	**-**	**-**	**-**	**134**	**-**	**2**	**136**
Portugal	**-**	**-**	**-**	**35**	**-**	**-**	**35**
Other countries	**10**	**-**	**-**	**53**	**58**	**1**	**122**
	1,095	**115**	**133**	**816**	**87**	**13**	**2,259**

	For the year ended 31 December 2020						
	Direct markets			Indirect markets			
	Probes	Monitors	Other	Probes	Monitors	Other	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
UK	652	102	83	-	-	-	837
USA	858	16	26	-	-	-	900
France	-	-	-	170	-	10	180
Scandinavia	-	-	-	95	-	2	97
South Korea	-	-	-	159	-	1	160
Portugal	-	-	-	86	-	-	86
Other countries	15	32	-	78	11	2	138
	1,525	150	109	588	11	15	2,398

The Group's revenue disaggregated between the sale of goods and the provision of services is set out below. All revenues from the sale of goods are recognised at a point in time; maintenance income is recognised over time.

	2021	2020
	£'000	£'000
Sale of goods	**2,192**	2,338
Maintenance income	**67**	60
	2,259	2,398

The following table provides information about trade receivables and contract liabilities from contracts withcustomers. There were no contract assets at either 31 December 2021 or 31 December 2020.

	31 December 2021	31 December 2020
	£'000	£'000
Trade receivables which are in 'Trade and other receivables'	**455**	576
Contract liabilities	**(57)**	(58)

The following aggregated amounts of transaction prices relate to the performance obligations from existingcontracts that are unsatisfied or partially unsatisfied as at 31 December 2021:

	2022	2023	2024	**Total**
	£'000	£'000	£'000	**£'000**
Revenue expected to be recognised	36	7	14	**57**

Revenue recognised in 2021 which was included in contract liabilities at 31 December 2020 amounted to £54,000. Revenue recognised in 2020 included in contract liabilities at 31 December 2019 amounted to £46,000.

4. Dividends

The directors cannot recommend payment of a dividend (2020: nil).

5. Basic and diluted loss per share

The loss per share calculation is based on the loss of £967,000 and the weighted average number of shares in issue of 580,712,339. For 2020, the loss per share calculation is based on the loss of £798,000 and the weighted average number of shares in issue of 526,448,659. While the Group is loss-making, the diluted loss per share and the loss per share are the same.

6. Subsequent events

On 8 February 2022, the Group raised £1,396,000, before expenses, through subscription for 111,720,000 new Deltex Medical ordinary shares at a price of 1.25 pence per share.

Also on 8 February 2022, the standby loan facility which was set up on 20 September 2021, was extended for an additional year, and is repayable in full on or before 31 December 2023. As already noted, the facility is provided by Imperialise Limited, a company controlled by Nigel Keen. The interest rate remains unchanged on the facility at 8% per annum, and is unsecured.

Distribution of Annual Report and Accounts

The Group will also shortly be posting a copy of the Annual Report and Accounts for the year ended 31 December 2021 to shareholders, together with a Notice of Annual General Meeting to be held at 11.00 am on 18 May 2022 at the offices of DAC Beachcroft LLP, 25 Walbrook, London, EC4N 8AF.

A copy of the Annual Report and Accounts and of the Notice of Annual General Meeting will also shortly be available from the Company's website at www.deltexmedical.com