

**THIS ANNOUNCEMENT, INCLUDING THE APPENDIX AND THE INFORMATION IN IT, IS RESTRICTED AND IS NOT FOR PUBLICATION, RELEASE OR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN WHOLE OR IN PART, IN OR INTO THE UNITED STATES, AUSTRALIA, CANADA, THE REPUBLIC OF SOUTH AFRICA, JAPAN, NEW ZEALAND OR ANY OTHER JURISDICTION IN WHICH SUCH PUBLICATION, RELEASE OR DISTRIBUTION WOULD BE UNLAWFUL.**

**THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF ARTICLE 7 OF EU REGULATION 596/2014 (WHICH FORMS PART OF DOMESTIC UK LAW PURSUANT TO THE EUROPEAN UNION (WITHDRAWAL) ACT 2018, AS AMENDED ("EUWA")) ("UK MAR"). IN ADDITION, MARKET SOUNDINGS (AS DEFINED IN UK MAR) WERE TAKEN IN RESPECT OF CERTAIN OF THE MATTERS CONTAINED WITHIN THIS ANNOUNCEMENT, WITH THE RESULT THAT CERTAIN PERSONS BECAME AWARE OF INSIDE INFORMATION (AS DEFINED UNDER UK MAR). UPON THE PUBLICATION OF THIS ANNOUNCEMENT VIA A REGULATORY INFORMATION SERVICE, THOSE PERSONS THAT RECEIVED INSIDE INFORMATION IN A MARKET SOUNDING ARE NO LONGER IN POSSESSION OF SUCH INSIDE INFORMATION, WHICH IS NOW CONSIDERED TO BE IN THE PUBLIC DOMAIN.**

14 July 2023

**Deltex Medical Group plc**

("Deltex Medical", the "Company" or the "Group")

**Placing, Subscription and Retail Offer**

**Capital Reorganisation to change the nominal value of the Existing Ordinary Shares  
and  
Notice of General Meeting**

**Highlights**

- Equity raise of £1.67M to enable restructuring and balance sheet strengthening
- Supported by existing Institutional investors and Board contribution of £100k
- Identification of up to approximately £1.0 million of annualised costs savings predominantly through headcount reduction
- £350k of debt converted to equity at the Issue Price
- Next generation TrueVue System now CE marked and released in the UK and EU; revenues expected from November 2023

**1. INTRODUCTION**

Deltex Medical Group plc (AIM: DEMG) announces that it has conditionally raised approximately £1.67 million (before expenses) by way of a placing of (the "Placing") and subscription to (the "Subscription"), in aggregate, 833,000,000 new ordinary shares of 0.01 pence each in the Company ("New Ordinary Shares") at 0.20 pence per New Ordinary Share (the "Issue Price"). The net proceeds of the Placing and Subscription will provide the Company with, inter alia, additional working capital and funding for non-recurring internal restructuring costs, creditor payments and to implement the Company's restructuring and updated strategy.

In addition to the Placing and the Subscription, the Company is seeking to raise up to a further £0.5 million (before expenses) via a REX retail offer to existing shareholders in the Company ("Shareholders") at the Issue Price (the "Retail Offer", and together with the Placing and the Subscription, the "Fundraising"). The Retail Offer will provide existing UK retail shareholders in the Company with an opportunity to participate in the Fundraising. Those investors who subscribe for New Ordinary Shares pursuant to the Retail Offer (the "Retail Offer Shares") will do so pursuant to the terms and conditions of the Retail Offer which will separately

be announced by the Company today. The Retail Offer will be conditional on completion of the Placing and Subscription, but the Placing and Subscription are not conditional on the Retail Offer.

Allenby Capital Limited ("Allenby Capital") is acting as sole broker in connection with the Placing.

The Fundraising is subject to the satisfaction of the Conditions, which are as set out below and explained in this announcement:

- i. completion of the Capital Reorganisation;
- ii. passing of the Fundraising Resolutions;
- iii. the Placing and Subscription becoming unconditional in all respects;
- iv. Admission becoming effective by 8.00 a.m. on 2 August 2023 (or such later time and date not being later than 8.00 a.m. on 16 August 2023 as the Company and Allenby Capital may agree); and
- v. the restoration of trading in the Company's Ordinary Shares on AIM.

In order to implement the Fundraising, the Directors will require further authorities, under sections 551 and 571 (respectively) of the Companies Act, to issue and allot the Fundraising Shares and the Loan Conversion Shares and to disapply statutory pre-emption rights in respect of such allotments. Separately to the Fundraising and the Loan Conversion, and as a result of the Capital Reorganisation, the Directors are also proposing additional Resolutions which would (subject to certain restrictions) grant the Directors authority to allot further equity securities wholly for cash in the future up to a certain amount, without pre-emption rights applying, in respect of the allotment authority granted pursuant to Resolutions 4 and 7 proposed at the General Meeting.

Further, the Company's Existing Ordinary Shares have a nominal value of 1 penny per share and under the Companies Act, the Company is unable to issue new shares at less than the nominal value of those shares. Given that the Issue Price is set at 0.20 pence per share, the Company is required to undertake a Capital Reorganisation, so that the nominal value of each New Ordinary Share to be issued pursuant to the Fundraising will be less than the Issue Price, details of which are set out in paragraph 7 below. The Capital Reorganisation is subject to the passing of the Fundraising Resolutions at the General Meeting and is conditional upon Admission.

These matters will require the approval of Shareholders and accordingly, the Proposals are conditional, inter alia, on the passing of the Fundraising Resolutions at the General Meeting. The General Meeting will be convened for 9:30 a.m. on 1 August 2023 and will take place at the offices of the Company at Terminus Road, Chichester, West Sussex PO19 8TX for the purpose of seeking such approvals. A notice convening the General Meeting, at which the Resolutions will be proposed, is set out in the Circular to be posted to Shareholders on 15 July 2023.

**In order for the Proposals and Admission to proceed, Shareholders will need to approve the Fundraising Resolutions set out in the Notice of General Meeting. If the Fundraising Resolutions to be proposed at the General Meeting are not approved by Shareholders, the Placing Shares, the Retail Offer Shares, the Subscription Shares and the Loan Conversion Shares will not be able to be allotted and consequently the Fundraising will not proceed and therefore the Company's performance, financial position and prospects will be adversely affected. In the absence of availability of any alternative funding solutions, the Directors consider that it is highly likely that the Company would be required to appoint an administrator in that instance in order to protect the interests of creditors. Accordingly, the Directors consider that it is very important that Shareholders vote in favour of the Resolutions, in order that the Proposals and Admission can proceed.**

The purpose of this announcement is to: (i) give further details on the Proposals, including the background to and reasons for the Resolutions; (ii) explain why the Board considers the Proposals to be in the best interests of the Company and the Shareholders as a whole and why the Directors unanimously recommend that the Shareholders vote in favour of the Resolutions, as they intend to do in respect of their own interest in Existing Ordinary Shares; and (iii) convene the General Meeting to obtain Shareholder approval for the

Resolutions. If the Fundraising Resolutions are passed at the General Meeting on 1 August 2023, completion of the Proposals and Admission are expected to take place on or around 2 August 2023.

## **2. BACKGROUND TO AND REASONS FOR THE PROPOSALS**

On 26 June 2023, the Group announced, amongst other matters, that its cashflows had come under pressure, with the result that working capital projections indicated a need for additional funding by mid-July 2023. This additional cashflow pressure was the result of a combination of factors, including a delay in the launch of the Group's next generation TrueVue monitor due to, *inter alia*, supply chain issues and delays in testing and evaluation. In addition, no material order from the national tender in Latin America for haemodynamic monitoring equipment has been forthcoming as expected and trading in the second quarter of 2023 was weaker than expected, which the Directors believe is due in part to customers waiting for the new monitor to be available (now launched). Accordingly, on 26 June 2023, the Ordinary Shares were suspended from trading on AIM pending clarification of the Company's financial position and are expected to remain so at least completion of the Proposals.

On 6 July 2023, the Group announced, *inter alia*, that it was exploring a potential equity fundraise and provided a trading update for the half year to 30 June 2023. Unaudited revenues for the first half ("H1") of 2023 were £1.1 million (H1 2022: £1.2 million) and cash at hand on 30 June 2023 was £0.1 million (H1 2022: £0.6 million).

More recently, on 10 July 2023, the Group announced that its new next generation TrueVue System was now CE marked and released in the UK and EU. The Group is now able to deploy the device for in-hospital evaluations to ensure that there are no "teething" issues with the launch and will therefore not fulfil any sale orders until this is completed. It is anticipated that this will take approximately three months. As a result, the Group is forecasting revenue from new monitor sales to commence in November 2023. This is normal practice for most medical device companies, as companies are not permitted to use a device in a hospital until it has been CE marked, unless that device has received ethical approval from the hospital and the Medicines and Healthcare Products Regulatory Agency as part of a clinical trial.

The Board is now pleased to put forward the Proposals in order to refinance the Company, enable a restructuring of the Group and implement a focused strategy, details of which are set out below.

## **3. STRATEGY AND RESTRUCTURING**

Notwithstanding the challenging trading conditions experienced by the Group and the cash flow problems, the Board have identified the opportunity to turn-around the business. At the centre of this turn-around strategy, the Group intends to adopt a "*zero-based budgeting*" approach, whereby the Group will conservatively allocate funding based on programme efficiency and necessity rather than budget history.

Accordingly, the Board has identified up to approximately £1.0 million of annualised costs savings that can be implemented in the near-term, which will contribute towards aligning the business to operate in a streamlined fashion and in particular, in line with post-COVID-19 operating conditions (such as the limited physical sales access to hospitals that prevails). These cost savings include a significant reduction in headcount across the Company, as well as the Company's executive directors having agreed to changes in their remuneration to further conserve cash. Accordingly, the Chief Executive Officer and the Finance Director have agreed to an approximately 40 per cent. and 20 per cent. reduction in salary respectively for the next 18 months. The Board also intends to review its Board composition in the near future, which may result in a reduction in the number of Directors (currently 7) and therefore additional potential cost savings.

In addition, Imperialise Limited (a company controlled by Nigel Keen, Chairman of the Board) has agreed to restructure its £1.0 million short-term loans to the Company. As a result, the originally scheduled repayment by the Company of £0.25m from 25 July 2023 and £0.75 million by 30 June 2024 will now be postponed as to £0.25 million by 30 June 2025 and £0.4 million by 31 December 2025. The remaining £0.35 million due to Imperialise Limited will be repaid by the issue of 175,000,000 New Ordinary Shares at

the Issue Price on Admission. Further details of the Company's debt restructuring are set out in paragraph 6 below.

The Directors believe that taking into account these cost reductions and necessary restructuring, the Company's strategy should be to focus on maintaining revenues from existing single use probes, seeking to achieve positive EBITDA. As well as providing Group working capital, these revenues are expected to provide finance for the technical resources needed to continue development of and future upgrades to the new monitor, as well as to complete the development of the non-invasive Suprasternal device.

The Directors believe that the launch of the next generation TrueVue monitor, coupled with the potential for additional sales of the existing monitor, represents further revenue upside to this strategy, although the Group has assumed that sales of the new monitor will commence in November 2023 (and assuming in-hospital assessments are successful over the next three months).

The new next generation TrueVue monitor has a significantly improved user interface than the existing model and is battery backed and portable, so can be used anywhere in a hospital. As the TrueVue monitor requires single patient use probes and the new monitor is easier to use, the Directors expect that existing hospitals that upgrade to the new monitor are likely to increase their current usage of probes, and this could provide additional revenue from that currently forecast.

Critically, the Board believes that the new monitor facilitates the launch of the new non-invasive Suprasternal device, which is currently under development. This new disposable device will be complementary to the current minimally invasive single patient use ultrasound transducer (probe) and is anticipated to have significantly broader applications, such as for awake patients, A&E, wards and paramedics. It is anticipated to provide an immediate assessment of haemodynamic instability by external means, such as for ICU patients with Covid, sepsis and heart failure. Developing the new, non-invasive Doppler-based haemodynamic monitoring device is a key part of the Group's future growth and long-term strategy.

The new next generation TrueVue monitor is expected to help increase activity levels in all territories, with the Board expecting orders in the short term from international distributors. The Group is planning to make submissions for regulatory approval to sell the new next generation TrueVue monitor outside the UK and EU, targeting to obtain these approvals in the first half of 2024 for the USA, South Korea and certain countries in Latin America. The new next generation TrueVue monitors are in production at the Group's headquarters in Chichester, West Sussex, in anticipation of customer demand.

While the Directors expect that revenues will materialise from the national tender with its Latin American distributor and from the non-invasive Suprasternal device currently under development, to maintain prudence, these factors have not been included in the Company's current forecasts and therefore represent potential upside.

Although the Group is facing challenging cashflow issues, the Directors believe that on completion of the Proposals and the restructure of the Company, the Group will be well positioned for growth.

### **Bridge loan**

On 26 June 2023, the Company announced that working capital projections indicated a need for additional funding by mid-July. The Group's cash balance is currently approximately £0.1 million and the Company is managing its cashflows to remain a going concern until completion of the Fundraising and receipt of the net proceeds by the Company. In order to bridge working capital requirements until then, Imperialise Limited (a company controlled by Nigel Keen, the Chairman of the Board) has agreed to provide a short-term bridge loan facility of up to £50,000 to be drawn upon should the Company require (the "**Bridge Loan**"). The Bridge Loan will be repayable, to the extent drawn, immediately after receipt of the net proceeds of the Fundraising by the Company shortly after Admission. The Bridge Loan will be unsecured and will carry interest at 15 per cent. per annum. The provision of this loan is a related party transaction pursuant to rule 13 of the AIM Rules and as further set out in paragraph 6 below.

## **Non-executive director fees**

The annual equity-settled fee for each of the non-executive directors of Deltex Medical (excluding the Chairman) ("**NEDs**") is £24,000 and £33,333 for the Chairman. These fees have not changed since 2009. At 30 June 2023 the total accrued liability on the balance sheet relating to these deferred equity-settled fees was £170,000.

As announced by the Company on 21 December 2020, Deltex Medical intends to satisfy the Chairman's and the NEDs' (save for Tim Irish) emoluments through the issue of Ordinary Shares at the prevailing mid-market price on a semi-annual basis. The most recent tranche of Ordinary Shares issued in this regard was announced on 11 April 2023 in respect of fees for the year ended 31 December 2021. As part of the Proposals, the NEDs (save for Tim Irish) have agreed to waive fees due to them for the year ended 31 December 2022 and accordingly no Ordinary Shares will be issued in this regard. However, 18,966,477 New Ordinary Shares will be issued at the Issue Price to Imperialise Limited (a company controlled by Nigel Keen, the Chairman of the Board) on Admission in lieu of the Chairman's fees of £33,333 plus employer national insurance contributions for the year ended 31 December 2022.

## **4. USE OF FUNDRAISING PROCEEDS**

The Placing and the Subscription will raise £1,666,000 gross and the net proceeds receivable by the Company are estimated to be approximately £1.48 million. The Company intends to use these proceeds, along with the net proceeds from the Retail Offer, to provide near-term working capital, fund non-recurring restructuring costs associated with the cost savings plan of approximately £0.3 million, repay approximately £0.5 million to creditors, and implement the Company's restructuring plan and updated strategy as set out above.

The net proceeds of the Retail Offer will be deployed for the same purposes as outlined above.

## **5. THE FUNDRAISING**

### **The Placing and Subscription**

The Placing will result in the issue of a total of 620,500,000 Placing Shares and the Subscription will result in the issue of 212,500,000 Subscription Shares, in each case at the Issue Price. Together the Placing and the Subscription has conditionally raised £1,666,000 before expenses for the Company. The Placing Shares and the Subscription Shares will, in aggregate, represent approximately 48 per cent. of the Enlarged Share Capital assuming no Retail Offer Shares are issued.

The Placing Shares and the Subscription Shares will be issued conditional on the satisfaction of the Conditions, which include, *inter alia*, the passing of the Fundraising Resolutions at the General Meeting as well as restoration of trading in the Company's Ordinary Shares on AIM.

The Placing Shares and the Subscription Shares, when issued and fully paid, will rank *pari passu* in all respects with the New Ordinary Shares and therefore will rank equally for all dividends or other distributions declared, made or paid after the issue of the Placing Shares and the Subscription Shares.

Allenby Capital has entered into the Placing Agreement with the Company pursuant to which Allenby Capital has, on the terms and subject to the conditions set out therein (including the occurrence of Admission), agreed to act as the Company's agent in respect of the Placing and to use its reasonable endeavours to procure subscribers for the Placing Shares at the Issue Price. The Placing is not being underwritten by Allenby Capital or any other person. The Placing Agreement contains warranties and indemnities from the Company in favour of Allenby Capital. Allenby Capital has the right to terminate the Placing Agreement in certain circumstances, in particular in the event of a breach of the warranties or the occurrence of a force majeure event. The Placing Agreement is conditional, *inter alia*, upon Admission

having occurred no later than 8.00 a.m. on 2 August 2023 (or such later time and date as the Company and Allenby Capital may agree, not being later than 8.00 a.m. on 16 August 2023).

**Should the Resolutions not be passed at the General Meeting, the Placing, the Subscription and the Retail Offer will not proceed.**

Completion of the Retail Offer is conditional upon, *inter alia*, completion of the Placing and the Subscription. However, completion of the Placing and the Subscription is not conditional on the completion of the Retail Offer and there is no minimum fundraising for the Retail Offer. The Retail Offer is available only to Shareholders of the Company resident in the United Kingdom.

***Director participation in the Subscription***

The following Directors and their closely associated persons (as defined in UK MAR) have conditionally subscribed for a total of 50,000,000 New Ordinary Shares at the Issue Price in the Subscription:

	Existing beneficial shareholding of Existing Ordinary Shares	Number of Subscription Shares subscribed for	Beneficial shareholding of New Ordinary Shares on Admission	Percentage of Enlarged Share Capital**
Director Nigel Keen	103,301,172	35,000,000	332,267,649*	19.14%
Mark Wippell	13,219,693	5,000,000	18,219,693	1.05%
Julian Cazalet	29,335,789	5,000,000	34,335,789	1.98%
Andrew Mears	6,658,731	5,000,000	11,658,731	0.67%

*\*includes 175,000,000 New Ordinary Shares issued pursuant to the Loan Conversion and 18,966,477 Fee Shares*

*\*\*excludes the Retail Offer Shares*

The participation in the Subscription by Nigel Keen, Mark Wippell, Julian Cazalet and Andrew Mears is deemed to be a related party transaction pursuant to rule 13 of the AIM Rules for Companies. Accordingly, Chris Jones, Tim Irish and Natalie Wettler (being the Directors not taking part in the Subscription) consider, having consulted with the Company's nominated adviser, Allenby Capital, that the terms of the other Directors' participation in the Subscription are fair and reasonable insofar as the Company's Shareholders are concerned.

**The Retail Offer**

The Retail Offer will open at around 18:05 on 14 July 2023 and will be closed at 15:00 on 19 July 2023 and the result of the Retail Offer will be announced via an RIS shortly thereafter.

Conditional upon, *inter alia*, completion of the Placing, the Subscription and the passing of the Resolutions, up to 250,000,000 Retail Offer Shares will be issued through the Retail Offer at the Issue Price to raise gross proceeds of up to approximately £0.5 million (before expenses).

Pursuant to the terms of the Retail Offer, the Company will make the Retail Offer to existing holders of Ordinary Shares resident in the United Kingdom and only through financial intermediaries via the REX Retail Platform. Those investors who subscribe for New Ordinary Shares pursuant to the Retail Offer will do so pursuant to the terms and conditions of the Retail Offer contained in the Retail Offer Announcement. The Retail Offer is not subject to any minimum fundraising. The Retail Offer will be conditional on completion of the Placing and Subscription and satisfaction of the Conditions.

The Retail Offer Shares, when issued and fully paid, will rank pari passu in all respects with the New Ordinary Shares, the Placing Shares and the Subscription Shares.

## **6. LOAN CONVERSION AND AMENDMENTS**

The Company has £1.0 million of short-term loans with Imperialise Limited (a company controlled by Nigel Keen, Chairman of the Board) whereby £0.25 million is due for repayment on demand from 25 July 2023 and £0.75 million is due for repayment by 30 June 2024. In order to improve the Company's working capital position, Imperialise Limited has agreed to restructure these short-term loans to the Company. As a result, £0.25 million will now be repayable by 30 June 2025 and £0.4 million by 31 December 2025. The remaining £0.35 million due to Imperialise Limited will be repaid by the issue of 175,000,000 New Ordinary Shares at the Issue Price on Admission.

The aggregate of the Loan Conversion and above amendments and the Bridge Loan are deemed to be a related party transaction pursuant to rule 13 of the AIM Rules. Accordingly, Chris Jones, Tim Irish and Natalie Wettler (being the Directors independent of the Loan Conversions and above amendments and the Bridge Loan) consider, having consulted with the Company's nominated adviser, Allenby Capital, that the terms of the Loan Conversion and above amendments and the Bridge Loan are fair and reasonable insofar as the Company's Shareholders are concerned.

As a result of the Loan Conversions, the Fee Shares and following completion of the Fundraising, the interests of Nigel Keen (Chairman of the Board) in New Ordinary Shares on Admission will be 332,267,649, representing approximately 19.14 per cent. of the Enlarged Share Capital assuming no Retail Offer Shares are issued, and 16.73 per cent. of the Enlarged Share Capital assuming all the Retail Offer Shares are issued.

## **7. CAPITAL REORGANISATION**

The Issue Price is below the nominal value of the Existing Ordinary Shares. The Companies Act prohibits a company from issuing shares at a discount to the nominal or par value of its shares. Therefore, in order to ensure that the Proposals can be carried out, it is necessary to effect the Capital Reorganisation to change the nominal value of the Company's Existing Ordinary Shares. The Directors therefore propose to effect the Capital Reorganisation on the following basis:

- each of the Existing Ordinary Shares of 1 penny each will be subdivided into and reclassified as one New Ordinary Share and one Deferred Share;
- each New Ordinary Share will be an ordinary share in the capital of the Company with a nominal value of £0.0001 (0.01 pence) and having those rights set out in the Amended Articles (further details of which can be found below);
- each Deferred Share will be a deferred share in the capital of the Company with a nominal value of £0.0099 (0.99 pence) and having those rights set out in the Amended Articles. The intention is that Deferred Shares would be cancelled in due course following a court approved reduction of capital or other means, if available; and
- the Company's articles of association require to be amended to include certain provisions including relating to the Deferred Shares, via the Amended Articles.

### **The Amended Articles**

The proposed Capital Reorganisation will necessitate certain alterations to the Company's Existing Articles. Alteration of the Existing Articles is proposed as Resolution 1 and the alterations, including establishing the Deferred Shares and setting out the limited rights proposed for the Deferred Shares, are reflected in the changes to the Existing Articles as set out in Resolution 1.

The New Ordinary Shares created upon implementation of the Capital Reorganisation will have the same rights as the Existing Ordinary Shares including voting, dividend, return of capital and other rights, save that their nominal value will be 0.01 pence per share as opposed to 1 penny per share. Existing Ordinary

Share certificates will remain valid following the Capital Reorganisation and the New Ordinary Shares will have the same ISIN as the Existing Ordinary Shares.

The Deferred Shares will not have any voting rights and will not carry any entitlement to attend general meetings of the Company; nor will they be admitted to trading on AIM or any other market. They will carry only a right to participate in any return of capital on a winding up as to one penny in aggregate for the entire class of Deferred Shares (which payment shall be deemed satisfied by distribution to any one holder of Deferred Shares), but only after holders of Ordinary Shares have together received the nominal amounts paid up on such shares. In addition, they will not carry any right to participate in any dividend or other distribution. In each case a payment, on a return of capital, to any one holder of Deferred Shares shall satisfy the payment required. The Company will be authorised at any time to effect a transfer of the Deferred Shares without reference to the holders thereof and for no consideration pursuant to and in accordance with the Companies Act. **Accordingly, the Deferred Shares will, for all practical purposes, be valueless and it is the Board's intention, at an appropriate time, to have the Deferred Shares cancelled, whether through an application to the Companies Court or otherwise in accordance with the Companies Act. No share certificates will be issued for the Deferred Shares.**

The draft Amended Articles proposed, along with a set highlighting the alterations and comparing the Amended Articles with the Existing Articles, will be available for inspection by Shareholders at the General Meeting until the conclusion of the General Meeting and on the Company's website, [www.deltexmedical.com](http://www.deltexmedical.com).

In summary, it is proposed that each Existing Ordinary Share of 1 penny in the capital of the Company will be subdivided and redesignated into one New Ordinary Share and one Deferred Share. This will result in 709,057,601 New Ordinary Shares and 709,057,601 Deferred Shares being in issue immediately following the Capital Reorganisation but before the issue of Fundraising Shares pursuant to the Fundraising and the Loan Conversion Shares pursuant to the Loan Conversion.

## **8. GENERAL MEETING AND CIRCULAR**

A circular including a notice of General Meeting will be sent to Shareholders on 15 July 2023. A copy of the Circular will also be made available on the Company's website at: [www.deltexmedical.com](http://www.deltexmedical.com).

A notice convening a General Meeting of the Company to be held at 9:30 a.m. on 1 August 2023 at the offices of the Company at Terminus Road, Chichester, West Sussex PO19 8TX will be set out in the Circular. The purpose of the General Meeting is to seek approval of Existing Shareholders for the Resolutions in order to, *inter alia*, implement the Proposals. The Proposals are conditional upon the passing of the Fundraising Resolutions.

## **9. ADMISSION AND RESTORATION OF TRADING ON AIM**

Subject to, *inter alia*, the Existing Shareholders' approval of the Resolutions, application will be made to the London Stock Exchange for the New Ordinary Shares (including the Fundraising Shares, the Fee Shares and the Loan Conversion Shares) to be admitted to trading on AIM. In addition, the Company intends to request that the current suspension of trading in the Company's Ordinary Shares on AIM is lifted upon Admission. Assuming the Resolutions are passed at the General Meeting, it is anticipated that Admission will become effective and that dealings in the New Ordinary Shares (including the Fundraising Shares, the Fee Shares and the Loan Conversion Shares) will commence on AIM at 8.00 a.m. on or around 2 August 2023.

## **10. RECOMMENDATION**

**In order for the Fundraising and Admission to proceed, Shareholders will need to approve the Fundraising Resolutions set out in the Notice of General Meeting. If the Fundraising Resolutions to be proposed at the General Meeting are not approved by Shareholders, the Placing Shares, the Retail Offer Shares, the Subscription Shares and the Loan Conversion Shares will not be able to**



be allotted and consequently the Proposals will not proceed and therefore the Company's performance, financial position and prospects will be adversely affected. In the absence of availability of any alternative funding solutions, the Directors consider that it is highly likely that the Company would be required to appoint an administrator in that instance in order to protect the interests of creditors. Accordingly, the Directors consider that it is very important that Shareholders vote in favour of the Resolutions, in order that the Proposals and Admission can proceed.

The Board considers the Proposals and the Resolutions to be in the best interests of Shareholders as a whole. Accordingly, the Directors unanimously recommend that Shareholders vote in favour of the Resolutions as they intend to do in respect of their own interests in Ordinary Shares of, in aggregate, 163,026,105 Existing Ordinary Shares (representing approximately 22.99 per cent. of the Existing Ordinary Shares).

## 11. EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Announcement of the Placing, Subscription and Retail Offer	14 July 2023
Posting of the Circular and Form of Proxy	15 July 2023
Result of Retail Offer announced through an RIS	20 July 2023
Latest time and date for receipt of completed Forms of Proxy	9:30 a.m on 28 July 2023
Latest time and date for receipt of CREST Proxy Instructions for the General Meeting	9:30 a.m on 28 July 2023
Record time for those Shareholders on the Register of Members entitled to attend or vote at the General Meeting	6:30 p.m on 28 July 2023
<b>General Meeting</b>	<b>9:30 a.m on 1 August 2023</b>
Capital Reorganisation is effective*	after close of business on 1 August 2023
Admission of, and commencement of dealings in, the New Ordinary Shares (including the Fundraising Shares, the Fee Shares and the Loan Conversion Shares)*	8.00 a.m on 2 August 2023
New Ordinary Shares (including the Fundraising Shares, the Fee Shares and the Loan Conversion Shares) credited to CREST stock accounts*	2 August 2023
Despatch of definitive share certificates for the Fundraising Shares, the Fee Shares and the Loan Conversion Shares in certificated form*	Within 14 days of Admission

### Note:

If any of the details contained in the timetable above should change, the revised time and dates will be notified to Shareholders by means of a Regulatory Information Service announcement. All references to times and dates in this announcement are to time and dates in London, United Kingdom.

*\*assuming the Fundraising Resolutions are passed*

All capitalised terms used throughout this announcement shall have the meanings given to such terms in the Definitions section in the Appendix to this announcement.

**Enquiries:**

**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](mailto:investorinfo@Deltexmedical.com)

**Allenby Capital Limited – Nominated Adviser & Broker**

Jeremy Porter / Vivek Bhardwaj (Corporate Finance)

Tony Quirke / Stefano Aquilino (Sales & Corporate Broking)

020 3328 5656

[info@allenbycapital.com](mailto:info@allenbycapital.com)

**Appendix – Definitions**

The following definitions apply throughout this announcement unless the context requires otherwise:

Admission	admission of the New Ordinary Shares (including the Fundraising Shares, Fee Shares and Loan Conversion Shares) to trading on AIM becoming effective in accordance with the AIM Rules;
AIM	the market of that name operated by the London Stock Exchange;
AIM Rules	the AIM Rules for Companies governing the admission to and operation of AIM published by the London Stock Exchange as amended from time to time;
Allenby Capital	Allenby Capital Limited, the Company's Nominated Adviser and Broker;
Amended Articles	the Company's new Articles of Association following the amendments proposed to be approved via Resolution 1, including the amendments to establish the Deferred Shares and set out the limited rights proposed for the Deferred Shares;
Articles of Association	the articles of association of the Company, as amended from time to time;
Business Day	any day on which banks are generally open in London for the transaction of business other than a Saturday or Sunday or public holiday;
Capital Reorganisation	the proposed reorganisation of the share capital of the Company as described in paragraph 7 above;
Certificated or in certificated form	a share or other security which is not in uncertificated form (that is, not in CREST);

Circular	the circular with details of the Proposals including a notice of General Meeting to be sent to Shareholders on 15 July 2023;
Companies Act	the Companies Act 2006, as amended, modified or re-enacted from time to time;
Company or Deltex Medical	Deltex Medical Group plc, incorporated in England and Wales with number 03902895 and with its registered office at Terminus Road, Chichester, West Sussex, PO19 8TX;
Conditions	(a) completion of the Capital Reorganisation; (b) the passing of the Fundraising Resolutions; (c) the Placing and Subscription becoming unconditional in all respects; (d) Admission becoming effective by 8.00 a.m. on 2 August 2023 (or such later time and date not being later than 8.00 a.m. on 16 August 2023 as the Company and Allenby Capital may agree); and (e) the restoration of trading in the Company's Ordinary Shares on AIM;
Convertible Loan Notes	the £1,100,000 unsecured convertible loan notes issued by the Company in February 2016, as amended;
CREST or CREST System	the computer-based system (as defined in the CREST Regulations) operated and administered by Euroclear enabling securities to be evidenced otherwise than by certificates and transferred otherwise than by written instruments;
CREST member	a person who has been admitted by Euroclear as a system participant (as defined in the CREST Regulations);
Deferred Shares	the Deferred Shares of 0.99 pence each in the capital of the Company as created by virtue of the Capital Reorganisation;
Directors, Board or Board of Directors	the current directors of the Company or the board of directors from time to time;
EBITDA	earnings before interest, taxes, depreciation, and amortisation;
Enlarged Share Capital	the ordinary share capital of the Company immediately following Admission;
Euroclear	Euroclear UK & International Limited;
Existing Articles	the articles of association of the Company currently in force;
Existing Ordinary Shares	the 709,057,601 ordinary shares of 1 penny each in issue as at the date of this document;
Existing Shareholders	the holders of Existing Ordinary Shares;
FCA	the Financial Conduct Authority of the United Kingdom or any successor body or bodies carrying out the functions currently carried out by the Financial Conduct Authority;

Form of Proxy	the form of proxy accompanying <b>the</b> Circular for use by Existing Shareholders at the General Meeting;
FSMA	the UK Financial Services and Markets Act 2000, as amended;
Fundraising	together the Placing, the Subscription and the Retail Offer;
Fundraising Resolutions	each of Resolutions 1, 2, 3, 5 and 6;
Fundraising Shares	together the Placing Shares, the Subscription Shares and the Retail Offer Shares;
General Meeting	the general meeting of the Company to be held at the offices of the Company at Terminus Road, Chichester, West Sussex, PO19 8TX, as set out in the Notice of General Meeting;
Group	the Company and each of its subsidiaries and subsidiary undertakings;
ISIN	International Securities Identification Number;
Issue Price	0.2p per Fundraising Share;
Loan Conversion	the conditional conversion of £250,000 of the loan outstanding under the facility made available to the Company by Imperialise Limited on 24 April 2023 and of £100,000 of the loan outstanding under the facility made available to the Company by Imperialise Limited on 18 September 2021 into Ordinary Shares;
Loan Conversion Shares	the 175,000,000 New Ordinary Shares to be allotted and issued pursuant to the Loan Conversion;
London Stock Exchange	London Stock Exchange plc or its successor(s);
MAR	the UK version of the EU Market Abuse Regulation (2014/596/EU) (incorporated into UK law by virtue of the European Union (Withdrawal) Act 2018), as amended and supplemented from time to time;
New Ordinary Shares	the issued and to be issued ordinary shares of 0.01 pence each in the capital of the Company as created by virtue of the Capital Reorganisation and the Fundraising Resolutions;
Notice of General Meeting	the notice of general meeting set out at the end of the Circular;
Ordinary Shares	the ordinary shares in the capital of the Company from time to time;
Overseas Shareholders	Shareholders with registered addresses in, or who are citizens, residents or nationals of, jurisdictions outside the UK;
Placee	any person that has conditionally agreed to subscribe for Placing Shares in the Placing;

Placing	the proposed placing by Allenby Capital of the Placing Shares on the terms and subject to the conditions of the Placing Agreement, including <i>inter alia</i> on passing of the Fundraising Resolutions and on Admission;
Placing Agreement	the conditional agreement dated 14 July 2023 between the Company and Allenby Capital relating to the Placing;
Placing Shares	the issue and placing of 620,500,000 New Ordinary Shares at the Issue Price by Allenby Capital with institutional and other investors in accordance with the terms of the Placing;
Proposals	the Fundraising, Loan Conversion and the Capital Reorganisation;
Regulatory Information Service or RIS	one of the regulatory information services authorised by the FCA to receive, process and disseminate regulatory information from listed companies;
Registrars	Equiniti Limited;
Resolutions	the resolutions to be put to the Existing Shareholders at the General Meeting as detailed in the Notice of General Meeting and Resolution means any of the Resolutions;
Restricted Jurisdiction(s)	the United States, Russia, Australia, Canada, Japan, New Zealand, the Republic of South Africa and any other jurisdiction where the extension or availability of the Fundraising would breach any applicable law;
Retail Offer	the retail offer to the Company's Shareholders run by REX;
Retail Offer Shares	up to 250,000,000 New Ordinary Shares to be issued pursuant to the Retail Offer;
REX	the Peel Hunt LLP Retail Capital Markets REX portal;
REX Retail Platform	a platform operated by REX;
Fee Shares	the 18,966,477 New Ordinary Shares to be allotted and issued to Imperialise Limited on Admission in lieu of the Chairman's fees of £33,333 plus employer national insurance contributions for the year ended 31 December 2022;
SEC	the US Securities and Exchange Commission;
Securities Act	the US Securities Act of 1933, as amended;
Shareholders	the holder(s) of the Ordinary Shares from time to time;
Subscribers	the persons entering into the Subscription Agreements;

Subscription	the conditional subscription for the Subscription Shares at the Issue Price by the Subscribers pursuant to the Subscription Agreements;
Subscription Agreements	the agreements dated on or around 14 July 2023 between the Company and each Subscriber pursuant to which each such Subscriber has agreed to subscribe for Subscription Shares;
Subscription Shares	the 212,500,000 New Ordinary Shares to be allotted and issued pursuant to the Subscription Agreements;
Sterling or pound or £ or penny or pence	pounds sterling or pence, the basic units of currency in the UK;
Subsidiary	has the meaning given in section 1159 of the Companies Act;
Subsidiary undertaking	has the meaning given to it in section 1162 of the Companies Act 2006;
TrueVue monitor	CardioQ-ODM+ Oesophageal Doppler Monitor;
Uncertificated or uncertificated form	recorded on the relevant register or other record as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST;
United Kingdom or UK	the United Kingdom of Great Britain and Northern Ireland;
United States or US	the United States of America; and
US Persons	has the meaning provided in Rule 902(k) of Regulation S under the Securities Act.

**Notification and public disclosure of transactions by persons discharging managerial responsibilities and persons closely associated with them.**

1	<b>Details of the person discharging managerial responsibilities / person closely associated</b>	
a)	Name	1. Nigel Keen 2. Mark Wippell 3. Julian Cazalet 4. Andrew Mears
2	<b>Reason for the notification</b>	
a)	Position/status	1. Chairman 2. Non-executive Director 3. Non-executive Director 4. Chief Executive Officer
b)	Initial notification /Amendment	Initial notification
3	<b>Details of the issuer, emission allowance market participant, auction platform, auctioneer or auction monitor</b>	
a)	Name	Deltex Medical Group Plc
b)	LEI	213800XN34P6L18J6M39

4	Details of the transaction(s): section to be repeated for (i) each type of instrument; (ii) each type of transaction; (iii) each date; and (iv) each place where transactions have been conducted													
a)	Description of the financial instrument, type of instrument Identification code	Ordinary shares of 1p each in Deltex Medical Group Plc  Identification code (ISIN) for Deltex Medical Group Plc ordinary shares: GB0059337583												
b)	Nature of the transaction	Purchase of shares												
c)	Price(s) and volume(s)	<table><tr><td>Price(s)</td><td>Volume(s)</td></tr><tr><td>1. 0.20p</td><td>1.35,000,000</td></tr><tr><td>2. 0.20p</td><td>2. 5,000,000</td></tr><tr><td>3. 0.20p</td><td>3. 5,000,000</td></tr><tr><td>4. 0.20p</td><td>4. 5,000,000</td></tr></table>	Price(s)	Volume(s)	1. 0.20p	1.35,000,000	2. 0.20p	2. 5,000,000	3. 0.20p	3. 5,000,000	4. 0.20p	4. 5,000,000		
Price(s)	Volume(s)													
1. 0.20p	1.35,000,000													
2. 0.20p	2. 5,000,000													
3. 0.20p	3. 5,000,000													
4. 0.20p	4. 5,000,000													
d)	Aggregated information: - Aggregated volume - Price	N/A												
e)	Date of the transaction	14 July 2023, to be completed on 2 August 2023												
f)	Place of the transaction	Outside a trading venue												

## IMPORTANT NOTICES

### **Notice to Distributors**

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended and as this is applied in the United Kingdom (“**MiFID II**”); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II and Regulation (EU) No 600/2014 of the European Parliament, as they form part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended; and (c) local implementing measures (together, the “**MiFID II Product Governance Requirements**”), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any “*manufacturer*” (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Ordinary Shares have been subject to a product approval process, which has determined that such securities are: (i) compatible with an end target market of retail investors who do not need a guaranteed income or capital protection and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the “**Target Market Assessment**”). The Ordinary Shares are not appropriate for a target market of investors whose objectives include no capital loss. Notwithstanding the Target Market Assessment, distributors should note that: the price of the Ordinary Shares may decline and investors could lose all or part of their investment; the Ordinary Shares offer no guaranteed income and no capital protection; and an investment in the Ordinary Shares is compatible only with investors who do not need a guaranteed income or capital projection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Fundraise. Furthermore, it is noted that, notwithstanding the Target Market Assessment, Allenby Capital will only procure investors who meet the criteria of professional clients and eligible counterparties. For the avoidance

of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Ordinary Shares. Each distributor is responsible for undertaking its own target market assessment in respect of the shares and determining appropriate distribution channels.

### ***Forward Looking Statements***

This announcement includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "plans", "anticipates", "targets", "aims", "continues", "expects", "intends", "hopes", "may", "will", "would", "could" or "should" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include matters that are not facts. They appear in a number of places throughout this announcement and include statements regarding the Directors' beliefs or current expectations. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Investors should not place undue reliance on forward-looking statements, which speak only as of the date of this announcement.

### ***Notice to overseas persons***

This announcement does not constitute, or form part of, a prospectus relating to the Company, nor does it constitute or contain any invitation or offer to any person, or any public offer, to subscribe for, purchase or otherwise acquire any shares in the Company or advise persons to do so in any jurisdiction, nor shall it, or any part of it form the basis of or be relied on in connection with any contract or as an inducement to enter into any contract or commitment with the Company.

This announcement is not for release, publication or distribution, in whole or in part, directly or indirectly, in or into Australia, Canada, Japan or the Republic of South Africa or any jurisdiction into which the publication or distribution would be unlawful. This announcement is for information purposes only and does not constitute an offer to sell or issue or the solicitation of an offer to buy or acquire shares in the capital of the Company in Australia, Canada, Japan, New Zealand, the Republic of South Africa or any jurisdiction in which such offer or solicitation would be unlawful or require preparation of any prospectus or other offer documentation or would be unlawful prior to registration, exemption from registration or qualification under the securities laws of any such jurisdiction. Persons into whose possession this announcement comes are required by the Company to inform themselves about, and to observe, such restrictions.

This announcement is not for publication or distribution, directly or indirectly, in or into the United States of America. This announcement is not an offer of securities for sale into the United States. The securities referred to herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States, except pursuant to an applicable exemption from registration. No public offering of securities is being made in the United States.

### ***General***

Neither the content of the Company's website (or any other website) nor the content of any website accessible from hyperlinks on the Company's website (or any other website) or any previous announcement made by the Company is incorporated into, or forms part of, this announcement.

Allenby Capital, which is authorised and regulated by the FCA in the United Kingdom, is acting as Nominated Adviser and Broker to the Company in connection with the Placing. Allenby Capital will not be



responsible to any person other than the Company for providing the protections afforded to clients of Allenby Capital or for providing advice to any other person in connection with the Fundraising or the Retail Offer. Allenby Capital has not authorised the contents of, or any part of, this announcement, and no liability whatsoever is accepted by Allenby Capital for the accuracy of any information or opinions contained in this announcement or for the omission of any material information, save that nothing shall limit the liability of Allenby Capital for its own fraud.

## **ABOUT 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 control trials conducted on anaesthetised patients. As a result, the primary application for ODM is focussed on guiding therapy for patients undergoing elective surgery. The Group's new, next generation monitor makes the use of the ODM technology more intuitive and provides augmented data on the status of each patient.

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, which will be released on the new next generation monitor, will substantially increase the addressable market for the Group's haemodynamic monitoring technologies and is complementary to the long-established ODM evidence base.

Deltex Medical's 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;
- 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 is positioning this new, non-invasive technology for use throughout the hospital. Deltex Medical's 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.

Deltex Medical's 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 the Group's new non-invasive technology.

Both the existing single-use ODM probe and the new, non-invasive device will connect to the same, next generation monitor launched in July 2023. Monitors are sold or, due to hospitals' often protracted procurement times for capital items, loaned in order to encourage faster adoption of the Group's technology.

### **Deltex Medical's customers**

The principal users of Deltex Medical's products are currently anaesthetists working in a hospital's operating theatre and intensivists working in ICUs. This customer profile will change as the Group's new non-invasive technology is adopted by the market. In the UK the Group sells directly to the NHS. In the USA the Group sells directly to a range of hospital systems. The Group also sells through distributors in more than 40 countries in the European Union, Asia and the Americas.

### **Deltex Medical's objective**

To see the adoption of Deltex Medical's 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.

For further information please go to [www.deltexmedical.com](http://www.deltexmedical.com)